Statement of Accounts

2024/25

North York Moors National Park Authority

Statement of Accounts
2024/25

Narrative Statement

Introduction

1. The North York Moors National Park Authority was constituted on 1st April 1997 under the Environment Act 1995 and took over the responsibilities previously undertaken by North Yorkshire County Council through its North York Moors National Park Committee.

   The Authority's Accounts for the year ended 31st March 2025 are presented in the format laid down in the "Code of Practice on Local Authority Accounting in the United Kingdom 2024/25" (The Code) - issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the International Accounting Standards Board (IASB) Framework for the preparation and presentation of Financial Statements as interpreted by The Code. The Code is based upon International Financial Reporting Standards (IFRS).

   The Statements included in the Accounts are as follows:

   a) **The Narrative Statement** – the purpose of the narrative report is to provide information on the Authority, its main objectives and strategies and the principal risks that it faces. The narrative report should provide a commentary on how the authority has used its resources to achieve its desired outcomes in line with its objectives and strategies. Information on governance is included in the Annual Governance Statement at the end of the Statement of Accounts rather than in the narrative statement.

   b) **The Independent Auditor's Report** – this explains the Auditor's responsibilities in relation to the Statement of Accounts. It also expresses an opinion on the Accounts and shows how this opinion was reached. The report also gives a conclusion on value for money in terms of the arrangements for securing economy, efficiency and effectiveness. This will be included in the final set of accounts but not within the pre-audit published draft.

   c) **The Statement of Responsibilities for the Statement of Accounts** – this outlines the Authority's responsibilities for the Accounts under Local Government legislation and any other requirements. It also shows the legal and professional responsibility for the Accounts of the Chief Financial Officer.

   d) **The Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves and other unusable reserves. Usable reserves are available to support the National Park's spending plans. The surplus on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund Reserve before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority. Unusable reserves are kept to manage the various accounting adjustments required for the accounts to comply with regulations and accounting rules. They are non-cash and consequently are not available for the use in the provision of National Park services.

e) **The Comprehensive Income and Expenditure Statement** – which shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It shows income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services. It 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) **The Balance Sheet** – this shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories, the first being Usable Reserves that may be used to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Authority are not able to use to provide services. This includes reserves that hold unrealised gains and losses (such as 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 of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

g) **The Cash Flow Statement** – this shows the change in cash and cash equivalents of the Authority during the reporting period. The Statement shows how the Authority generated and used 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 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 to the Authority.

h) **Notes to the Core Financial Statements** – these provide further details and explanation of the figures included in the Core Financial Statements.

i) **Annual Governance Statement** – the Statement 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. It is provided at the end of this document but does not form part of the Statement of Accounts.

2. The Authority is an admitted body to the North Yorkshire Pension Fund. Members' attention is drawn to Note 25, which discloses the status of the Authority's position in relation to its participation in the Local Government Pension Scheme (LGPS).

Summary of Revenue Spending

3. The main components of the Latest Budget for 2024/25 and a comparison with the actual position are set out over the page. These figures are based on the annual outturn as reported to the North York Moors National Park Finance, Risk, Audit and Standards Committee (FRASC) in May 2025 (report can be found on the meeting agenda on the Authority website). The Financial Accounts figures however do exclude statutory accounting adjustments such as the use of assets which are reflected in the Comprehensive Income and Expenditure Statement on Page 11.

4. Financial performance in the year resulted in a transfer into reserves of £381k compared to a latest budget surplus reported at Q3 of £83k. The surplus is driven primarily by strong performance in a number of income streams in particular car parking and planning which both exceeded Q4 expectations. External funding for core funded posts were also higher than anticipated from both project funding and new burdens. From the surplus of £381k, £88k is ringfenced for carry forward budgets as approved in the Outturn paper at Finance, Risk and Audit Standards Committee in May. The underspend equates to c1.8% of actual gross expenditure after carry forwards.

5. The overall expenditure in the year was £15.0m which notably is the highest level of annual expenditure for the Authority as it continues to grow delivery through external funding sources. The total expenditure was funded from £1.4m of earned income, £4.7m of external funding, £4.9m of DEFRA core grant and £4.0m of S106. DEFRA core grant funded 32.7% of all expenditure in year. Expenditure was just £87k lower than anticipated in the budget with small underspends across a number of areas. Particularly favourable weather over the winter period was beneficial to delivery of winter projects such as tree planting and peatland works.

6. The most significant items of expenditure incurred by the Authority are employees at £5.7m, which equates to 38% of total expenditure in 2024/25.

7. The Authority has a performance indicator to keep expenditure in the corporate and democratic core below 5% of total expenditure. The actual for 2024/25 was 3.1%.

	Latest Budget Q3 forecast	Actual Outturn	Variance	Commentary
Income	**£k**	**£k**	**£k**	
Cultural Heritage	149	132	-17	
Natural Environment	2,001	1,872	-129	Shortfall of spend in Linking Levisham and Peatland Projects
Farming in Protected Landscapes	1,626	1,577	-49	Contribution to core costs offset by lower project spend
Recreation Management	1,642	1,748	106	Car Park fees and additonal external grant for National Trails
Promoting Understanding	518	535	17	
Rangers and Volunteers	12	21	9	
Development Management	300	350	50	Planning Application fee income and award of legal costs
Forward Planning	0	8	8	
Corporate and Democratic Core	208	250	42	Biodiversity Net Gain new burdens , core oncosts funded by external projects, Redmond income for external audit fees
DEFRA Grant	4,882	4,882	0	
Total Function Income	**11,338**	**11,375**	**37**	
S106 Compensation & Mitigation	3,976	4,045	69	See expenditure
Total Income	**15,314**	**15,420**	**106**	
Expenditure	**£k**	**£k**	**£k**	
Cultural Heritage	-423	-413	10	
Natural Environment	-2,543	-2,352	191	External projects mainly Peatland & Linking Levisham
Farming in Protected Landscapes	-1,626	-1,552	74	Small no of projects that didn't deliver by end of year.

Recreation Management	-2,153	-2,195	-42	Generation Green increased margin and toilet power and maintenance underspend.
Promoting Understanding	-1,807	-1,779	28	
Rangers and Volunteers	-1,099	-1,116	-17	Volunteers travel reduced in the forecast.
Development Management	-900	-924	-24	Higher legal costs.
Forward Planning	-223	-195	28	
Corporate and Democratic Core	-481	-468	13	
Total Function Expenditure	**-11,255**	**-10,994**	**261**	
S106 Compensation & Mitigation	-3,976	-4,045	-69	Increased in year spend, in particular on tourism.
Total Expenditure	**-15,231**	**-15,039**	**192**	
NET SURPLUS/ DEFICIT	**83**	**381**	**298**	

8. There are two S106 agreements in place, one for the Woodsmith Mine and one for Boulby Mine. There was £3.092m of spend against the Woodsmith Mine agreement during the year which was higher than the in year budget, which helps to reduce the previous carry forward. £2.578m of spend has been carried forward into 2025/26 compared to £2.709m the year before. Therefore the risk of any payback remains very low. There was £952k of spend on the Boulby mine agreement in year, just below budget, with £721k carried forward to 2025/26. The agreements run on different financial years to the Authority, Woodsmith running from May to April and Boulby from January to December.

9. External funding continues to be an area of success for the Authority, with £4.304m of delivery in year exceeding the business plan target of £2.45m. There was £1.55m of spend on the hugely successful Farming in Protected Landscapes programme, the multi-year Ryevitalise project completed and Peatland Restoration and National Trails work saw increased spend. Following underspends in the previous year, it is great to see such excellent performance and extensive delivery over the year.

10. The savings programme delivered £212k of savings compared to a £11k target. This performance was driven by diversification of core funded posts to alternative funding sources. The earned income target however was not quite achieved, with motorhome initiatives and signage programmes on some car parks not delivered in year.

11. The Authority has two balance sheet reserves to manage future risk, contingency and general working balance. The medium-term financial strategy lays out a need to increase this to 10% of gross expenditure excluding S106 by 2026/27, with a general working balance reserve of 5% and a contingency reserve of 5%. At the end of 2024/25 this totalled £826k. 2024/25 saw a high level of expenditure, the £826k equates to 7.4%. However, at present the approved budget for 2025/26 is a little lower than this spend level.

12. The accounting policies are set out formally in the Statement of Accounting Policies on Page 14. The policies adopted in 2024/25 are compliant with the ‘Code of Practice on Local Authority Accounting in the United Kingdom 2024/25’ (The Code).

13. The Authority has never borrowed any money for capital purposes and whilst there are no plans to do so immediately, the option would not be excluded as a means of financing appropriate capital projects in the future. The Treasury Management Strategy does cater for future borrowing should this be required. The Authority has had a facility arrangement with North Yorkshire Council whereby any daily overdraft balances are consolidated into the Council’s Bank Accounts on a daily basis. However, this facility does not represent an overdraft facility, it is used to manage day-to-day cash flow balances (not to fund capital expenditure) and represents an on-going investment of cash balances for investment purposes.

14. The Authority monitors an agreed set of Performance Indicators on a regular basis and the results are reported to the Finance, Risk Audit and Standards Committee (FRASC). These reports can be found in the meeting and agendas section of the Authority website.

Strategy and Key Future Risks

15. The pressures on the economic climate continue with a number of conflicts putting economic stability at risk. Rates of inflation have reduced from previous highs, but remain stubborn with the most recent published results for May 2025 showing RPI at 4.3% and CPI at 3.4% which are a little higher than the December 2024 figures reported in the last set of published accounts. Continuing unrest in both the Middle East and Ukraine still present a risk to economic stability with the potential for impacts on oil and food prices. Over the last two years, materials, fuel, utilities and insurance in particular have seen substantial increases as a result of inflation. Inflation estimates built into the 24/25 budgets were sufficient to cover, but has put increasing pressure on finances. Budgets for 2025/26 have 3% inflation built in for overheads which is already under pressure based on the above rates. Project re-engineering is occurring where possible, and contingencies built into project delivery will help to manage inflation linked overspend risk. Increasing prices do ultimately present a risk to levels of delivery, particularly if we see higher inflation levels again. There are also reserves that can help de-risk higher inflation in the short term. To help combat inflation, the Bank of England had increased interest rates but more recently there have been a number of reductions from a peak of 5.25% to 4.25% in June 2025. The Authority currently benefits from this with no borrowings and increasing returns on cash investments. There is a risk if there is any requirement to borrow in the future that this may be at higher rates although forecasts indicate an expectation that they will continue to come down over time.

16. Financial pressure from pay increases continues. In 2024/25 the pay award equated to 4.0% increase for the Authority in line with budget. The Local Government Association has offered a pay settlement of 3.2% for the Authority staff for 2025/26 which is just marginally higher than the budget assumption. However, this offer is not yet agreed with any Unions.

17. DEFRA funding continues to be the greatest area of pressure for the Authority, particularly in light of recent inflation pressures. Prior to 2025/26 there has been 6 consecutive years of flat cash settlements for core grant with savings needing to be found to mitigate each year. For 2025/26, they have announced an 8.3% cut to revenue funding but have provided a £1.5m capital fund to be spent in year. The revenue cut has been mitigated, but this includes an ambitious savings programme and enhanced risk. Reserves have not been required to balance the budget. The one-year settlement continues a number of years of late announcements which make longer-term financial planning particularly challenging. There is hope that the recent Comprehensive Spending Review might provide a three year settlement which will help with planning. The MTFS had assumed flat cash settlements throughout the next five years but Officers had prepared for a potential cut to revenue grant as part of scenario planning. The capital funding is welcome and has to be spent in 2025/26. It will enable

investment into income generation activities, delivery of liabilities facing the Authority and our property programme. Whilst it is anticipated that capital funding will now form part of future settlements, the level of these is uncertain. The Authority does rely on core funding to help support generation of earned and external income streams which are key to ensuring that the Authority continues to grow despite falling core grant. Pressure on core resources is a challenge that will need to be addressed if the Authority wants to continue its strategy to grow overall resources.

18. A new Management Plan and Business Plan were launched beginning in 2023/24. Delivery is focussed on three key areas, climate change, biodiversity and health and wellbeing. The business plan has targets for increasing external funding over the five-year period to enable the Authority to continue to grow and deliver to its ambitious aims. There is also an increased focus on partnerships and working with others to achieve objectives across the National Park. The business plan is updated annually and reports relating to 2025/26 milestone setting and 2024/25 performance can be found on the website on meeting agendas for National Park Full Authority meeting March 2025 and Finance, Risk and Audit Standards Committee May 2025 respectively.

19. Aside from core grant, the business plan and MTFS are built on four other key types of income :

a) External Funding. A key component to ensure that the Authority continues to grow in total spend over the next five years is external funding. There are risks of availability of funding as well as the need to allocate and resource match funding. There is a pipeline of projects which forms part of the external funding report which is presented to Members each quarter and is a standing item on the Senior Leadership Team monthly agenda. The Authority continues to work towards becoming more project focussed in its delivery. A key risk to growing external funding delivery is availability of corporate resources to be able to support increased outputs.

b) Earned Income. The MTFS and business plan do have some modest growth in earned income over the next five years, with plans to look at new ideas to develop more income streams. For example, in 2024/25, a number of developments were delivered at Danby Lodge to increase visitor numbers and thereby car parking, statutory planning fees were increased and a retail strategy was produced to hopefully make retail profitable in 2025/26. Earned income streams can be heavily affected by external factors beyond the Authority's control. Earned income is therefore a potential area of risk for shortfalls. Reporting throughout the year seeks to monitor, forecast and mitigate any shortfalls, in particular in the key areas of car parking, planning and retail. Earned income will be a key area of resources growth in the next few years following on from the success of delivering external funding to help to offset pressures from the core grant.

c) S106 income. In 2024/25, the Woodsmith S106 arrangement provided just under £3m of income to deliver compensation and mitigation projects, it increases in line with inflation each year, so has been protected from the recent increases. The Boulby mine agreement provided just over £1m of income in 2024/25.

d) Farming in Protected Landscapes funding from DEFRA began in 2021/22 and was set to run for three years. This was extended into 2024/25 with an increased budget of £1.626m. This has been a hugely successful fund for the Authority, resulting in superb projects right across the National Park. It has now been extended for a further year in 2025/26 with a reduced fund of £1.047m which is excellent news. It's longer term future remains uncertain.

20. A project to review the property of the Authority continues. Planning permission has now been granted on the new site at Riccall Drive for an office and garage. A business case was approved at June National Park Committee to replace the Southern Ranger Depot at Sawmill Lane by redeveloping the Old Print Works site at Riccall Drive. This will be fully funded from the DEFRA capital fund and will deliver in 2025/26. The main office move will be subject to a business case which will be presented to Members in 2025/26.

21. As more priorities are delivered through external funding, it does mean that the Authority is sometimes delivering high value capital projects, and as such there is an inherent increase in risk of overspend or unforeseen costs which are not covered by the funder. The Authority has shown that it is very effective at managing these projects, but as part of the budget the S151 Officer reviews reserves to manage risk to ensure that all potential risks can be covered in the short term and the decision taken by Members to increase the risk reserves from the current position of 5% of total expenditure excluding S106 to 10% by 2026/27.

22. The latest medium term financial strategy (MTFS) was presented to National Park Authority in December 2024. The latest finalised budget was for 2025/26 and was approved in March 2025 with the further capital funding from DEFRA approved in June 2025. The MTFS operates hand in hand with the Business Plan to ensure that delivery and resources are aligned. It presents a 5-year position which builds in key assumptions around funding, inflation and resources growth. The reality of increasing costs and reducing DEFRA core grant means that there is an increasing gap in each year. In particular, the impacts from the DEFRA grant cut and pay and overhead inflation including National Insurance have increased this deficit further. Identified income generation and savings are proposed in the budget to mitigate the deficit for 2025/26. At present there have been no enforced changes to deliverables in the business plan, but there remains a risk to this if the deficits cannot be offset through increased resources or efficiencies. The Medium-Term Financial Strategy can be found on the meetings section of the website on the agenda for the December 2024 meeting of the National Park Committee. The approved budget for 2025/26 and DEFRA capital spend proposal can be found on the website on the March 2025 and June 2025 meeting agendas respectively of the National Park Committee.

Changes in Accounting Policies and Presentation of the Accounts

23 IFRS 16 Leases as adapted and interpreted for local authorities by the Code was applied to these financial statements with an initial application date of 1 April 2024. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations. The standard was applied using a modified retrospective approach with the cumulative impact recognised at the date of initial application, 1 April 2024. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited. As required by the Code, comparative balances for the prior year have not been restated.

The Authority as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2024 equal to the present value of future lease payments discounted at the Council's incremental borrowing rate. A right of use asset was created equal to the lease liability and adjusted for any prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination. - No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2024 or for leases where the underlying asset has a value below £10,000.

The Trust as lessor

Leases of owned assets where the Authority is the lessor were unaffected by initial application of IFRS 16.

Changes to the Statement of Accounts

24 The most significant changes to the accounts for 2024/25 relate to the adoption of IFRS16 Leases.

<u>Statement of Responsibilities for the Statement of Accounts</u>

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 Chief Financial Officer;
b) To manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets;
c) To approve the Statement of Accounts.

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

In preparing the Statement of Accounts, the Chief Financial Officer 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 Chief Financial Officer has also:

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

Certificate of the Chief Financial Officer

I certify that this Statement of Accounts gives a true and fair view of the financial position of North York Moors National Park Authority at the reporting date and its expenditure and income for the year ended 31st March 2025.

P Williams
Corporate Services Director (s151)
North York Moors National Park Authority
Date:

Signed on behalf of the North York Moors National Park Authority

I confirm that these accounts were approved at the ____ meeting on XX/XX/202X following completion of the External Audit

Jim Bailey
Chair
North York Moors National Park Authority

Core Financial Statements

Movement in Reserves Statement 2024/25

Movements in Reserves during 2024/25	**Usable Reserves General £000**	**Usable Reserves Earmarked £000**	**Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2024	**683**	**6,484**	**10,871**	**18,038**
Surplus on the provision of services	508	0	0	508
Other comprehensive income and expenditure	0	0	310	310
Total comprehensive income and expenditure	**508**	**0**	**310**	**818**
Adjustments between accounting basis & funding basis under regulations	(497)	0	497	0
Net increase/decrease before transfer to earmarked reserves	**11**	**0**	**807**	**818**
Transfers (to)/from earmarked reserves	(329)	329	0	0
Increase/decrease in 2024/25	**(318)**	**329**	**807**	**818**
Balance at 31 March 2025	**365**	**6,813**	**11,678**	**18,856**

Movements in Reserves during 2023/24	**Usable Reserves General £000**	**Usable Reserves Earmarked £000**	**Unusable Reserves £000**	**Total Reserves £000**
Balance at 1 April 2023	**818**	**5,120**	**12,018**	**17,956**
Surplus on the provision of services	1,165	0	0	1,165
Other comprehensive income and expenditure	0	0	(1,083)	(1,083)
Total comprehensive income and expenditure	**1,165**	**0**	**(1,083)**	**82**
Adjustments between accounting basis & funding basis under regulations	63	0	(63)	0
Net increase/decrease before transfer to earmarked reserves	**1,228**	**0**	**(1,146)**	**82**
Transfers (to)/from earmarked reserves	(1,364)	1,364	0	0
Increase/decrease in 2023/24	**(136)**	**1,364**	**(1,146)**	**82**
Balance at 31 March 2024	**682**	**6,484**	**10,872**	**18,038**

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2025

2023/24				2024/25		
Gross Expenditure	**Income**	**Expenditure**		**Gross Expenditure**	**Income**	**Net Expenditure**
1,755	(1,173)	582	Conservation of the Natural Environment	2,753	(1,872)	881
285	(23)	262	Conservation of Cultural Heritage	444	(132)	312
1,970	(1,468)	502	Recreation Management and Transport	2,403	(1,748)	655
1,487	(351)	1,136	Promoting Understanding	1,854	(535)	1,319
994	(11)	983	Ranger, Estates and Volunteers	1,127	(21)	1,106
879	(239)	640	Development Control	971	(350)	621
179	0	179	Forward Planning and Communities	206	(9)	197
2,329	(3,134)	(805)	Section 106 Compensation & Mitigation	3,870	(4,045)	(175)
329	(64)	265	Corporate and Democratic Core	170	195	365
937	(957)	(20)	Farming in Protected Landscapes	1,556	(1,577)	(21)
11,144	**(7,420)**	**3,724**	**Cost of Services**	**15,354**	**(10,094)**	**5,260**
			Other Operating Income & Expenditure			
		(58)	Gain on disposal of fixed assets			(58)
			Financing and Investment Income & Expenditure			
		16	Interest payable and similar charges			48
		(384)	Interest and investment income			(428)
		(82)	Pensions interest cost and expected return on assets			(216)
			Grant Income			
		(4,382)	National Park Grant			(4,882)
		0	Capital contributions			(233)
		(1,166)	**(Surplus)/Deficit on Provision of Services**			**(509)**
		(319)	(Surplus)/deficit on the revaluation of long term assets			(458)
		1,385	Actuarial losses/(gains) on pension assets/liabilities			131
		17	Impairment (gains) / losses on non-current assets			17
		1,083	**Other Comprehensive Income and Expenditure**			**(310)**
		(83)	**Total Comprehensive Income and Expenditure**			**(819)**

Balance Sheet as at 31 March 2025

31 March 2024 £000		Notes	31 March 2025 £000
6,776	Property, Plant & Equipment	5	7,352
0	Right of use assets	24	719
4,434	Heritage Assets	5	4,336
0	Assets Held for Sale		0
0	Intangible Assets		0
17	Long Term Debtors	10	0
0	Pension Fund Asset	25	0
11,227	**Non-Current Assets**		**12,407**
85	Inventories	8	63
1,879	Short Term Debtors	9	3,040
7,425	Cash and Cash Equivalents	11	6,906
9,389	**Current Assets**		**10,009**
(2,258)	Short Term Creditors	12	(2,853)
0	Short Term Lease Liability	24	(65)
0	Short Term Provisions		0
(2,258)	**Current Liabilities**		**(2,918)**
(177)	Lease Liability	24	(516)
0	Provisions	11	0
(142)	Pension Liability	25	(126)
(319)	**Non-Current Liabilities**		**(642)**
18,039	**Net Assets**		**18,856**
683	General Fund Reserve	16	365
6,484	Earmarked Reserves	16	6,813
7,167	**Total Usable Reserves**		**7,178**
6,367	Revaluation Reserve	13	6,778
4,677	Capital Adjustment Account	14	5,056
0	Financial Instruments Adjustment Account		0
(142)	Pension Reserve	25	(126)
(30)	Accumulated Absences Account	12	(30)
10,872	**Total Unusable Reserves**		**11,678**
18,039	**Total Reserves**		**18,856**

Cash Flow Statement for Year Ended 31 March 2025

2023/24 £000		Notes	2024/25 £000
	Operating Activities		
1,165	Net surplus on the Provision of Services		508
	Adjustment to net surplus on the Provision of Services for non-cash movements		
268	Depreciation	5&24	391
0	Impairment and revaluations	5&24	230
144	Movement in creditors	12	998
261	Movement in debtors	9	(1,161)
16	Movement in inventories	8	22
0	Movement in provisions		0
55	Pension liability	25	(147)
585	Carrying value of non-current assets written out on disposal	5	0
0	Other Non-Cash Items Charged to the Provision of Services		0
1,329			**333**
(625)	**Adjustment for items included in the net surplus or deficit on the Provision of Services that are Investing and Financing Activities**		**(274)**
1,869	**Net cash flows from Operating Activities**		**567**
	Investing Activities		
(843)	Purchase of property, plant and equipment	5&24	(1,360)
642	Other receipts for Investing Activities		291
(201)	**Net cash flows from Investing Activities**		**(1,069)**
(17)	**Financing Activities**		**(18)**
1,651	**Net increase in cash and cash equivalents**		**(520)**
5,775	Cash and cash equivalents at the beginning of the period	11	7,424
7,426	**Cash and cash equivalents at the end of the period**		**6,904**

Notes to the Core Financial Statements

1. Statement of Accounting Policies

1. General

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. These Accounts have been prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2023/24" (The Code): issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting policies adopted have been used consistently throughout the current and prior period. Any significant non-compliance with The Code is disclosed as part of the relevant Financial Statement.

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

The Statement of Accounts is prepared on a going concern basis, as per the requirements of The Code. This means that the accounts are based on the assumption that the Authority will continue in operational existence for the foreseeable future.

2. Accruals of Income and Expenditure

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

- Revenue is defined as income arising as a result of the Authority's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Authority has satisfied a performance obligation by transferring a promised good or service to the service recipient;

- Revenue is measured as the amount of the transaction price which is allocated to that performance obligation;

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, the value of un-used supplies are carried as inventories on the Balance Sheet at year-end;

- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made;

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and

- Where 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 balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash equivalents are short-term investments that are of a highly liquid nature. Cash is represented by cash in hand and deposits with financial institutions repayable on short notice without penalty. The Authority has determined that cash equivalents are investments that require no more than 3 months' notice to withdraw.

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

4. 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 prospectively, i.e. in the current and future years 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 about the effect of transactions, other events and conditions on the financial position or financial performance of the Authority. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

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

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction between the Capital Adjustment Account (which is shown as a reserve within the Unusable Reserves within the Balance Sheet) and the Movement in Reserves Statement.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and paid sick leave, for current employees, 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 any type of leave entitlements 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 wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus/deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are ultimately charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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 Comprehensive Income and Expenditure Statement, when the Authority is demonstrably committed to the termination of the employment of an officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Reserve 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 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 year-end.

7. Post-Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which provides members with defined benefits earned as employees working for the Authority. For the North Yorkshire area, this is administered by North Yorkshire County Council.

The LGPS is accounted for as a defined benefit scheme:

- 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;

- The assets are included in the Balance Sheet at fair value;
    - quoted securities at current bid price;
    - unquoted securities at professional estimate;
    - unitised securities at current bid price; and
    - property at market value.

- The change in the net pensions liability is analysed into ten components:
    - **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees 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/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

- **interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing/Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **remeasurement assets** – the improvement in the value of assets held at the start of the year and includes an adjustment following each triennial valuation;
- **remeasurement liabilities** – reflects adjustments made following each triennial valuation, and adjustments due to changes to financial assumptions and to demographic assumptions determined at the start and end of the financial year;
- **gains or losses on settlements and curtailments** – the results of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- **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, debited to the Pensions Reserve;
- **contributions paid to the North Yorkshire Pension Fund** – cash paid by scheme participants and the Authority as determined by the regulations;
- **benefits paid** – transfers to or from the Authority with the associated adjustment to attributable assets and liabilities; and
- **administrative expenses** – the cost of investment and are treated as a reduction in the return on investments.

In relation to retirement benefits, statutory provisions require the General Fund Reserve 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 appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement 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. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

8. Financial Instruments

Financial instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

The Authority’s accounting policies that are relevant to financial instruments comply with the requirements of The CIPFA Code of Practice on Treasury Management which sets out a framework of operating procedures in relation to Treasury Management.

The Authority’s accounting policies also comply with the adoption of IFRS 9 Financial Instruments by the CIPFA Code of Practice on Local Authority Accounting. The Authority’s Financial Assets are cash, on-call deposits, and a loan, all of which continue to be carried at amortised cost. As per the requirements of IFRS 9, the Authority now reviews all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

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 are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement (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 the liabilities that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the relevant agreement

9. Grants

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 a reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has 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, or 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 (Income in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line or Grant Income in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Reserve 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.

The accounting treatment for grants is in accordance with IAS 20 Accounting for Government Grants.

10. Inventories

Inventories have been included in the Accounts at cost price. In general, obsolete and slow moving items are written-off during the year. It is considered that this difference in treatment does not have a material effect on the Accounts.

11. Leases

The Authority as a Lessee
The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement
The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.
The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption
As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure
Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

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 I&E balance in the Movement in Reserves Statement.

The Authority as a Lessor
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

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 Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

12. Overheads and Support Services

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

All recharges of Support Services costs are consistent with the principles outlined in the CIPFA Service Reporting Code of Practice (SeRCOP).

13. Property, Plant and Equipment

Assets that have a physical substance and 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 during more than one financial year are classified as Property, Plant and Equipment.

Recognition
All expenditure on the acquisition, creation or enhancement of Property, Plant and 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 that 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 cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have a commercial substance, where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are initially valued at fair value. The difference between fair value and any consideration paid is credited to the Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Reserve to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the balance sheet at depreciated historical costs or existing use value.

Property, Plant and Equipment is valued on the basis required by CIPFA in accordance with the Statements of Appraisal and Valuation Standard issued by The Royal Institution of Chartered Surveyors (RICS). Asset Valuations are carried out on an agreed on-going basis by Align Property Partners.

Assets are classified into the groupings required by The Code.

Land, operational properties and other operational assets are included in the Balance Sheet at the lower of the net current replacement cost or existing use value, net of depreciation.

Assets included in the Balance Sheet at fair value are re-valued 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 Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the revenue account.

A full revaluation of property is undertaken every five years. A desktop review of property is also undertaken annually to ensure valuations reflect a true and fair view of the carrying value of assets at the Balance Sheet date.

A Revaluation Reserve for those assets recorded at fair value is held in the Balance Sheet, made up of unrealised revaluation gains relating to individual assets, with movements in valuations being managed at an individual asset level. Any decreases in value of an asset are recorded against the Revaluation Reserve to the extent that a balance of accumulated gains is recorded against the individual asset. Where the decrease in value is in excess of any balance held within the Revaluation Reserve the reduction is then charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains gains recognised since its implementation on 1st April 2007. 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 of Align Property Partners. 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 Comprehensive Income and Expenditure Statement; or
- Otherwise, written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement.

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement 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.

De-Minimis
Individual assets below the value of £5k will not be recorded in the asset register and will be charged in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure.

Depreciation
Depreciation is provided for on Buildings, Plant, Equipment and Furniture with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives. Estimates of useful life are determined for each property and where material, for components of those properties as part of the valuation process. 13 Bondgate (Helmsley), Old Vicarage (Helmsley), Sutton Bank Visitor Centre, Danby Lodge (Danby) and Spout House (Chopgate) buildings are depreciated over 40 years, as advised by Align Property Partners. All other buildings are depreciated over 30 years with the exception of the buildings at Sawmill Lane Depot (Helmsley) which are depreciated over 20 years; and

- 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 at disposal. 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.

Components
Where a non-current asset has components whose cost is significant in relation to the total cost of the item (30% or more), or with a difference in economic life of 10 years or more, the components are depreciated separately. Items will be assessed under the above criteria when new assets are acquired, or existing assets are revalued.

Disposal of Property, Plant & Equipment
When 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 Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are also credited to the same line in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £5k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve, and will only be used to finance new capital investment. Receipts are appropriated to the General Fund Reserve in the Movement in Reserves Statement.

Revaluation Reserve
The Revaluation Reserve was established with a balance of zero as at 1st April 2007. This reserve has been used solely to account for changes in asset values (either upwards or downwards) following revaluation after 1st April 2007.

The Capital Adjustment Account represents amounts set aside from revenue resources to finance expenditure on fixed assets and certain other capital transactions.

14. Heritage Assets

Heritage assets are non-current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

The Authority has agreed criteria for the acquisition of land in order to achieve statutory purposes. The Authority develops plans for the specific actions in relation to the preservation and management of heritage assets. It is anticipated that any acquisition of heritage assets will be made by donation or acquisition for statutory purposes. Where an item is acquired and it is deemed appropriate, valuations will be sought from an independent external valuer.

Heritage assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency (as indicated in Note 5b) to ensure measurement remains current.

Where the Authority considers that obtaining full valuations for assets would involve a disproportionate cost in comparison to the benefits to the users of the Financial Statements the asset is not recognised in the Balance Sheet but included in the accounts as a disclosure.

Where heritage assets are held within the Balance Sheet, the carrying amounts will be reviewed where there is evidence of impairment i.e. where an item has suffered physical deterioration or breakage or where doubts arise to authenticity. Any impairment is recognised in accordance with the Authority's general policies on impairment.

If it is agreed to dispose of any heritage assets, the proceeds are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements for capital receipts.

Heritage assets are not subject to depreciation as they are considered to have indefinite lives.

15. Provisions and Contingent Liabilities

Provisions

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 Comprehensive Income and Expenditure Statement 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, taking into account the relevant risks and uncertainties.

Where payments are then made, they are charged to the provision carried in the Balance Sheet. The provisions are reviewed on an annual basis.

Contingent Liabilities

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 also arise in circumstances where a provision would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

16. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Reserve 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 to score against the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Reserve in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority; these reserves are explained in the relevant policies. These reserves are ‘non-cash’ reserves, and do not impact on utilisation of the National Park Grant.

17. Presentation of Accounting Statements

The Accounts are presented in the format required by the CIPFA Code of Practice, and in accordance with the Service Expenditure Analysis developed specifically for National Park Authorities.

18. VAT

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

19. Treasury Management

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

20. Critical Judgements in Applying Accounting Policy

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events involving the following areas:

- Grant Income - Judgement is required to determine whether the Authority can be reasonably assured that the conditions of grant and contribution income received have been met before recognising them as income in the Comprehensive Income and Expenditure Statement. Where conditions require specified expenditure to have taken place, the grant monies will not be recognised until this has happened. Equally where conditions specify that a grant or contribution must be re-paid in the event of non-expenditure, the income is not recognised until the conditions of the grant have been met.

- Heritage Assets - Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture. As a result accurate valuations for Heritage Assets may not be available but are measured at valuation where available and the asset is recognised within the Balance Sheet.

As part of the desktop valuation conducted for the 2024/25 accounts, the Levisham Estate has been fully revalued during the year. The estate makes up the majority of value of the Heritage Assets carried in the accounts, therefore the risk involved in the critical judgements should be minimal this year.

21. Assumption Made About the Future and Other Major Sources of Estimation

The Statements of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Property, Plant and Equipment
Assets are depreciated over the useful economic life that the asset (or components of the assets where appropriate) will be operational. The useful economic life of an individual asset is dependent upon maintaining an appropriate level of repair and maintenance expenditure on that asset. Should insufficient expenditure be incurred to properly maintain an asset then it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required.

Pension Liability
Estimation of the net liability to pay future pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. Sensitivity analysis around certain assumptions has identified that the following changes to the current estimated pension position of £0K would occur if alternative assumptions were to be applied:

- A -0.1% p.a. change in the discount rate to be applied would increase the pension obligation by £392k. A +0.1% p.a. change in the discount rate to be applied would decrease the pension obligation by £368k

- A +/-0.1% p.a. change in pay growth would increase/decrease the pension obligation by £25k.

- A -0.1% p.a. change in inflation would decrease the pension obligation by £343k. A +0.1% p.a. change in inflation would increase the pension obligation by £368k.

- An additional 1 year increase in life expectancy would decrease the pension obligation by £564k, a negative change would result in this being reversed.

The net pensions liability was based on the 2023 actuarial valuation. It includes a share of the overall Pension Fund investment assets. The assumptions made to calculate the net liability are affected by a multitude of factors. The assumptions included in the IAS19 report has led to an apparent accounting surplus result for the Authority as at 31 March 2025. However, further calculations carried out by the Pension Fund's actuary indicated that it is unclear that the surplus can be recognised under IAS 19 in this case. The Authority has therefore adopted a prudent approach to limit the asset (asset ceiling) and restrict the surplus recognition to nil.

22. Events after the Balance Sheet Date

Under IAS 10 Events after the Reporting Period, 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 have been recognised in the Statement of Accounts.

The Draft Statement of Accounts for 2024/25 was published on 28 July 2025 by the Director of Corporate Services (s151). The Statement of Accounts will then be subject to the External Audit process, before being considered and approved by Members.

23. Future Changes to International Financial Reporting Standards (IFRS)

There are no changes to IFRS for future years that are currently being considered. Lease changes under IFRS16 have been adopted in 2024/25.

2. Expenditure and Funding Analysis

2024/25	Outturn Figures	Capital Charges	Cap Ex Funded from Rev	Pension Adjust with IAS19	Interest Received	Moors Centre	Net Exp in Final Acc
Conservation of the Natural Environment	871	2	0	9	0	0	**882**
Conservation of Cultural Heritage	301	6	0	5	0	0	**312**
Recreation Management and Transport	602	136	-99	17	0	0	**656**
Promoting Understanding	1,445	380	-504	-1	0	0	**1,320**
Rangers, Estate and Volunteers	1,094	78	-74	7	0	0	**1,105**
Development Control	610	5	0	6	0	0	**621**
Forward Planning and Communities	194	2	0	2	0	0	**198**
S106 Compensation and Mitigation	-197	0	0	22	0	0	**-175**
Corporate and Democratic Core	-54	12	28	0	380	0	**366**
Farming in Protected Landscapes	-25	0	0	3	0	0	**-22**
Net Cost of Services	**4,841**	**621**	**-649**	**70**	**428**	**-16**	**5,263**
Loss on Disposal							-58
Interest Payable							48
Interest Received							-428
Net Pensions Interest Cost							-216
National Park Grant							-4,882
Capital contributions							-233
Deficit on provision of services							**-506**
Surplus on revaluation of fixed assets							-458
Actuarial gain/loss on pension assets/liabilities							131
Impairment (gains) / losses on non-current assets							17
Total comprehensive income and expenditure							**-816**

Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the CIPFA Code of Practice. This is the same basis used to make decisions about resource allocation, which are taken by the Authority's Finance, Risk, Audit and Standards Committee (FRASC). However, these reports are prepared on a different basis from the accounting policies used in the financial statements.

In particular, no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation Reserve and amortisations are charged in the Comprehensive Income and Expenditure Statement). Actual capital expenditure and income is included in the committee reports but taken out of the Comprehensive Income and Expenditure Statement, which just show revenue.

The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year.

The outturn position reported to committee is summarised in the Explanatory Foreword on Page 6, and therefore the detailed report is not included here.

Expenditure and Funding Analysis

2023/24	Outturn Figures	Capital Charges	Cap Ex Funded from Rev	Pension Adjust with IAS19	Interest Received	Moors Centre	Net Exp in Final Acc
Conservation of the Natural Environment	550	11	0	20	0	0	**581**
Conservation of Cultural Heritage	252	4	0	6	0	0	**262**
Recreation Management and Transport	573	104	-205	30	0	0	**502**
Promoting Understanding	1,101	101	-61	10	0	-16	**1,135**
Rangers, Estate and Volunteers	943	37	-12	15	0	0	**983**
Development Control	616	7	0	17	0	0	**640**
Forward Planning and Communities	174	2	0	3	0	0	**179**
S106 Compensation and Mitigation	-834	0	0	30	0	0	**-804**
Corporate and Democratic Core	-197	1	76	0	384	0	**264**
Farming in Protected Landscapes	-25	0	0	5	0	0	**-20**
Net Cost of Services	**3,153**	**267**	**-202**	**136**	**384**	**-16**	**3,722**
Loss on Disposal							-58
Interest Payable							16
Interest Received							-384
Net Pensions Interest Cost							-82
National Park Grant							-4,382
Capital contributions							0
Deficit on provision of services							**-1,168**
Surplus on revaluation of fixed assets							-319
Actuarial gain/loss on pension assets/liabilities							1,385
Impairment (gains) / losses on non-current assets							17
Total comprehensive income and expenditure							**-85**

3. Income and Expenditure by Nature

The income and expenditure of the Authority's principal services recorded in the budget for the year are as follows:

	2024/25	2023/24
	£000	£000
Fees, Charges & Service Income	(3,256)	(2,594)
Government Grants	(3,239)	(2,092)
Section 106 Compensation & Mitigation Income	(4,044)	(3,134)
Total Income	**(10,538)**	**(7,820)**
Employee Expenses	5,679	5,213
Other Service Expenses	9,360	6,597
Total Expenditure	**15,039**	**11,810**
Net Expenditure	**4,501**	**3,990**

4. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Usable Reserves

	General Fund Reserve £000	2024/25 Capital Receipts Reserve £000	Movement in Unusable Reserve £000
Adjustments involving the capital adjustment account			
Reversal of items debited or credited to the statement of comprehensive income			
- Charges for depreciation, amortisation and impairment of non-current assets	621		(621)
- Carrying value of non-current assets written out on disposal	0		0
- Capital contributions	(1,599)		1,599
Insertion of items not debited or credited to the statement of comprehensive income			
- Capital expenditure charged against General Fund	(941)		941
- Statutory Provision for the financing of Capital Investment	(31)		31
- Revenue Expenditure funded by Capital Under Statute	1,658		(1,658)
Adjustments involving the capital receipts reserve			
Transfer of sales proceeds credited as part of the gain/loss on disposal	(58)	58	
Use of capital receipts		(58)	58
Adjustments involving the pensions reserve			
Reversal of items relating to retirement benefits (Note 25)	546		(546)
Employer's pension contribution payable in year (Note 25)	(693)		693
Adjustments involving the accumulating compensated absences adjustment account			
Amount by which officer remuneration charged to the statement of comprehensive income	0		0
Total adjustments	**(497)**	**0**	**497**

Usable Reserves

	General Fund Reserve £000	2023/24 Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments involving the capital adjustment account			
Reversal of items debited or credited to the statement of comprehensive income			
- Charges for depreciation, amortisation and impairment of non-current assets	267		-267
- Carrying value of non-current assets written out on disposal	585		-585
- Transfer of Sale Proceeds Credited as part of the Gain/Loss on Disposal to the CI&E	-643		643
- Capital contributions	-353		353
Insertion of items not debited or credited to the statement of comprehensive income			
- Capital expenditure charged against General Fund	-595		595
- Statutory Provision for the financing of Capital Investment	0		0
- Revenue Expenditure funded by Capital Under Statute	747		-747
Adjustments involving the capital receipts reserve			
Transfer of sales proceeds credited as part of the gain/loss on disposal		642	-642
Use of capital receipts		-642	642
Adjustments involving the pensions reserve			
Reversal of items relating to retirement benefits (Note 25)	689		-689
Employer's pension contribution payable in year (Note 25)	-634		634
Adjustments involving the accumulating compensated absences adjustment account			
Amount by which officer remuneration charged to the statement of comprehensive income	0		0
Total adjustments	**63**	**0**	**-63**

5. Property, Plant and Equipment and Heritage Assets

a) Movements in Property, Plant and Equipment

Movements in 2024/25	**Land & Buildings**	**Vehicles, Plant & Equipment**	**Total**
	£000	**£000**	**£000**
Historical or Revalued gross Cost	**6,262**	**1,771**	**8,033**
Additions in Year	195	591	786
Cost of Disposals in Year	0	(118)	(118)
Gross Asset Disposal	0	0	0
Transfer	(537)		
Revaluations			
- Recognised in the Revaluation Reserve	508	0	508
- Recognised in Provision of Services	(38)	0	(38)
Gross Value as at 31st March	**6,389**	**2,244**	**8,633**
Depreciation B/fwd	(100)	(1,157)	(1,257)
Depreciation	(102)	(241)	(343)
Accumulated Depreciation of Disposals in Year	0	118	118
gross Asset Disposal			
Revaluations			
- Revaluations in the Revaluation Reserve	15	0	15
- Revaluations in Provision of Service	184	0	184
Transfers out			
- Transfer out to Assets Held for Sale	0	0	0
Net Value as at 31 March	**6,389**	**964**	**7,353**

Movements in 2023/24	**Land & Buildings**	**Vehicles, Plant & Equipment**	**Total**
	£000	**£000**	**£000**
Historical or Revalued gross Cost	**6,010**	**1,779**	**7,789**
Additions in Year	710	133	843
Cost of Disposals in Year	(585)	(141)	(726)
Gross Asset Disposal	0	0	0
Revaluations			
- Recognised in the Revaluation Reserve	127	0	127
- Recognised in Provision of Services	0	0	0
Gross Value as at 31st March	**6,262**	**1,771**	**8,033**
Depreciation B/fwd	(107)	(1,140)	(1,247)
Depreciation	(109)	(158)	(267)
Accumulated Depreciation of Disposals in Year	0	141	141
gross Asset Disposal			
Revaluations			
- Revaluations in the Revaluation Reserve	116	0	116
- Revaluations in Provision of Service	0	0	0
Transfers out			
- Transfer out to Assets Held for Sale	0	0	0
Net Value as at 31 March	**6,162**	**614**	**6,776**

b) Gross Value of Land and Buildings

	2024/25 £000	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000
Gross Value of Land and Buildings					
Value as at 31st March	**6,389**	**6,262**	**6,010**	**4,642**	**5,047**

c) Heritage Assets

Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture.

The following heritage assets held in the Balance Sheet at valuations:

	2024/25 £000	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000
As at 1st April	**4,434**	**4,358**	**3,998**	**2,554**	**2,771**
Additions in year	86	0	0	0	0
Transfers	(190)_	0	0	0	0
Revaluation	6	76	360	1,444	(217)
As at 31st March	**4,336**	**4,434**	**4,358**	**3,998**	**2,554**

Heritage Assets held by the Authority consist of:

- The Levisham Estate (approximately 1,347 Hectare of moorland, woodland and grassland)

- Cawthorne Moor (approximately 42 Hectares of woodland with Roman Camp and Bronze Age Barrow)

Heritage assets are included within the Balance Sheet at valuation. A full valuation of the Authority's land and buildings (including those classified as Heritage Assets) was undertaken in 2024/25, as part of the 5 year rolling programme of revaluation by RICS registered valuers, Align Property Partners as at 31st March 2025. A desktop valuation of the Authority's land and buildings will be undertaken each future year prior to the next full revaluation.

d) Current Assets Held for Sale

	2024/25 £000	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000
As at 1st April	**0**	**0**	**0**	**0**	**0**
Transfer to Assets Held for Sale	0	0	585	0	0
As at 31st March	**0**	**0**	**585**	**0**	**0**

Assets Held for Sale are those properties that are currently marketed, and it is anticipated will be sold within 12 months of the reporting period.

e) Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings (but not the land they stand on) Old Vicarage and Sutton Bank Visitor Centre– 40 years.
- All other buildings – 30 years (with the exception of Saw Mill Lane Depot – 20 years)
- Vehicles – 5 years
- Heritage Assets – infinite lives with no depreciation charge applied

f) Revaluations

The Authority carries out a programme at least every 5 years that ensures all Land and Buildings including Heritage Assets that are required to be measured at fair value are re-valued. All of these assets were revalued in 2024/25. Furthermore, in order to ensure the carrying amounts of the Authority’s land and buildings are kept up to date, a desktop valuation of Land & Buildings is also undertaken annually. The basis of valuation is disclosed in Policy 13 Statement of Accounting Policies.

g) Financing of Property, Plant and Equipment

The capital expenditure on fixed assets of £2,598k, (£1,590k in 2023/24) was financed as follows:

	31 March 2025 £000	31 March 2024 £000
Revenue	941	595
Capital Contributions	1,349	353
Capital Receipts	58	642
Capital Grant	250	0
	2,598	**1,590**

h) Capital Schemes

Key capital schemes in 2024/25 included projects on the river Rye and Esk, the Peatland project and visitor centre developments.

6. Capital Expenditure and Capital Financing

	31 March 2025	31 March 2024
	£000	£000
Land & Buildings	281	710
Vehicles, Plant & Equipment	578	112
Right of use assets	488	0
IT & Other Equipment	13	21
REFCUS	1,658	747
	3,018	**1,590**

The total amount of Capital Expenditure incurred in the year is shown in the next table (including the value of assets acquired under finance leases, together with the resources that have been used to finance it). When 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 as follows:

	2024/25	2023/24
	£000	£000
Opening Capital Financing Requirement	**179**	**179**
Capital Investment		
Property, Plant & Equipment	872	843
Right of use assets	488	0
Revenue expenditure funded from capital under statute	1,658	747
Sources of Finance		
Capital Receipts	(58)	(642)
Capital Contributions	(1,349)	(353)
Capital Grants	(250)	0
Sums Set Aside from Revenue		
Direct Revenue Contributions	(941)	(595)
Minimum Revenue Provision Leases	(31)	0
Closing Capital Financing Requirement	**568**	**179**
Explanaion of movements in year		
Right of use assets acquired under leases	419	0
Minimum Revenue Provision Leases	(31)	
Increase in capital financing requirement	**389**	**0**

The Capital Financing Requirement arises as a result of the classification of the building element of Danby Lodge Lease as a Finance Lease under IFRS. The Prudential Framework for Capital Finance establishes a statutory basis for the Minimum Revenue Provision to be charged in relation to Finance Leases. This states that charges should be made to revenue equal to the element of the rental payable for any year to write down the balance sheet liability.

7. Financial Instruments

a) Financial Assets: Cash, Loans and Receivables

The Authority's cash balance includes cash held with North Yorkshire Council (NYC), 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 NYC each evening and money in this account is available to the Authority within one day.

Financial Instruments are formerly defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the Authority, this definition covers the instruments used in Treasury Management activity, in the lending of money for investment purposes.

The Authority's Treasury Management is provided via a collaboration arrangement with NYC under the CIPFA Code of Practice on Treasury Management. The code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority.

The CIPFA Code of Practice on Treasury Management requires:

- A Treasury Management Policy Statement (TMPS) stating North Yorkshire Council's policies and objectives for its treasury management activities; and

- A framework of Treasury Management Practices (TMPs) setting out the manner in which North Yorkshire Council will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

The twelve recommended TMPs are reviewed and updated as and when necessary in the light of regulatory and/or local policy changes and cover the following areas:

- Risk management;
- Performance measurement;
- Decision making and analysis;
- Approved instruments, methods and techniques;
- Organisation, clarity and segregation of responsibilities and dealing arrangements;
- Reporting requirements and management information arrangements;
- Budgeting, accounting and audit arrangements;

- Cash and cash flow management;
- Money laundering;
- Training and qualifications;
- Use of external service providers; and
- Corporate governance.

b) Financial Instrument Balances

	31 March 2025	31 March 2024
	£000	£000
Debtors	2,658	1,610
Creditors	1,443	996
Bank current accounts	(988)	(526)
Short-term deposit with NYCC Treasury	7,893	7,950
	11,006	**10,030**
Long Term Debtors (see Note 10)		
Loan	0	17

The figures shown above consist of the nominal value of loans plus accrued interest at that date. This complies with the requirements for financial instruments in accordance with the Code and adoption of IFRS 9.

All Financial Instruments continue to be carried at amortised cost after the adoption of IFRS 9.

c) Fair Value of Assets and Liabilities Carried at Amortised Cost

The fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans receivable, the prevailing benchmark market rates have been used to provide fair value;
- Where an instrument (loan/investment) will mature in the next 12 months, the carrying amount is assumed to approximate fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount; and

- A review of bad debts was performed at the balance sheet date and no impairments have been applied.

d) Disclosure of Nature and Extent of Risk Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks, the key risks being:

- Credit Risk – the possibility that other parties may fail to pay amounts due to the Authority;

- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and

- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rate movements.

e) Procedures for Managing Risk

Through the collaboration arrangement with NYC, the Authority complies with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Department for Communities & Local Government Investment Guidance issued through the Local Government Act 2003. Risk is managed in the following ways:

- By NYC adopting the requirements of the code of practice

- The approved prudential indicator limits set out for the following three years:
  - The Authority's overall borrowing limits
  - Its maximum and minimum exposures to fixed and variable interest rates
  - Its maximum annual exposures to investments maturing beyond a year

Credit Risk
Credit risk arises from deposits with banks and financial institutions as well as exposures to the Authority's customers. Deposits are managed through the collaboration agreement with NYC. Sales of goods are predominantly on a cash basis, and services are not completed unless there is a signed legal grant agreement in place. The Authority receives income predominantly from other Government Bodies reducing commercial risk.

The Authority does not generally allow credit for its debtors. Analysis of invoices outstanding as at 31st March 2025, which are included within the £3,040k short-term debtors, can be analysed by age as per the table below. Please note the short-term debtors note includes income expected from Government Bodies which does not require an invoice, hence not appearing in the table below.

	31 March 2025	31 March 2024
	£000	£000
Less than 3 Months	1,259	786
3 to 6 Months	0	4

6 to 12 Months	0	0
More than 12 Months	2	14
	1,261	**804**

Liquidity Risk
The Authority has next day access to investments and is funded centrally by DEFRA. Grant funding is known in advance so working balances can be managed. The Authority does not have any external borrowing.

Market Risk
The Authority is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. As the Authority has no borrowings the risk is a loss of earnings on interest income.

Amounts Arising from Expected Credit Loss
As per the requirements of The Code as a result of the adoption of IFRS 9, The Authority has assessed its investments and concluded that any expected credit loss is not material, therefore no allowances have been made.

8. Inventories

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

	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Type of Stock:	**Stock for Resale**		**Footpath Maint Stock**		**Total**	
Balance at 1 April 2024	67	64	18	37	85	101
Purchases	97	135	42	72	139	207
Inventory Utilised Within Year	-119	-132	-42	-91	-161	-223
Balance at 31 March 2025	**45**	**67**	**18**	**18**	**63**	**85**

9. Short Term Debtors

The Short-Term Debtors recorded on the balance sheet can be analysed as follows:

	31-Mar-25 £0	31-Mar-24 £0
Central Government bodies	1,482	870
Other Local Authorities	107	136
Other entities and individuals	1,383	807
Payments in Advance	67	66

	3,039	1,879

Provision for Doubtful Debt

A £22.18k provision has been made for doubtful debts in 2024/25.

10. Long Term Debtors

There are no long-term debtors. The loan which has been a long-term debtor in previous years has now ended in 2024/25. 2023/24 was the last year of the loan, so in last years account this was treated as a short-term debtor.

11. Cash and Cash Equivalent

The balance of cash and cash equivalents is made up of the Authority's current bank accounts and short-term deposit with North Yorkshire Council (See Note 7b).

12. Short-term Creditors

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

	31-Mar-25	**31-Mar-24**
	£0	**£0**
Central government bodies	98	94
Other local authorities	221	23
Other entities and individuals	1,222	976
Accumulated Absences	30	30
Income in Advance	1,282	1,135
	2,853	**2,258**

13. Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost;
- Used in the Provision of Services and the gains are consumed through depreciation; or
- Disposed of and the gains realised.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created.

	2024/25	**2023/24**
	£000	**£000**
Balance at 1 April	**6,367**	**6,082**
Upward revaluation of assets	458	319
Difference between fair value depreciation and historical cost depreciation	(47)	(34)
Balance at 31 March	**6,779**	**6,367**

14. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision the Account is debited with the cost of acquisition or enhancement as depreciation; impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

	2024/25 £000	2023/24 £000
Balance at 1 April	**4,678**	**4,670**
Reversal of items relating to capital expenditure debited or credited to I&E		
- Charges for depreciation and impairment of non-current assets	(391)	(268)
- Revaluation losses on Plant, Property and Equipment	(230)	0
- Amounts of non-current assets written off on disposal to Statement of Comprehensive Income	0	(585)
- Write down long term debtor	(17)	(16)
- Revenue Expenditure Funded by Capital under Statute	(1,658)	(747)
	(2,295)	**(1,616)**
Adjusting amount written out of the Revaluation Reserve	47	34
Net written out amount of the cost of non-current assets consumed in year	**47**	**34**
Capital financing applied in year:		
- Use of capital receipts	58	642
- Capital Grants & contributions credited to the SCI	1,599	0
- Capital expenditure charged against the general fund	941	201
- Statutory provision for the repayment of debt	31	0
- Capital financing utilised as Revenue Expenditure Funded by Capital under Statute	0	747
	2,629	**1,590**
Balance at 31 March	**5,057**	**4,678**

15. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in its Comprehensive Income and Expenditure Statements as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The Pension Fund actuary report as at 31 March 2025 indicates a pension asset of £8.938m before the application of surplus restriction calculations. However, with a defined benefit scheme the number recognised in the accounts should be the lower of the above surplus and the asset ceiling calculation. The latter indicates that the surplus should not be recognised, and therefore a figure of nil is accounted for at the end of the year for the funded element of the scheme. The unfunded element of the scheme has a liability of £126k.

The Authority participates in the North Yorkshire Pension Fund.

	2024/25	**2023/24**
	£000	**£000**
Balance as at 1 April	(142)	1,298
Remeasurement of Net Defined Benefit Liability	(131)	(1,385)
Reversal of Items Relating to Retirement Benefits	(546)	(689)
Employers Pension Contributions and Direct Payments	693	634
Balance as at 31 March	**(126)**	**(142)**

16. Transfers to/from Earmarked Reserves

This shows the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back into the General Fund 2024/25.

2024/25	Balance at 31 March 2024	Movement to Reserves	Movement from Reserves	Net Movement	Balance at 31 March 2025
	£000	£000	£000	£000	£000
General Working Balance Reserve	435	100	0	100	535
This Exploited Land of Iron Reserve	112	0	-112	-112	0
Capital & Maintenance Reserve	415	150	-169	-19	396
Property Reserve	474	1,090	-179	911	1,385
Woodsmith Section 106 Reserve	3,111	142	-270	-128	2,983
Boulby S106 Reserve	659	327	0	327	986
Ryevitalise Reserve	554	0	-400	-400	154
Blue Corridor Reserve	0	0	0	0	0
Birds on the Edge Reserve	0	22	0	22	22
Core Signage Reserve	100	0	0	0	100
Future Match Funding Reserve	200	0	-194	-194	6
Budgets Carried forward from 23/24 to 24/25	0	91	-91	0	0
Project & Bequest Reserves	425	99	-278	-179	246
Total Earmarked Reserves	**6,485**	**2,021**	**-1,693**	**328**	**6,813**
Contingency Fund	683	89	-407	-318	365
Total Useable Reserves	**7,168**	**2,110**	**-2,100**	**10**	**7,178**

This shows the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back into the General Fund 2023/24.

2023/24	Opening Balance at 31 March 2023	Transfer to Reserves	Transfer from Reserves	Net Movement	Closing Balance at 31 March 2024
	£000	**£000**	**£000**	**£000**	**£000**
Emergency Reserve	435	0	0	0	435
This Exploited Land of Iron Reserve	112	0	0	0	112
Capital & Maintenance Reserve	301	174	-60	114	415
Property Reserve	508	635	-669	-34	474
Woodsmith Section 106 Reserve	2,935	390	-214	176	3,111
Boulby S106 Reserve	0	659	0	659	659
Ryevitalise Reserve	402	167	-15	152	554
Blue Corridor Reserve	42	0	-42	-42	0
Core Signage Reserve	100	0	0	0	100
Future Match Funding Reserve	200	0	0	0	200
Budgets Carried forward from 21/22 to 23/24	0	37	-37	0	0
Project Reserves	85	596	-256	340	425
Total Earmarked Reserves	**5,120**	**2,658**	**-1,293**	**1,365**	**6,485**
General Fund	818	392	-527	-135	683
Total Useable Reserves	**5,938**	**3,050**	**-1,820**	**1,230**	**7,168**

17. Agency Services

The Authority has contracts with North Yorkshire Council. The charges for 2023/24 and 2024/25 were £293k and £355k respectively.

18. Members Allowances

The total Member's Allowances paid in 2024/25 was £85k compared to £69k in 2023/24. This is split £69k allowances and £16k expenses.

19. Disclosure of Remuneration

The Public Sector Accounts and Audit Regulations 2011 require that the Authority discloses the number of employees whose renumeration falls in each bracket of a scale in multiples of £5k starting with £50k. The definition of renumeration includes gross pay and certain expense allowances but excludes NIC's as they do not form part of the individual's renumeration.

Band	**2024/25** **£000**	**2023/24** **£000**
£50,000 - £54,999	1	0
£55,000 - £59,999	1	1
£60,000 - £64,999	0	1
£65,000 - £69,999	0	0
£70,000 - £74,999	0	1
Over £74,999	5	3
	7	**6**

The regulations also require that certain senior employees whose salary is £50k or more per year must be listed by way of job title. Please note that the over £50k banding table includes senior officers listed separately below.

The Local Government pension scheme is a contributory scheme and in addition to the payments made by the Authority, employees are required to contribute a percentage calculated in accordance with salary bandings. Employees also have options to make additional contributions to the scheme to increase their benefits against which the Authority makes no further contribution.

	2024/25 £000	2023/24 £000
Chief Executive		
Total Remuneration excluding Pension Contribution	100,224	102,780
Employers Pension Contribution	15,835	16,034
Total Remuneration including Pension Contribution	**116,059**	**118,814**
Director of Planning		
Total Remuneration excluding Pension Contribution	70,382	68,665
Employers Pension Contribution	11,120	10,712
Total Remuneration including Pension Contribution	**81,502**	**79,377**
Director of Recreation & Wellbeing		
Total Remuneration excluding Pension Contribution	65,749	53,710
Employers Pension Contribution	10,388	8,236
Total Remuneration including Pension Contribution	**76,137**	**61,946**
Director of Conservation and Climate Change		
Total Remuneration excluding Pension Contribution	68,065	66,405
Employers Pension Contribution	10,754	10,359
Total Remuneration including Pension Contribution	**78,819**	**76,764**
Director of Corporate Services		
Total Remuneration excluding Pension Contribution	65,749	64,145
Employers Pension Contribution	10,388	10,007
Total Remuneration including Pension Contribution	**76,137**	**74,152**
Senior Minerals Planner		
Total Remuneration excluding Pension Contribution	51,625	50,195
Employers Pension Contribution	8,156	7,830
Total Renumeration including Pension Contribution	**59,781**	**58,025**
Property Manager		
Total Remuneration excluding Pension Contribution	45,027	
Employers Pension Contribution	7,114	
Total Renumeration including Pension Contribution	**52,141**	

20. Exit Packages and Termination Benefits

Details of the Exit Packages / Termination Benefits paid out to employees who were made redundant or took early retirement during the year are set out in the table below.

The table shows the total number of compulsory and other voluntary redundancies / departures and their total cost, broken down into incremental bands.

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in each Band	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
							£000	£000
£0 - £39,999	0	0	0	2	0	2	0	7
	0	**0**	**0**	**2**	**0**	**2**	**0**	**7**

21. External Audit cost

The Authority has incurred the following costs in relation to External Audit:

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	2024/25	2023/24
	£000	**£000**
Fees Payable for External Audit Services	60	42
	60	**42**

The 2024/25 figure above contains £8k which were additional fees relating to 2023/24, agreed at completion of the audit.

22. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

	2024/25	2023/24
	£000	£000
Credited to Grant Income		
National Park Grant (NPG)	4,882	4,382
Credited to Services		
Natural England	1,317	580
Forestry Commission	0	5
Environment Agency	87	83
North Yorkshire County Council	22	76
DCLG Govt Grant	12	0
Department of Transport	96	0
HM Land Registry	5	0
European Grants	0	238
Rural Payment Agency	40	16
DEFRA Grants	1,659	1,079
Other local authorities	0	15
Total government grants (excluding NPG)	**3,239**	**2,092**
Lottery funding	483	270
Other Grants	873	339
Total grants (excluding NPG)	**4,595**	**2,701**

23. 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 the transactions with other parties. Details of transactions with government departments in terms of grants are set out in Note 22.

Members of the Authority have direct control over the Authority's financial and operating policies. The Register of Members' Interests, which authorities are 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.

The Authority has 20 Members, made up of as follows :-

North Yorkshire County Council - 9 seats

Redcar & Cleveland - 2 seats
Defra appointments Secretary of State appointments – 5 seats
Secretary of State Parish appointments – 4 seats

It should be noted that the Authority’s Monitoring Officer is contracted through an agency by North Yorkshire Council. The Monitoring Officer services are therefore provided under contract by North Yorkshire Council.

Related Parties

	Income £’000	Expenditure £’000	Net £’000	No of Transactions
North York Moors Historical Railway Trust	(73.9)	28.7	(45.2)	59
North York Moors National Park Trust	(67.2)	0	(67.2)	14
North Yorkshire Council	(50.1)	505.1	455.0	273
Redcar and Cleveland Borough Council	(1.1)	9.7	8.7	4
Scarborough & Ryedale Mountain Rescue	0	1.6	1.6	1
	(192.3)	545.1	352.9	351

24. Leases

Leased Assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

	Land & buildings £000
Balance at 1 April 2024	0
Transfer of assets	727
Adoption of IFRS 16	420
Additions	68
Revaluations	(446)
Depreciation and amortisation	(50)
Balance at 31 March 2025	**719**

Lease liability

	2024/25 £000
Current	65
Non-Current	516
	581

Transaction under leases

The authority incurred the following expenses and cash flows in relation to leases:

	2024/25 **£000**
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	48
Cash flow statement	
Minimum lease payments	65

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	31st March 2025 £000
Within 1 year	65
Between 2-5 years	223
Later than 5 years	1,927
Total undiscounted liabilities	**2,215**

25. Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme. For the North Yorkshire area this is administered by North Yorkshire Council. It is a funded defined benefit career average salary scheme, meaning that the Authority and its employees pay contributions into a fund. These contributions are set, which accumulate in a fund, at a level intended to meet pensions liabilities as they fall due.

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 charge we are required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Statement of Comprehensive Income and Expenditure and the General Fund Reserve via the Movement in Reserves Statement.

As at 31st March 2025, the Authority has paid all pension contributions due in the 2024/25 financial year, to the North Yorkshire Pension Fund.

Comprehensive Income and Expenditure Statement

2023/24 £000		2024/25 £000
	Net Cost of Service	
(747)	Current service cost	(736)
0	Past service cost inc. Curtailments	0
(24)	Administrative expenses	(26)
	Financing and Investment Income	
82	Net interest expense	17
(689)	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Service**	**(745)**
	Remeasurement of the net defined benefit liability	
(142)	Actuarial gains and (losses)	(126)
(831)	**Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement**	**(871)**
	Movement in Reserves Statement	
(689)	Reversal of net charges made to the surplus or deficit for the provision of Services for Post-Employment benefits in accordance with the code	(546)
634	Actual amount charged against the General Fund Balance for employer's pension contributions in the year	693
(55)		**147**

The cumulative amount of actuarial gains/losses recognised in the Comprehensive Income and Expenditure Statement to 31st March 2025 is a loss of £147k (gain of £55k in 2023/24).

The line 'Net Interest Expense' under Financing and Investment Income reflects the cost of future pension benefits at the start of the year discounted by one less year, less the assumption for the growth of assets during the year.

The liabilities show the underlying commitments that the Authority has in the long term to pay retirement benefits.

Authority's Net Position	**2024/25**	**2023/24**
	£000	**£000**
Estimated share of liabilities in the scheme	(24,634)	(28,035)
Estimated share of assets in the scheme	33,446	32,195
Authority's gross surplus	**8,812**	**4,160**
Asset ceiling adjustment	(8,938)	(4,302)
Authority's net deficit	**(126)**	**(142)**

Scheme Assets and Liabilities	**2024/25**	**2023/24**
	£000	**£000**
Pension liabilities at beginning of year	(28,035)	(27,792)
Current service cost	(762)	(771)
Interest cost	(1,340)	(1,290)
Contributions by scheme participants	(279)	(260)
Actuarial (loss)/gain	5,237	1,114
Curtailments	0	0
Benefits paid	545	964
Past service cost	0	0
Pension liabilities at end of year	**(24,634)**	**(28,035)**
Pension assets at beginning of year	**32,195**	**29,090**
Movement in assets in year:		
Interest income	1,556	1,372
Actuarial (loss)/gain	-732	1,803
Employer contributions	693	634
Contributions by scheme participants	279	260
Benefits paid	(545)	(964)
Pension assets at end of year	**33,446**	**32,195**
Asset ceiling adjustment	(8,938)	(4,302)
Adjusted pension assets at end of year	**24,508**	**27,893**
Deficit/Surplus	**(126)**	**(142)**

The key risks for North Yorkshire Pension Fund are described in the Risk Register for the Fund which can be found on North Yorkshire Council's website. One of these risks is that investment returns will be lower than forecast due to adverse conditions in financial markets. To mitigate this, the Fund invests in a range of asset classes (equities, property, fixed income, alternatives, cash), and in more than one strategy within each asset class, such as global equity, UK equity and Emerging Market equity. Another risk is that solvency will deteriorate either through poor investment returns or adverse changes in the assumptions used to value liabilities. Two options to mitigate this include increasing contribution rates and extending deficit recovery periods. Further details are available at www.nypf.org.uk.

	31 March 2025 Years	**31 March 2024 Years**
Mortality Assumptions:		
Longevity at 65 for current pensioners		
Men	21.9	22.1
Women	24.5	24.6
Longevity at 65 for future pensioners		

Men	22.5	23.0
Women	25.2	25.6

Assets in the Pension Fund are valued at fair value, principally market value for investments, totalling £28.571m at 31st March 2025 (£32.2m at 31st March 2024), and consists of the following categories.

Investments - Fair Value	Fair Value of Scheme Assets 2024/25 £000	Fair Value of Scheme Assets 2023/24 £000
Equity instruments	17,425	16,774
Property	2,141	2,060
government bonds	3,679	3,541
Bonds	2,408	2,318
Cash/liquidity	468	451
Other	5,552	5,344
Multi Asset Credit	1,773	1,706
Total assets	**33,446**	**32,195**

Note : the table above does not include the asset ceiling adjustment.

The actuarial gain identified as movements on the Pensions Reserve in 2024/25 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31st March 2025 with comparative data for the previous four financial years:

	2024/25 £000	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000
Difference between the expected and actual return on assets	5,162	2,499	3,827	41	(5,946)
Difference between actuarial assumptions about liabilities and actual experience	50	344	3,455	117	(315)
Changes in the financial assumptions used to estimate liabilities	(5,073)	(1,030)	(15,707)	(2,762)	0
Changes in the demographic assumptions used to estimate liabilities	(214)	(428)	289	(381)	0
	(75)	**1,385**	**(8,136)**	**(2,985)**	**(6,261)**

The total contribution expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2025 is £693k.

26. Material Contingent Liabilities

There are currently no material contingent liabilities.

27. Post Balance Sheet Events

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgement delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court. The most recent update in July 2024 is that the relevant certificate in respect of the Local Government Pension Scheme 2008 reforms has yet to be located. While it is known there is the potential for additional pension liabilities to be recognised, the financial impact is not known and it is reasonable to form the view that an estimate cannot be made. While the Court of Appeal upheld the High Court Judgement, there are further actions that could be taken regarding the case. In addition, the certificate in respect of the 2008 reforms could be located.

Appendix 1, Annual Governance Statement

1. Scope of responsibility

1.1 The North York Moors National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with the 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 overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

2. The purpose of the Governance Framework

2.1 The governance framework comprises the values, systems and processes for the direction and control of the Authority and its activities through which it engages with the community and key stakeholders and is held accountable for the use of public money. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services in pursuit of National Park purposes.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve objectives but can provide a reasonable assurance of effectiveness. The system of internal control is based on a process designed to identify and prioritise the risks to the achievement of the Authority's objectives, to evaluate the likelihood of those risks occurring and the impact should they occur, and to manage them efficiently and economically.

2.3 The governance framework has been in place for the year ended 31 March 2025 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework – accountability

3.1 National Park Authorities are independent, special purpose bodies working within the framework of local government. Their unique governance arrangements combine elements of accountability to central government and to local communities reflecting the needs of national and local customers. Constitutional accountability is achieved via the appointment of elected Members by principal local authorities and via national appointments. This includes the appointment by the Secretary of State of Parish Members elected by Parish Forums (in the case of the NYM).

3.2 The full breadth of the other mechanisms for accountability is varied involving a variety of financial and political reporting arrangements at a national level and a wide range of voluntary actions. The Authority makes great effort to ensure that voluntary actions are as open, inclusive and transparent as possible. In previous years they have included the following:

- The arrangement of regular Parish Forums which are attended by Members, the Chief Executive and Directors is supplemented by an annual Joint Parish Forum. Members of the public are free to ask questions at these events.
- The Authority currently has two policy Forums (Recreation and Wellbeing and Conservation and Climate Change). Membership is drawn from Authority Members to support the work of the National Park Authority Board in determining policy, scrutinising performance and overseeing delivery in these two areas of work. Following a review of our governance arrangements in 2023, co-options were invited to both Forums to represent the interests of young people. A co-option to the Conservation and Climate Change Forum was made in 2024.
- There is a quarterly Equality, Diversity and Inclusion Group in which Officers work jointly with representatives of a variety of interest groups and other organisations. An Authority Member chairs this group, and two other Members also sit on the group which reports directly back to NPA.
- Standing Orders and the Public Speaking arrangements allow members of the public and parish representatives to address the Planning committee, Full Authority meetings and Finance, Risk, Audit & Standards committee meetings are open to the public and there is the opportunity for the public to ask questions at the former.
- Wide and effective consultation mechanisms using a number of different communication channels, for example, video conference and face to face consultation, the use of social media, on-line and paper-based consultation. Feedback on the outcome of consultations is also shared in a similar variety of formats.
- Feedback to the Authority can take place in person, by phone, letter, e-mail or using a variety of social media.

3.3 The Authority regularly monitors Complaints and Compliments and reports these to the Finance, Risk, Audit and Standards Committee (FRASC) which also considers any reports from the Local Government Ombudsman. Processes are in place to deal with complaints against Members via the Authority’s Finance, Risk, Audit and Standards Committee, which has an Independent Person to advise it on standards and governance arrangements.

3.4 In 2024/25, the Authority received 5 complaints (10 in 2023/24). 4 of the 5 were justified or partially justified. In the same period, the Authority also received 49 compliments. Details of all these are reported quarterly to Members. There was one Local Government Ombudsman referral which was not upheld.

3.5 There were no formal Member complaints in 2024/25.

3.6 The Authority’s governance framework seeks to ensure that the principles of good governance are embedded into all aspects of its work.

3.7 The Authority's objectives are framed in accordance with the National Park Management Plan. The current National Park Management Plan was approved following engagement with partners and stakeholders and published in July 2022. Progress against the Plan's overall long-term objectives can be identified via an Annual Monitoring Statement that monitors progress (Management Plan Annual Monitoring Statement) against a broad range of targets and strategic indicators. Oversight of the Plan is supported by a Partner Delivery Group which meets twice a year and brings together key relevant authorities and stakeholders who support the delivery of the Plan.

3.8 The Authority's Strategy and Business Plan flow from the Management Plan and set objectives and milestones for the Authority's work over a five-year period. The Business Plan operates closely with financial processes including the Medium-Term Financial Strategy, annual budget and budget monitoring processes, which allocate resources required to deliver the objectives based upon reasonable assumptions based on assessment of financial risk. Both business plan delivery and the medium-term financial strategy are reviewed annually to ensure that resources and objectives remain aligned.

3.9 The Authority adopted a Local Plan in 2020, in accordance with statutory requirements, to assist in determining planning decisions. An Annual Monitoring Report - published around September- is prepared to check progress against plans and policies. Work to review the Local Plan will commence in 2025 with a timeline to adopt in 2028.

3.10 The Authority has an established committee structure with an associated Scheme of Delegation to ensure that decisions are taken in the most appropriate and effective manner. The Scheme of Delegation allows swift and effective policy and decision making by Members and managerial and operational decision making by officers within a framework of accountability to Government and local people.

3.11 Compliance with the regulations, procedures and statutory requirements is facilitated by a comprehensive set of appropriate controls. Policies are in place to regulate how the Authority's Members and staff use the resources available to them. Regular internal audits are conducted by external suppliers, providing assurance that the procedures are being adhered to. The Authority receives legal advice and Monitoring Officer support as appropriate in all aspects of its work via a contractual arrangement with North Yorkshire Council. Advice includes detailed input into significant Committee papers, particularly the work of the Authority's Planning Committee. The Whistleblowing Officer role is externalised via this contract to increase objectivity and independence.

3.12 The management of risk is embedded into the Authority's activities. A corporate level risk register is maintained to identify significant operational risks and describe the mitigation measures in place to control them. The corporate risk register is reviewed quarterly by the Authority's Senior Leadership Team (SLT) and by Members via FRASC.

3.13 Managing the risk management process is the responsibility of the Director of Corporate Services; the risk register itself is developed by the CEO and Directors, with advice from risk specialists at NYC, and agreed by Members in the spring of each year. Direct responsibility for controlling individual risks is delegated to the Director most closely involved in the operation that would be affected. More strategic risks, and the mitigation measures to control them, are included in the Authority's Business Plan.

3.14 The routine financial management of the Authority is described in detail by the Financial Regulations. The annual budget is approved by the full Authority prior to the commencement of the financial year. The SLT receives reports on expenditure and income against the expected position at their monthly meetings and take appropriate action to address any significant deviation from the plan. The quarterly meetings of the FRASC receive a formal report on the financial position, including a description of any significant variances, highlighting financial risks plus information about material virements and any waivers that have been made. Forecasts are reported quarterly.

3.15 The Authority is compliant with the CIPFA Statement on the role of the Chief Financial Officer (2016). The Authority has opted for a number of its financial functions to be delivered via a Financial Collaboration Agreement with North Yorkshire Council. This provides the resilience, expertise and opportunities to easily access more specific expertise. The Authority's Chief Financial Officer (s151 Officer) function was provided under this contract until the 9 March 2025, after which the responsibilities are incorporated into the role of the new Director of Corporate Services (S151), following the retirement of the previous postholder. Remaining within the collaboration agreement are the accounting roles as well as expert advice on treasury management, insurance and risk management. The Authority is satisfied that the arrangements meet the CIPFA requirements and provides good value for money with high level financial advice.

3.16 The S151 Officer (now within the Director of Corporate Services role) has direct access as required to the Chief Executive and Members of the Authority and attends meetings of the SLT. The role has day to day management responsibility for the NYC staff working on financial matters within the Authority and works closely with the Authority's CEO and other Directors.

3.17 Performance Management is conducted via the FRASC which meets every quarter. This committee receives reports on finance, risk management, complaints and compliments and it monitors performance. A more structured approach was introduced in 2022/23 to provide members with more relevant, timely information through a scorecard of key performance indicators (KPIs). This approach has continued to be refined during 2024/25 to ensure KPIs remain relevant, and reporting is user friendly. The Authority recruited a Performance Officer post in 2024/25 which is shared with the Yorkshire Dales National Park Authority.

4. Review of effectiveness

4.1 The Authority has responsibility for reviewing the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies.

4.2 These normal review methods and the implementation of recommendations from the Governance Review undertaken in 2022/23 have been used to inform the contents of the Annual Governance Statement which is prepared by the Director of Corporate Services (S151) in consultation with the Chief Executive, Monitoring Officer, and key Members.

4.3 The following key areas of work were due to be completed in 2024/25.

- Implement all actions recommended by the Head of Internal Audit arising from the 2023/24 audit programme and establish the internal audit regime for 2024/25.
- Introduce the new external auditors (Forvis Mazars) to the Authority and implement any recommendations from their initial audit.

4.4 The Head of Internal Audit at Veritau provided a report to the Finance, Risk, Audit and Standards Committee confirming that the outcome of the 2024/25 Cyber Security and Main Accounting audits resulted in Substantial Assurance. The project management and external income audit resulted in Reasonable Assurance with a number of helpful recommendations to improve project governance. The recommendations will form part of the action plan for 2025/26. The actions from the prior year have been mostly delivered with the exception of a couple of carry over actions from the Transparency audit. A review of previous recommendations forms part of the Internal Audit regime each year.

4.5 The change in external auditors was managed in year and the foundations of a strong working relationship formed. The first year is always a more challenging year for both auditors and officers as additional work is required to help auditors understand how National Parks operate. The first year resulted in a strong audit result and unqualified audit opinion and was completed within the backstop dates. In particular the Value for Money audit result was excellent, highlighting strong economy, efficiency and effectiveness. It did highlight one control issue relating to full valuations being conducted every 5 years, and measures have been put in place to ensure this does not recur and a full valuation is taking place for the 2024/25 audit. Whilst this is a significant control issue from an accounting standards perspective, the impact on the running of the Authority and risk to the Authority finance position is negligible.

4.6 The Independent Person at the Authority has been reappointed for a further two years, effective from June 2025 to continue their work assisting where appropriate with the Authority's governance arrangements.

4.7 There has been one new Member appointment in 2024/25.

4.8 A new finance system will be implemented in the year with a go-live date of 1 August 2025. Access Financials will bring an additional layer of process efficiency and inbuilt governance, the latter which will need to be aligned to existing financial regulations parameters. It is expected in particular to enhance existing purchase ledger, reporting and project management processes as well as the budget manager experience. In addition, the system will be cloud based which assists in reducing system risk. The planning system is also under review, with a new system planned for launch in the second half of 2025/26. This will also be cloud based.

5. Governance actions

5.1 The following areas have been identified to be addressed in 2025/26.

- Implement all actions recommended by Internal and External Auditors arising from the 2024/25 audit programme and establish the internal audit regime for 2025/26.
- Implementation of the finance system and associated training and governance controls.
- Implement any changes as a result of the review of Parish Forums as a method of communications with communities.
- Light touch Best Value review.
- Ensure smooth service transition with the staff changes in the Director of Corporate Services and Head of People roles.

5.2 We propose over the coming year to take the steps detailed above to enhance our already sound governance arrangements.

Signed:

………………………………………………...........
T Hind (Chief Executive)

Date:

…………………………………………………….
J Bailey (Chair)

Date:

On behalf of the Members and senior officers of the North York Moors NPA.

Independent auditor's report to the members of North York Moors National Park Authority

To follow on completion of the audit.