

**YORKSHIRE DALES NATIONAL PARK AUTHORITY**

**STATEMENT OF ACCOUNTS**

**2008/2009**

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## EXPLANATORY FOREWORD

### INTRODUCTION

1. The Yorkshire Dales National Park Authority was constituted on 1<sup>st</sup> April 1997 under the Environment Act 1995, and took over the responsibilities previously undertaken by North Yorkshire County Council through its Yorkshire Dales National Park Committee.
2. The Authority's accounts for the year ended 31<sup>st</sup> March 2009 are presented in the format laid down in the "Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice" issued in 2008 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and approved by the Accounting Standards Board.

The Statements included in the accounts are as follows:

- a) **Explanatory Foreword** – the purpose of this is to indicate the most significant matters impacting on the Authority's financial position. In particular it shows the Authority's performance against budget for the financial year and the resources used.
  - b) **Annual Governance Statement** – this sets out the framework for financial control and corporate governance which the Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.
  - c) **Income and Expenditure Account** - which shows the income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services.
  - d) **Statement of Movement on the General Fund Balance** – this includes the adjustments required by statute or non-statutory proper practices to ensure the effective stewardship of public money but which are not compliant with UK Generally Accepted Accounting Practice (GAAP).
  - e) **Statement of Total Recognised Gains and Losses** – this includes gains or losses which do not arise out of the operation of the Authority's activities and includes adjustments relating to the revaluation of assets or actuarial valuation of the pension fund assets and liabilities.
  - f) **Balance Sheet** – this shows the assets and liabilities of the Authority as at the end of the financial year.
  - g) **Cash Flow Statement** – this summarises the revenue and capital cash transactions between the Authority and third parties during the year.
3. These accounts are supported by a Statement of Accounting Policies detailing the basis upon which the accounts have been prepared, estimation techniques used and supplementary notes which provide further information on the figures stated in the accounting statements.
  4. The Authority is an admitted body to the North Yorkshire Pension Fund and the Balance Sheet includes a pension reserve liability of £4.817m as at 31 March 2009. This liability reflects the fair value of future pension liabilities that have been incurred less the assets that have already been set aside to fund them.

The net pension liabilities decrease the overall level of reserves on the Balance Sheet; however, this does not impact on the level of the Authority's cash reserves or on the National Park Grant. In addition, whilst the liability suggests a significant shortfall between the forecast cost of future pension and the current level of assets in the pension fund, these figures are a snapshot in time and the value of the assets fluctuate in value in line with market conditions. The North Yorkshire Pension Fund has a long term investment strategy in place for addressing this issue, based on the level of employer contributions paid into the fund.

## **SUMMARY OF REVENUE SPENDING**

5. The main components of the budget for 2008/09 and a comparison with the actual position are set out below. These figures are prior to the reallocation of corporate costs as required by the Best Value Accounting Code of Practice and charges for the use of assets and as a result reconcile to the annual outturn as reported to the Authority's Finance and Resources Committee in May 2009, as adjusted for items identified after the year end.

**Summary of Revenue Spending 2008/09**

<b>Expenditure</b>	<b>Budget £000's</b>	<b>Outturn £000's</b>	<b>Variance £000's</b>
Conservation of the Natural Environment	673.4	539.0	(134.4)
Conservation of Cultural Heritage	266.9	206.3	(60.6)
Recreation Management	2066.7	1591.6	(475.1)
Promoting Understanding: Information, Interpretation and Education	1285.9	1272.5	(13.4)
Traffic and Transport Management	55.7	44.4	(11.3)
Rangers, Estate Services and Volunteers	398.5	418.2	19.7
Development Control	762.9	724.5	(38.4)
Forward Planning	554.8	360.2	(194.6)
Corporate Management and Administration	1648.1	1537.5	(110.6)
Training and Staff Development	38.0	32.0	(6.0)
Opportunity Fund	162.2	0.0	(162.2)
<b>Total Expenditure</b>	<b>7913.1</b>	<b>6726.2</b>	<b>(1,186.9)</b>
<b>Income</b>			
Conservation of the Natural Environment	8.8	18.3	9.5
Conservation of Cultural Heritage	22.0	46.7	24.7
Recreation Management	1,048.5	770.1	(278.4)
Promoting Understanding: Information, Interpretation and Education	334.4	344.3	9.9
Traffic and Transport Management	0.0	0	0.0
Rangers, Estate Services and Volunteers	3.3	4.2	0.9
Development Control	220.0	339.9	119.9
Forward Planning	36.6	17.9	(18.7)
Corporate Management and Administration	117.0	148.8	31.8
Training and Staff Development	0.0	0	0.0
<b>Total Income</b>	<b>1790.6</b>	<b>1690.2</b>	<b>(100.4)</b>
<b>Net Expenditure</b>	<b>6122.5</b>	<b>5036.0</b>	<b>(1,086.5)</b>
Less Transfer to Reserves	0.0	1086.5	1,086.5
<b>Net Expenditure to be met by NPG</b>	<b>6122.5</b>	<b>6122.5</b>	<b>0.0</b>
<b>Sources of Finance</b>			
National Park Grant	5372.6	5372.6	0.0
Revenue Working Balance	749.9	-336.6	-1086.5
<b>Total</b>	<b>6122.5</b>	<b>5036.0</b>	<b>-1086.5</b>

6. The Authority has reported a net underspend against budget of £1,087k in 2008/09, however, a significant proportion of this was planned as it relates to commitments on ongoing projects that will complete in 2009/10 and future years, and for which it is considered expedient to ensure that budget is allocated (mainly from the general reserves disclosed on the balance sheet) to provide certainty to the continuity of the work. These projects total £763k which means that the net unallocated underspend from the 2008/09 totals £324k, of which £162k relates to the balance that was retained against new spending.

Of the £162k other underspend this can be summarised as follows

Functional Heading	Unallocated Amount	Reasons
Conservation of the Natural Environment	£32k	<ul style="list-style-type: none"> <li>The Parish Wildlife Grants project has been delayed by a year</li> <li>Additional Consultancy income in staffing budgets</li> <li>Woodlands Condition Survey postponed following failure to recruit a specialist.</li> </ul>
Conservation of Cultural Heritage	£52k	<ul style="list-style-type: none"> <li>Staff vacancies and additional income for secondment (total £47k)</li> <li>Other minor variations</li> </ul>
Recreation Management	£-24k	<ul style="list-style-type: none"> <li>Car Park Income below budget offset in part by other savings and minor variations</li> </ul>
Promoting Understanding	£23k	<ul style="list-style-type: none"> <li>Series of minor variations</li> </ul>
Traffic & Transport	£11k	<ul style="list-style-type: none"> <li>Savings on staff costs following internal secondment for part of the year</li> </ul>
Rangers & Volunteers	£-18	<ul style="list-style-type: none"> <li>Inability to achieve the vacancy factor in staffing costs</li> <li>Overspend on volunteers budget</li> </ul>
Planning	£19k	<ul style="list-style-type: none"> <li>Miscellaneous underspends on general expenses</li> </ul>
Forward Planning	£51k	<ul style="list-style-type: none"> <li>Savings on staff budgets</li> <li>Delays in LDF expenditure now in 09/10 budget</li> </ul>
Corporate Management	£10k	<ul style="list-style-type: none"> <li>Net Investment Income in excess of budget</li> </ul>
Training	£6k	<ul style="list-style-type: none"> <li>Underspend across departmental training budgets</li> </ul>
<b>Total</b>	<b>£162k</b>	

7. The Authority receives income from a wide variety of sources; the key sources in 2008/09 were:
- Department of the Environment Food and Rural Affairs (DEFRA) - £5,173k for core activities
  - Department of the Environment Food and Rural Affairs (DEFRA) - £200k for Sustainable Development Fund Projects within the National Park.
  - Other Specific Grants Received totalled £465k
  - Sales, Fees and Charges Income totalled £1,225k

Overall Income was £100k below the budgeted figure but this is the net result of delays in grant funded projects (totalling £106k which results in a corresponding underspend on expenditure), parking and retail income below budget (£40k total) and investment income over budget (£35k), and other minor variations over budget (£7k net).

8. The most significant items of expenditure incurred by the Authority are employee and employees related spend. At 31<sup>st</sup> March 2009 the Authority employed 123 full time equivalent staff and staff related expenditure in 2008/09 was £3764k.
9. In 2008/09 the Authority spent £44.9k on capital expenditure comprising of £41.7k on IT related expenditure and £3.2k on other equipment.

The expenditure was funded as follows:

Type of Finance	£000's	%
Direct Revenue Funding	15.9	55%
Capital Receipts	29.0	65%
<b>Total</b>	<b>44.9</b>	<b>100.0</b>

10. The Authority is committed to reducing the Carbon Emissions from its operations and has made the following commitments:
  - Reporting against the National Indicator (NI185): CO<sub>2</sub> Reduction from Local Authority Operations
  - Reduction of CO<sub>2</sub> Emissions from Buildings by 5% by 2010 (North Yorkshire Local Area Agreement target)
  - Commitment to being 'carbon neutral' by 2012 as part of the English National Park Authorities Association (ENPAA) concordat
  - Commitment to the Nottingham Declaration on Climate Change

The table below summarises the progress to date against the 2006/07 base year on Combined Total Emissions

**Combined Total Emissions:**

	CO <sub>2</sub> Emissions (Kg)	% Change
2006/07	597,628	-
2007/08	549,643	8.0% reduction
2008/09	555,855	1.1% increase
2008/09	565,059 <sup>1</sup>	-

<sup>1</sup> Public transport included (rail & air). This will be the figure reported under NI 185. 2008/09 is the first year that public transport data has been collected, so there is no comparison to be made.

The Authority already has some actions in place in 2009/10 which will see a reduction in CO<sub>2</sub> emissions.

11. Revenue Working Balance: The Authority seeks to maintain a permanent balance sheet reserve as a contingency against unexpected events, in line with advice from the Audit Commission. At present, the Authority has set a target objective for the level of this contingency reserve at 5% of the DEFRA Core Grant.

The Authority transfers any unallocated surpluses on its projects or programmes during the year to its Opportunities Fund, which is used during the year to fund additional project or programme costs or to provide a source of matched funding for new externally-funded projects.

### **CHANGES IN ACCOUNTING POLICIES AND PRESENTATION OF THE ACCOUNTS**

12. The policies are set out formally in the Statement of Accounting Policies on page 16. The policies adopted in 2008/09 are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice 2008.

**J S MOORE**  
**TREASURER TO THE YORKSHIRE DALES NATIONAL PARK AUTHORITY**

Finance and Central Services  
County Hall  
Northallerton

## **Annual Governance Statement**

### **Scope of Responsibility**

The Yorkshire Dales National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this duty, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. These include arrangements for the management of risk.

The Authority has adopted a Corporate Governance Policy and a set of principles which are consistent with the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the policy is available on our website at <http://www.yorkshiredales.org.uk> (within the 'plans and policies' document library), or can be obtained from: The Monitoring Officer, Yorkshire Dales National Park Authority, Yoredale, Bainbridge, Leyburn, North Yorkshire DL8 3EL. The following statement explains how the Authority has complied with the policy and principles, and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a Statement on Internal Control.

### **The Purpose of the governance framework**

The governance framework comprises the systems, processes, culture and values, by which the Authority is managed and controlled and the activities through which it accounts to, engages with and leads its stakeholders. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level, not to provide absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to: identify and prioritise the risks to the achievement of the Authority's policies aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage those risks efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2009 and up to the date of approval of the Accounts.

## The governance framework

The Authority's Corporate Governance Framework seeks to ensure that the principles of good governance are embedded into all aspects of its work. This has been achieved by the adoption of a Corporate Governance Policy which aims to implement the core values of the Authority. The policy states that all Members of the Authority share responsibility for governance arrangements and requires the Monitoring Officer to review governance arrangements and to report annually to the Audit and Review Committee on the findings of that review.

The key aspects of the corporate governance framework include:

- (a) The Authority publishes its objectives and commitment to the achievement of statutory purposes in a number of plans; the key plan is the National Park Management Plan (NPMP) which establishes the five year vision of the Authority.
- (b) The Corporate Plan translates the NPMP into service-specific objectives, with targets, performance indicators and financial plans. This is revised and published annually and forms an integral part of the Performance Management regime.
- (c) The Medium Term Financial Strategy for the next three years is established by the Authority's Budget Process, which is developed in accordance with the Priorities approved by the Authority.
- (d) A Local Code of Corporate Governance is maintained, to compare the Authority's actual governance arrangements against the governance principles it has adopted.
- (e) The Authority's Standing Orders, Financial Regulations and other procedures describe the decision - making process and operation of the Authority. These establish the transparency, accountability, efficiency and effectiveness of the operation of the Authority. These are supplemented by the:
  - Scheme of Delegation
  - Members Code of Conduct
  - Policies and Procedures
- (f) The Financial Management of the Authority is embedded in the budget setting and budget monitoring systems which are applied consistently across all departments.
- (g) Performance Management is applied consistently to the operations of the organisation and includes the national performance review process - *National Park Authority Performance Assessment (NPAPA)*.
- (h) Risk Management procedures include an annual Risk Prioritisation Exercise which is reported to the Audit and Review Committee. The Authority also maintains a Health and Safety Working Group to manage the particular risks in that area.
- (i) The Internal Audit Service provides an independent review of compliance with all of the above on a regular basis.

The main independent sources of assurance on the operation of the Corporate Governance Framework are the work of the Authority's Internal and External Auditors, whose work complements that of other review bodies, for example the National Park Authority Performance Assessment peer review group. Although the last National Park Authority Performance Assessment was undertaken in 2005 a significant amount of work has been undertaken to update the process which will be introduced on a rolling programme in 2009.

## Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's reports on the audits conducted throughout the year, and also by comments made by the external auditors and other review agencies and inspectorates.

The process by which this review is undertaken is continual throughout the year and results in bi - annual reports by the Monitoring Officer to Senior Management Team and an annual report to the Audit & Review Committee. These reports are used to inform the Annual Governance Statement, which is prepared by the Chief Executive, the Monitoring Officer and the Head of Finance and Resources who consult with the following key members

- The Chair of the Authority
- The Chair of the Standards Committee
- The Member Champion for Corporate Management.

The review of effectiveness for the Financial Year identified the following key areas of work undertaken in 2008/09:

- The Authority adopted a Corporate Plan following the removal of the statutory requirement to produce a Best Value Performance Plan.
- The Authority adopted new procedures for the local assessment, investigation and determination of complaints against Members in line with new legislation. These procedures were adopted following a detailed review undertaken by the Standards Committee.
- The Authority adopted revised guidance for members in relation to gifts and hospitality following a review by the Standards Committee.
- The Authority conducted a review of the operation of the Member Champion Initiative and improved the communication processes.
- The Authority adopted an IT Strategy
- The Authority adopted a Code of Good Practice on Planning.
- The Authority adopted a revised Confidential Reporting Policy.
- The Authority adopted a new External Funding Strategy.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Senior Management Team and the Audit and Review Committee, and a plan to address weaknesses to ensure continuous improvement of the systems is in place.

## Significant Internal Control Issues

The review of effectiveness identified the following areas to be addressed in 2009/10;

- The Authority needs to determine whether Performance Appraisal should apply to all Authority Members
- Work should be undertaken to update the documentation on the roles and responsibilities of Members

- The Authority will continue to work on documenting the relationships within key partnerships
- The Authority will finalise the work on a Communication Strategy taking into consideration the Local Government and Public Involvement in Health Act 2007
- The Authority will review its approach to commissioning and the purchasing of goods and services
- The Authority will monitor and report on the progress made in delivering its Disability Equality Action Plan.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

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Chairman

.....

Chief Executive

On behalf of the Yorkshire Dales National Park Authority.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKSHIRE DALES NATIONAL PARK AUTHORITY**

### **Opinion on the accounting statements**

We have audited the accounting statements of Yorkshire Dales National Park Authority Park for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement, Statement of Accounting Policies and the related notes 1 to 25. The accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Yorkshire Dales National Park Authority as a body, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. Our audit work has been undertaken so that we might state to the Authority those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Chief Financial Officer and the independent auditors**

The Chief Financial Officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority and of its income and expenditure for the year.

We review whether the Governance Statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. We report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the Governance Statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

We read other information published with the accounting statements and related notes as described in the contents section, and consider whether it is consistent with the audited accounting statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounting statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounting statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounting statements.

**Opinion**

In our opinion the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

**Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources****Authority's Responsibilities**

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements.

**Auditors' Responsibilities**

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. We report if significant matters have come to our attention which prevent us from concluding that the Authority has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Conclusion**

We have undertaken our audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, we are satisfied that, in all significant respects, Yorkshire Dales National Park Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2009.

**Certificate**

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

**Chris Powell (Engagement Lead)**

**For and on behalf of Deloitte LLP**

Appointed Auditor

Leeds, England

September 2009

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the Authority but no control procedures can provide absolute assurance in this area.

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority is required:

- a) 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. For the Authority, that officer is the Treasurer.
- b) To manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets.

The Treasurer is responsible for the preparation of the Authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice ("the Code"), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31<sup>st</sup> March 2009.

In preparing the statement of accounts, the Treasurer has:

- a) Selected suitable accounting policies and applied them consistently;
- b) Made judgements and estimates that were reasonable and prudent;
- c) Complied with the Code

The Treasurer has also:

- a) Kept proper accounting records that were up to date
- b) Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### CERTIFICATE OF THE TREASURER

I certify that the accounts set out on pages 21 to 37 present fairly the financial position of the Yorkshire Dales National Park Authority as at 31<sup>st</sup> March 2009.

J S Moore  
Treasurer to the Yorkshire Dales National Park Authority  
Finance and Central Services  
County Hall  
Northallerton

## STATEMENT OF ACCOUNTING POLICIES

### 1. General

The Statement of Accounts summarises the Authority's transactions for the 2008/09 financial year and its position at the year end of 31 March 2009. It has been prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice 2008" (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

### 2. Changes in Accounting Policy

Changes to the 2008 SORP mean that the actuarial valuation of quoted securities in the Local Government Pension Scheme disclosures has been changed from 'mid-market' price to 'bid' price. The impact of this change in accounting policy (Accounting Policy 12) means that the 2007/08 comparative figures have been amended.

### 3. Fixed Assets

All expenditure on the acquisition, creation and enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure is capitalised, provided that the fixed asset concerned yields benefits to the Authority for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged direct to the revenue accounts.

Fixed Assets are valued on the basis required by CIPFA in accordance with the Statements of Asset Valuation Principles and Guidance notes issued by The Royal Institution of Chartered Surveyors (RICS). Mr Roger Barnsley FRICS, from Bruton Knowles, valued the land and buildings as at 31 March 2009. To comply with capital accounting purposes, this valuation gave a separate valuation for the land and building elements.

Fixed Assets are classified into the groupings required by the 2008 Code of Practice on Local Authority Accounting.

- Land, operational properties and other operational assets are included in the balance sheet at the lower of the net current replacement cost or net realisable value in their existing use, net of depreciation.

Assets included in the Balance Sheet at current value are revalued where there have been any material changes in the value, 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 Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to the revenue account.

The Revaluation Reserve will contain gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

On an annual basis all assets are reviewed for evidence of impairment (a decline in their realisable value due to specific events) by the suitably qualified property professionals in line with the guidance in FRS11 Impairments of Fixed Assets and Goodwill. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for as follows:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the Income and Expenditure Account
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Income and Expenditure Account.

Where an impairment loss is charged to the Income and Expenditure Account but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

#### 4. Depreciation

Depreciation is provided for on all assets with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- In accordance with the Best Value Accounting Code of Practice all buildings (but not the land on which they stand) are depreciated over their remaining useful lives. Buildings are therefore depreciated over 50 years.
- Vehicles, plant, furniture and equipment are depreciated over a number of years depending on the nature of the asset.

Remaining useful lives are periodically reviewed and the charge to revenue adjusted if appropriate.

Depreciation is calculated using the straight line method with no residual value. 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 historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

#### 5. Disposal of Fixed Assets

As required by the “Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice 2008” the calculation of a gain or loss on disposal of a Fixed Asset will be recognised in the Income and Expenditure Account. Any revaluation gains in the Revaluation Reserve will be transferred to the Capital Adjustment Account. Amounts in excess of £10,000 are categorised as capital receipts and the balance credited to the Useable Capital Receipts Reserve, and will only be used to finance new capital investment or set aside to reduce the Authority’s underlying need to borrow. Receipts are appropriated to the Reserve from the Statement of Movement on the General Fund Balance.

#### 6. Charges to Revenue

The Authority has not financed capital by borrowing and as a result there is no actual interest charged to revenue.

**7. Debtors and Creditors**

The revenue and capital accounts of the Authority are, in general, maintained on an accruals basis in accordance with FRS18. The accounts reflect sums due to or incurred by the Authority during the year whether or not the amount has actually been received or paid in the year. Appropriate provision has been made, therefore, for creditors and debtors as at 31<sup>st</sup> March 2009.

Exceptionally, metered energy and telephone charges and other periodic payments for establishments are charged when due during the financial year rather than being apportioned between financial years. This policy is applied each year and does not therefore have a material effect on the year's accounts, which reflect 12 months' expenditure.

**8. Grants**

Revenue grants are accrued and credited to income in the same period in which related expenditure is charged.

Where the acquisition of a fixed asset is financed either wholly or in part by government grant or other contribution, the amount of the grant is credited initially to the Capital Grants Deferred Account and this is released to the Income and Expenditure Account over the estimated economic life of the asset. As with depreciation, this is then removed from the Statement of Movement on the General Fund Balance so that it has no effect on the spending of National Park Grant.

Government grants and other contributions are accounted for on an accruals basis and recognised in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant will be received.

**9. Stock**

Stocks have been included in the accounts at cost price. Obsolete and slow moving items are written-off during the year and netted off against the value of stock shown in the Balance Sheet. This treatment differs from the requirements of SSAP 9 Stocks and Long Term Contracts, which requires stocks to be shown at the lower of cost or net realisable value. It is considered that this difference in treatment does not have a material effect on the accounts.

**10. Allocation of Support Service Costs**

The cost of Support Services such as Finance, Information Technology, Personnel, Secretariat and general office administration are recharged to the appropriate functional headings. This is on the basis of various recharge calculations related to the support expenditure being allocated.

**11. Reserves**

The Revaluation Account was established with a balance of zero as at 1<sup>st</sup> April 2007 in line with the SORP. This reserve has been used solely to account for changes in asset values (either upwards or downwards) following revaluation after the 1<sup>st</sup> April 2007. The Capital Adjustment Account represents amounts set aside from revenue resources to finance expenditure on fixed assets and certain other capital transactions. These reserves are 'non-cash' reserves.

**12. Pensions**

The pension liabilities of the Authority are accounted for using FRS 17 principles. Employees, subject to certain qualifying criteria, are eligible to join the North Yorkshire Local Government Pension Scheme, administered by North Yorkshire County Council, which provides members with defined benefits related to pay and service.

In line with the accounting policies outlined in the 2008 Statement of Recommended Practice (SORP), the Authority has complied with the requirements of FRS 17 – Retirement Benefits and in particular:

- The assets are measured at fair value;
- The attributable liabilities of the scheme are measured on an actuarial basis;
- The scheme liabilities are discounted at a rate that reflects the time value of money and the characteristics of the liability;
- The deficit in the scheme is the shortfall of the value of assets over the present value of liabilities;
- The current service cost is based on the most recent actuarial valuation at the beginning of the period;
- The interest cost is based in the discount rate and present value of liabilities at the beginning of the period;
- Actuarial gains and losses may arise from a new valuation or updates to the latest valuation;
- Past service costs are disclosed on a straight-line basis over the period the increased benefits vest;
- Gains/losses arising on settlement or curtailment are measured at the date all parties become irrevocably committed to the transaction.
- Quoted securities and unitised securities are measured at current bid-price, unquoted securities are measured using professional estimate.

**13. Presentation of Accounting Statements**

The accounts are presented in the format required by the Best Value Accounting Code of Practice, in accordance with the Service Expenditure Analysis developed specifically for National Park Authorities.

**14. Provisions**

Provision has been made in the Income and Expenditure Account for liabilities that have been incurred, but for which the amounts or dates on which they will arise are uncertain. Provisions are required to be recognised when the Authority has a present obligation as a result of a past event which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made the amount of the obligation. When expenditure is incurred to which the provision relates, it is charged directly against the provision in the balance sheet and not to the income and expenditure account.

**15. Treasury Management**

The Authority has an arrangement with North Yorkshire County Council whereby the balance of the Authority's bank account is merged each day with the balances of the County Council and several other organisations. These balances are then invested by North Yorkshire County Council and interest is paid to the Authority based on the actual overall rate achieved.

**16. Leases**

The Authority has entered into leasing arrangements that are defined by the Statement of Standard Accounting Practice (SSAP) 21 'Leases and Hire Purchase Contracts' as operating leases. This is confirmed by the 'substance over form' tests required by FRS 5 'Accounting for the Substance of Transactions'. In these cases the rentals payable are charged to the income and expenditure account on a straight line basis over the lease term.

The Authority has not entered into any finance leases and if it were to then the provisions set out under SSAP 21 and FRS 5 would be followed.

**Income and Expenditure Account for the Year Ended 31st March 2009**

2007/08 Net Expenditure £000 Restated	Heading	Gross Expenditure £000	2008/09 Income £000	Net Expenditure £000
571.2	Conservation of the Natural Environment	619.5	(18.3)	601.2
247.4	Conservation of Cultural Heritage	247.2	(46.7)	200.5
1,134.6	Recreation Management and Transport	1962.2	(770.1)	1192.1
1,184.6	Promoting Understanding	1491.8	(343.5)	1148.3
519.5	Rangers, Estate Services and Volunteers	502.9	(4.2)	498.7
494.0	Development Control	887.6	(339.9)	547.7
186.0	Forward Planning	399.6	(217.9)	181.7
628.1	Corporate and Democratic Core	294.7	(8.8)	285.9
(140.0)	Non Distributed Costs	0.0	0.0	0.0
<b>4,825.4</b>	<b>Net Cost of Services</b>	<b>6,405.5</b>	<b>(1,749.4)</b>	<b>4,656.1</b>
0.0	Net Gain on disposals of Fixed Assets			0.0
(137.2)	Interest and Investment Income			(140.0)
80.0	Pension Interest Cost and Expected Return on Pension Assets (Note 10)			213.0
<b>4,768.2</b>	<b>Net Operating Expenditure</b>			<b>4,729.1</b>
(4,950.8)	National Park Grant			(5,172.6)
0.0	Local Authority Levies			0.0
<b>(182.6)</b>	<b>Net Surplus for Year</b>			<b>(443.5)</b>

**Statement of Movement on the General Fund Balance**

2007/08 £000		2008/09 £000
(182.6)	Surplus for the year on the Income and Expenditure Account	(443.5)
(372.0)	Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year (Note 7)	(4.1)
(554.6)	Increase in General Fund Balance for the Year	(447.6)
(434.6)	General Fund Balance brought forward	(989.2)
(989.2)	General Fund Balance carried forward	(1,436.8)
<b>(989.2)</b>	Amount of General Fund Balance generally available for new expenditure (Note 20)	<b>(1,436.8)</b>

**Statement of Total Recognised Gains and Losses**

<b>2007/08</b>	<b>2008/09</b>
<b>£000</b>	<b>£000</b>
(184.0) Surplus for the year on the Income and Expenditure Account	455.4
0.0 Surplus arising on revaluation of Fixed assets	343.5
841.0 Actuarial losses/(gains) on pension fund assets and liabilities (Note11)	(261.0)
<hr/> <b>657.0</b>	<hr/> <b>537.9</b>

**BALANCE SHEET AS AT 31ST MARCH 2009**

31st March 2008 £000		£000	31st March 2009 £000
	<b>FIXED ASSETS (Note 8)</b>		
7,196.3	Land and Buildings - Operational	7,288.7	
<u>179.3</u>	Vehicles, Plant, Furniture and Equipment	<u>127.8</u>	
7,375.6			7,416.5
	<b>CURRENT ASSETS</b>		
131.0	Stock (Note 11)	135.0	
399.2	Debtors (Note 12)	221.1	
1.5	Cash with Officers	1.5	
<u>1,624.7</u>	Cash (Note 13)	<u>2,053.7</u>	
2,156.4			2,411.3
	<b>CURRENT LIABILITIES</b>		
<u>(897.1)</u>	Creditors (Note 14)	<u>(593.2)</u>	
(897.1)			(593.2)
8,634.9	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,234.6
(1,227.6)	Capital Grants Deferred (Note 16)		(925.7)
(242.1)	Provisions (Note 15)		(382.4)
<u>(4,462.0)</u>	Pension Liability (Note 10)		<u>(4,817.0)</u>
<b><u>2,703.2</u></b>	<b>TOTAL ASSETS LESS LIABILITIES</b>		<b><u>3,109.5</u></b>
0.0	Revaluation Reserve (Note 17)		223.8
6,147.0	Capital Adjustment Account (Note 18)		6,265.9
(4,462.0)	Pension Reserve (Note 10)		(4,817.0)
29.0	Useable Capital Receipts (Note 19)		0.0
989.2	General Fund Balance (Note 20)		1,436.8
<b><u>2,703.2</u></b>	<b>TOTAL EQUITY</b>		<b><u>3,109.5</u></b>

I confirm that these accounts were approved by the Yorkshire Dales National Park Authority on 26 May 2009

Signed on behalf of the Yorkshire Dales National Park Authority

Date: .....

.....  
Chair of the Authority

**Cash Flow Statement - Year Ended 31st March 2009**

<b>2007/08</b> <b>£000</b>	<b>2008/09</b> <b>£000</b>
<b><u>Revenue Activities</u></b>	
<b>Cash Outflows</b>	
(3,709) Cash paid to and behalf of employees	(3,930)
<u>(2,834)</u> Other Operating Cash Payments	<u>(2,778)</u>
(6,543)	(6,708)
<b>Cash Inflows</b>	
5,151 National Park Grant	5,373
609 Other Revenue Grants	505
<u>1,255</u> Cash for Goods and Services	<u>1,158</u>
7,015	7,036
<u>472</u> <b>Net Cash Inflow from Revenue Activities</b>	<u>328</u>
<b><u>Returns on Investments and Servicing of Finance</u></b>	
<b>Cash Inflows</b>	
<u>131</u> Interest Received	<u>154</u>
131 <b>Net Cash Inflow from Servicing of Finance</b>	154
<b><u>Capital Activities</u></b>	
<b>Cash Outflows</b>	
(175) Purchase of Fixed Assets	(53)
<b>Cash Inflows</b>	
0 Sale of Fixed Assets	0
0 Capital Grants	0
<u>(175)</u> <b>Net Cash Outflow from Capital Activities</b>	<u>(53)</u>
<u>428</u> <b>Net Cash Inflow before financing</b>	<u>429</u>
<u><u>428</u></u> <b>Net Increase in Cash</b>	<u><u>429</u></u>

## Notes to the Core Financial Statements

### 1. Agency Services

The Authority has contracts with North Yorkshire County Council to provide personnel, IT, Treasurer, legal and other services. Charges for those services in 2008/09 amounted to £34.9k (£30.8k in 2007/08).

### 2. Accounting for Publicity

Section 5 of the Local Government Act 1986 requires the Authority to identify special areas if expenditure on publicity.

	2008/09 £000	2007/08 £000
Staff Recruitment Advertising	30.3	24.5
Other Publicity and Advertising	53.6	47.1
	83.9	71.6

### 3. Members Allowances

The total amount of members allowances paid during the year was £73.9k (£69.8k in 2007/08).

### 4. Disclosure of Remuneration

The Local Government Accounts and Audit Regulations 2003 require that the Authority discloses the number of employees whose remuneration falls in each bracket of a scale in multiples of £10,000 starting with £50,000. The definition of remuneration includes gross pay and certain expense allowances.

	2008/09 Number	2007/08 Number
£50,000 - £59,999	1	0
£60,000 - £69,999	0	1
£70,000-£79,999	1	0
£80,000+	0	0

### 5. Related Party Transactions

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority; the bodies identified are:

**Central Government** has effective control over the general operation of the Authority. It is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding and prescribes the terms of many of its transactions with other parties.

**Members of the Authority** have direct control over the Authority's financial and operating policies. The Register of Members' Interests (which the Authority is required to maintain, in accordance with the National Park Authority Members Code of Conduct)

and any disclosures of direct or indirect pecuniary interests made in accordance with section 94 of the Local Government Act 1972, were examined.

No evidence was found of any material related party transactions occurring in respect of Members of the Authority in 2008/09. Many of the Authority's members are also members of parish, district and county councils and other organisations whose activities may or may be seen to affect those of the Authority. A number of members are trustees of the Yorkshire Dales Millennium Trust and Hudson House Limited with which the Authority has close working relationships.

**Officers** have day to day control of the running of the Authority's affairs. No material related party transactions have occurred with officers in 2008/09. It should be noted that the Treasurer (Section 151 Officer) of the Yorkshire Dales National Park Authority is also the Section 151 Officer for North Yorkshire County Council and various other organisations.

During the year the following material transactions with related parties arose which are not disclosed elsewhere in the Statement of Accounts:

	Receipts £000	Payments £000	O/S Creditors 31-Mar-09
Various outside bodies			
Sustainable Development Fund Grants		57.0	217.5
Other Grants made to outside bodies		142.0	17.0
Cont to the Yorkshire Dales Millennium Trust Operating Costs		65.0	45.0
Central Government			
Sustainable Development Fund Grants (Defra)	200.0		200.0
Planning Delivery Grant	72.0		

## 6. Audit Fees

In 2008/09 the Authority incurred the following fees in relation to external audit and inspection:

	2008/09 £000	2007/08 £000
Fees payable to Deloitte LLP for external audit services carried out by the appointed auditor	19.5	19.3
Fees payable to the Deloitte LLP for the certification of grant claims	1.2	0.0
	<u>20.7</u>	<u>19.3</u>

## 7. Movement on the General Fund Balance for the Year

The following table shows the breakdown of the amounts to be debited or credited to the General Fund in accordance with statute or non- statutory proper practices which is then entered into the movement of the General Fund balance:

<b><u>Note Reconciling items for the Statement of Movement on the General Fund Balance</u></b>	
<b>2007/08 £000</b>	<b>2008/09 £000</b>
<b>Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year</b>	
(496.0) Depreciation and Impairment of Fixed Assets (Note 8)	(227.9)
262.9 Government Grants Deferred amortisation (Note 16)	301.9
0.0 Net Gain on sale of Fixed Assets	0.0
Net Charges made for retirement benefits in accordance with FRS 17 (Note 10)	(708.0)
(695.0)	(708.0)
(928.1)	(634.0)
<b>Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the Movement on the General Fund Balance for the year</b>	
8.0 Capital Expenditure charged in-year to the General Fund	15.9
Employers contributions payable to the North Yorkshire Pension Fund and retirement benefits payable direct to pensioners (Note 10)	614.0
548.0	614.0
556.0	629.9
<b>Net additional amount required to be credited to the General Fund balance for the year.</b>	<b>(4.1)</b>

## 8. Capital Expenditure and Disposal of Fixed Assets

The treatment of Fixed Assets in the Accounts is covered in the Statement of Accounting Policies.

### (a) Movements in Fixed Assets during the year were as follows:-

	Land and Buildings Operational	Vehicles Plant and Equipment	Total
	£000	£000	£000
Value as at 1 April 2008	7,196.3	179.3	7,375.6
Additions in Year	0.0	44.9	44.9
Disposals in Year	0.0	0.0	0.0
Revaluations in Year	223.9	0.0	223.9
Gross Value as at 31 March 2009	<u>7,420.2</u>	<u>224.2</u>	<u>7,644.4</u>
Depreciation for Year	(131.5)	(96.4)	(227.9)
Net Value as at 31 March 2009	<u>7,288.7</u>	<u>127.8</u>	<u>7,416.5</u>

Land and Buildings were revalued as at 31 March 2009 by Roger Barnsley of Bruton Knowles. This revaluation followed CIPFA requirements and was incorporated into the Statement of Final Accounts in 2008/09.

Following the conventions of the Best Value Code of Practice, buildings (but not the land they stand on) have been depreciated over their estimated useful lives of 50 years.

### (b) Financing of Fixed Assets

The capital expenditure on Fixed Assets of £44.9k was financed as follows:

	£000
Capital Receipts	29.0
Revenue	15.9
	<u>44.9</u>

**(c) Major Capital Schemes**

Major Capital Schemes were:

	<b>£000</b>
IT Improvements	41.7
	<u>41.7</u>

**(d) Analysis of Fixed Assets**

The list below gives an indication of the significant fixed assets of the Authority:

**Analysis of Fixed Assets as at 31 March 2009**

	<b>Number</b>
<b><u>Buildings</u></b>	
National Park Centres	4
Other Operational Buildings	1
Public Conveniences	12
Administrative Buildings	<u>2</u>
	<u>19</u>

**9. Leases**

The Authority uses vehicles, car parking machines and photocopiers financed under the terms of operating leases. The amount paid under these arrangements in 2008/09 was £70k.

As at the 31 March the Authority was committed to making payments under operating leases in 2009/10 comprising of the following elements:

	<b>Vehicles, Plant &amp; Equipment £000</b>
Leases expiring within next 12 months	3.7
Leases expiring between one and five years	<u>138.8</u>
	<u>142.5</u>

**10. Pension Arrangements**

As part of the terms and conditions of employment, the Authority offers retirement benefits to its employees. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments and these need to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the North Yorkshire Pension Fund.

In accordance with FRS 17 – Retirement Benefits, the Authority is required to disclose certain information concerning assets, liabilities, income and expenditure related to the pension fund for its employees.

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The expenditure figures reported in the Income and Expenditure Account have been adjusted to comply with FRS 17 and the past service element of this adjustment is shown in the Non Distributed Costs line; in 2007/08 this figure was minus £140k and nil in 2008/09, the current service element (£495k) of the adjustment is shown under the service headings pro-rata to salary costs.

However, the charge the Authority is required to make against National Park Grant is based on the cash payable in year, so the real cost of retirement is reversed out of the income and expenditure account in the Statement of Movement in the General Fund balance.

Therefore, although the overall amount to be met by National Park Grant remains unchanged, the cost disclosed for individual services are £119k lower after the replacement of employers contributions.

The following transactions have been made in the Income and Expenditure Account:

<b>Income and Expenditure Account</b>	
<b>2007/08</b>	<b>2008/09</b>
<b>£000</b>	<b>£000</b>
<b>Net Cost of Services</b>	
(475.0) Current Service Cost	(495.0)
(140.0) Past Service Costs	0.0
<b>Net Operating Expenditure</b>	
(662.0) Interest Cost	(810.0)
582.0 Expected return on Assets in the Scheme	597.0
<u>(695.0)</u>	<u>(708.0)</u>

The following transactions have been made in the Statement of Movement in the General Fund Balance:

<b>Statement of Movement on the General Fund Balance</b>	
<b>2007/08</b>	<b>2008/09</b>
<b>£000</b>	<b>£000</b>
(695.0) Reversal of net charges made for retirement benefits in accordance with FRS 17	(708.0)
548.0 Actual amount charged against the General Fund Balance for pensions in the year	614.0
<u>(147.0)</u>	<u>(94.0)</u>

The liabilities show the underlying commitments that the Authority has in the long term to pay retirement benefits. The total liability of £4.817m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet and the table below summarises the Authority's share of the assets and liabilities of the scheme:

	31 Mar 09 £000	31 Mar 08 £000
Estimated Share of the Assets in the Scheme	5,972.0	8,634.0
Estimated Share of the Liabilities in the Scheme	<u>(10,789.0)</u>	<u>(13,096.0)</u>
<b>Net Asset/(Liability)</b>	<b><u>(4,817.0)</u></b>	<b><u>(4,462.0)</u></b>

<u>North Yorkshire Pension Fund</u>	31 Mar 09 £000	31 Mar 09 £000	31 Mar 08 £000
	Unfunded Benefits	All Benefits	
<b>Benefit Obligation at beginning of period</b>	17	13,096.0	12,011.0
Current Service Cost	0	495.0	475.0
Interest on Pension Liabilities	1	810.0	662.0
Member Contributions	0	186.0	168.0
Past Service Cost			140.0
Actuarial Gains on Liabilities	-2	(3,487.0)	(223.0)
Benefits/transfers paid	-1	(311.0)	(137.0)
	<u>15.0</u>	<u>10,789.0</u>	<u>13,096.0</u>
<b>Change in Plan Assets during period to 31 Mar 09</b>			
Fair Value of plan assets at beginning of the period			
Expected return on plan assets		8,634.0	8,537.0
Actuarial Losses on assets		597.0	582.0
Employer Contributions	1	-3748	-1064
Member Contributions		614.0	548.0
Benefits/transfers paid	-1	186.0	168.0
		<u>(311.0)</u>	<u>(137.0)</u>
Fair Value of the plan assets at the end of period	<u>0.0</u>	<u>5,972.0</u>	<u>8,634.0</u>
Deficit	<u>15.0</u>	<u>4817.0</u>	<u>4462.0</u>

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pension that will be payable in future years dependent on assumptions about mortality rates, salary levels and so on. The liabilities have been assessed by Mercers, an independent firm of actuaries, and the main assumptions used in their calculations have been:

## APPENDIX

	31 March 2009	31 March 2008
	%	%
Rate of Inflation	3.30	3.60
Rate of Increase in salaries	5.05	5.35
Rate of increase in pensions	3.30	3.60
Rate for discounting scheme liabilities	7.10	6.10

Assets in the Pension Fund are valued at fair value, principally market value for investments, totalling £5.972m at 31<sup>st</sup> March 2009 (£8.634m at 31<sup>st</sup> March 2008), and consist of the categories in the paragraph below, by proportion of the total assets held in the fund. In 2009 the valuation of quoted securities has been changed to 'bid' price from 'mid-market' price and this change in accounting policy has resulted in the adjustment of the value of the assets as at the 31 March 2008 in order to ensure comparability.

The underlying assets and liabilities for retirement benefits attributable to the Authority at 31 March 2009 are as follows:

	Long term expected rate of return	Proportion 31 March 2009	Proportion 31 March 2008
	%	%	%
Equities	7.5	74.8	72.9
Government Bonds	4.0	8.5	4.4
Other Bonds	6.0	11.2	17.4
Property	6.5	0.0	0.0
Cash/Liquidity	0.5	4.4	1.4
Other	7.5	1.1	3.9
		<u>100.0</u>	<u>100.0</u>

The Actuarial losses identified as movements on the Pensions Reserve in 2008/09 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31<sup>st</sup> March 2009, with comparative data for the previous four financial years:

	2008/09		2007/08		2006/07		2005/06		2004/05	
	£000	%	£000	%	£000	%	£000	%	£000	%
Actuarial Gains and (Losses)	<u>(261)</u>	2.4	<u>(841)</u>	6.4	<u>830</u>	6.9	<u>(417)</u>	(3.6)	<u>(1,785)</u>	(18.7)

**11. Stock**

The movement in stock recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
Stock for Resale	121.4	116.4
Footpath Maintenance Stock	<u>13.6</u>	<u>14.6</u>
	<u>135.0</u>	<u>131.0</u>

**12. Debtors**

The debtors recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
General Debtors	120.7	315.5
Government Departments	36.2	44.4
Prepayments	<u>64.2</u>	<u>39.3</u>
	<u>221.1</u>	<u>399.2</u>

The Authority has no long term debtors or borrowings that would be classified as Financial Instruments and require separate disclosure.

**13. Financial Instruments****Financial Assets: Cash, loans and receivables**

The Authority cash balance includes cash held with North Yorkshire County Council (NYCC), as well as cash held in a bank account in the name of the Authority. Cash held by the Authority is swept over to the account held by NYCC each evening and money in this account is available to the Authority within one day.

The cash held by NYCC meets the definition of cash under the requirements of FRS1 and is disclosed as such in these accounts.

NYCC provides a treasury management service to the Authority.

The Authority has adopted CIPFA's Treasury Management in the Public Services: Code of Practice. All investments made on our behalf by NYCC are made in accordance with the treasury management indicators set by NYCC to control key financial instrument risks in accordance with CIPFA's Prudential Code. The disclosures in relation to the nature and extent of these risks can be found with NYCC's Statement of Accounts.

The cash held is analysed as follows:

	31 March 2009 £000	31 March 2008 £000
Cash Held With NYCC	2,155.0	1,854.1
Bank Overdraft representing unrepresented cheques	(101.3)	(229.4)
	<u>2,053.7</u>	<u>1,624.7</u>

Receivables are held at fair value. This is taken to be the invoiced amount, adjusted for the bad debt provision. A review of bad debts was performed at the Balance Sheet date.

#### 14. Creditors

The creditors recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
General Creditors	491.6	720.8
Capital Creditors	0.0	4.0
Income in Advance	101.6	172.3
	<u>593.2</u>	<u>897.1</u>

#### 15. Provisions

The provisions recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000	Expected Payment
Digital Aerial Photography	24.9	31.2	Autumn 09
Capital Provision	72.0	74.0	1 year
Asbestos Removal	0.0	7.4	1 year
Limestone Country	43.0	5.0	Summer 08
Sustainable Development Fund	217.5	94.6	Winter 08
Miscellaneous Other	25	29.9	1-2 years
	<u>382.4</u>	<u>242.1</u>	

The sustainable development fund is financed by DEFRA (£200K per year) and is ring fenced outside of the National Park Grant to be used in conjunction with Yorkshire Dales Millennium Trust. Grants are paid out for projects which meet the sustainable development criteria by YDMT. £217.5K is the balance of the unspent funding at year end which the authority will be obliged to finance in 2009/2010 (17.5K b/f from prior years).

A Capital Provision of £72K is for the Yoredale access road resurface works which were an obligation at the year end.

#### 16. Capital Grants Deferred

The movement on the Capital Grants Deferred Account recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
Balance brought forward	1227.6	1490.5
New Capital Grants Deferred	0	0
Grants written off to the Income & Expenditure Account	(301.9)	(262.9)
	<u>925.7</u>	<u>1227.6</u>

#### 17. Revaluation Account

The SORP requires that the Revaluation Reserve reflects only changes that have arisen since the 1<sup>st</sup> April 2007. In 2008/09 the Fixed Assets were revalued by Bruton Knowles and the increase in assets has been reflected in this account.

	31 March 2009 £000	31 March 2008 £000
Revaluation Reserve		
Balance brought forward	-	-
Disposal of Fixed Assets	-	-
Surplus/(Deficit) on assets revalued in year	223.9	-
	<u>223.9</u>	<u>-</u>

**18. Capital Adjustment Account**

	31 March 2009 £000	31 March 2008 £000
Balance brought forward	6,147.0	-
Transfer of Balance on Capital Financing Account	-	2,225.2
Transfer of Balance on Fixed Asset Restatement Account	-	4,037.9
Direct Revenue Funding	15.9	8.0
Useable Capital Receipts Applied	28.9	108.9
Depreciation and Capital Grants Deferred	74.0	(233.0)
	<u>6,265.8</u>	<u>6,147.0</u>

**19. Useable Capital Receipts Reserve**

The movement on the Useable Capital Receipts Reserve recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
Balance brought forward	28.9	137.9
Receipts In Year	0.0	0.0
Utilisation of Capital Receipts	(28.9)	(108.9)
	<u>0.0</u>	<u>29.0</u>

**20. General Fund Balance**

The movement on the General Fund Balance recorded on the balance sheet can be analysed as follows:

	31 March 2009 £000	31 March 2008 £000
Balance brought forward	989.2	434.6
Increase in General Fund Balance	447.6	554.6
	<u>1436.8</u>	<u>989.2</u>

**21. Events after the Balance Sheet Date**

Under FRS 21 (Events after the Balance Sheet Date) the Authority is required to disclose the date that the financial statements are authorised for issue. This establishes the date after which events will not be recognised in the Statement of Accounts.

Following completion of the audit fieldwork a revised Statement for 2008/09 is to be formally tabled before Authority Members on 29 September 2009.

The Treasurer of the Authority will then authorise copies to be made available upon request no later than 30 September 2009.

## 22. Reconciliation between Net Surplus on the Income and Expenditure Account to the Revenue Activities in the Cash Flow Statement

The net surplus in the Income and Expenditure Account can be reconciled to the net cash outflow in the Cash Flow Statement as follows

	£000
Net surplus in the Income and Expenditure Account	444
Provision for Depreciation	228
Capital Grants Released	(302)
Interest Received	(140)
FRS 17 Adjustment	94
Variations in Working Capital	
Increase in Stock	(4)
Decrease in General Debtors & Prepayments	178
Adjust for Interest Debtor	(14)
Decrease in General Creditors & Income in Advance	(304)
Adjust for Capital Creditors and Provisions	8
Increase in Provisions	140
Net Cash Inflow from Revenue Activities	<u>328</u>

## 23. Reconciliation between Movement in Cash to the Movement in Net debt

The table below shows

2007/08 £000		2008/09 £000
<u>428</u>	Increase/(Decrease) of cash in period	<u>429</u>
428	Movement in Net Debt	429
1,198	Net Debt as at 1 April	0
<u>1,626</u>	Net Debt as at 31 March	<u>429</u>

The table below shows an analysis of net debt

	Balance 31/03/09 £000's	Cashflow £000's	Balance 1/04/08 £000's
Cash in hand/(Overdrawn)	2,055	429	1,626
	<u>2,055</u>	<u>429</u>	<u>1,626</u>

**25. Analysis of Government Grants shown in the Cash flow Statement.**

The table below details the main revenue received by the Authority on a cash basis in 2008/09; and in 2008/09 the Authority received no government grants for capital purposes.

	<b>£000's</b>
<b>Revenue Grants</b>	
National Park Grant	5,173
Department for Environment, Food and Rural Affairs	200
Department for Communities and Local Government	72
Natural England	365
Other	68
	<u>5,878</u>