

North York Moors National Park Authority

23 September 2013

Statement of Final Accounts 2012/2013

1. Purpose of the Report

- 1.1 To present to Members the Statement of Final Accounts for the year 2012/2013 for approval.

2. Statement of Accounts 2012/2013

- 2.1 As a result of the Environment Act 1995 the North York Moors National Park Authority is recognised as a separate corporate body which is required to produce its own Statement of Final Accounts (SOFA).
- 2.2 The Statement of Final Accounts for the North York Moors National Park Authority is attached as a separate document at **Appendix A**. This document was signed by the s151 Officer prior to the deadline of 30 June 2013. The format and content of this document must comply with the CIPFA IFRS Code of Practice on Local Authority Accounting (The Code). The Code sets out the proper accounting practice required for the SOFA, within the statutory framework of the Accounts and Audit Regulations 2011.
- 2.3 The SOFA attached at **Appendix A** is prepared in line with International Financial Reporting Standards (IFRS) which have been interpreted for Local Government in the Code.
- 2.4 A draft of the SOFA was presented for discussion at the Finance, Risk, Audit and Standards Committee on 12 August 2013. The version attached has been amended since to take into account minor adjustments following the conclusion of the audit.
- 2.5 This Authority has adopted the practice of including the Annual Governance Statement within the SOFA and this has been discussed and approved by the Finance, Risk, Audit and Standards Committee on the 4 February 2013 and again on 12 August 2013. There are no changes which require adjustment since that time.
- 2.6 There have been no significant changes to accounting policies in 2012/13.
- 2.7 The Audit Fieldwork has taken place in the weeks commencing 24 June and 8 July. The report of the auditors is included as Item 7 on this agenda.

3. Revenue Outturn 2012/2013

- 3.1 The outturn figures reported to the Finance, Risk, Audit and Standards Committee on 20 May have been adjusted to take into account a number of minor errors that were identified by the Authority's Finance Team before the commencement of the audit fieldwork. These adjustments represent a £12k increase to the overall Authority under-spend in 2012/13 from £103.1k to £115k.

3.2 As a result of preparing the SOFA based on the Code, numerous accounting adjustments, many of which are notional and do not impact on National Park Grant funding in 2012/13, need to be made from the final Budgeted under-spend of £115k, to a Surplus reported in the Comprehensive Income and Expenditure Account of £16k, reported on page 22 of **Appendix A**.

3.3 A reconciliation from the £115k final Under-spend in the Actual Outturn to a Surplus reported in the Comprehensive Income and Expenditure Account of £16k is attached as a separate document at **Appendix B**, with the columns on this reconciliation statement being as follows:

Column 1 - Draft Outturn Figures reported to FRASC on 20 May 2013 reporting a provisional under-spend of £103.1k.

Column 2 - Adjustments to Year-end Outturn figures as detailed in paragraph 3.1.

Column 3 - Final Outturn Position of £115k under-spend.

Column 4 - Adjustments to and from the Accumulated Absences Account. These adjustments reflect the year-to-year movement in the notional value of untaken holiday at 31 March each year, by staff within the Authority. This adjustment is purely notional and does not impact on the cash and budgetary position at year-end.

Column 5 - Add depreciation and other Capital charges, to conform to CIPFA Capital Accounting Regulations, which require that Non-Current Assets (buildings, plant and machinery and intangible non-current assets) are depreciated or amortised. This adjustment does not affect the "bottom line" net cost to be funded by National Park Grant and working balances.

Column 6 - Adjustments made to reclassify the revenue funding of items defined as capital expenditure for the purposes of the Final Accounts. This type of Revenue Expenditure is funded by National Park Grant, but does not impact on the Surplus reported in the Comprehensive Income and Expenditure Account.

Column 7 - Due to Financial Reporting Standards (IAS 19), the actual pension payments made by the employer are removed and replaced by the actual current service operating cost of providing retirement benefits. These adjustments do not affect the overall amount to be met from National Park Grant, but the disclosures more accurately reflect the liabilities of the position of the pension fund.

Column 8 - Interest received is included under the heading of Corporate Management in the outturn position. In order to comply with the Code, interest received is shown on a separate line.

Column 9 - Adjustment to change the Moors Centre Lease arrangements to be compliant with International Financial Reporting Standards. An amount of £16k which is included in Promoting Understanding in the Outturn position but in the SOFA is classified as interest payable and is shown as a separate line similar to the treatment of interest received.

Column 10 - Net Expenditure totals reported in the SOFA as the Net Surplus on the Provision of Services in the Comprehensive Income and Expenditure Account.

4. Balance Sheet

4.1 The Authority is an admitted body to the North Yorkshire Pension Fund (NYPF) and the Balance Sheet includes a pension reserve liability of £6,445m as at 31 March 2013 (was £5.262m as at 31 March 2012). This liability reflects the fair value of future pension liabilities that have been incurred less the assets that have already been set aside to fund them.

4.2 The net pension liabilities decrease the overall level of reserves on the Balance Sheet. However, this does not impact on the level of the Authority's cash reserves or on the available value of National Park Grant. In addition, whilst the liability suggests a significant shortfall between the forecast cost of future pension and the current level of assets in the pension fund, these figures are a snapshot in time and the value of the assets fluctuates in line with market conditions.

The North Yorkshire Pension Fund has a long term investment strategy in place for addressing this issue, based on the level of employer contributions paid into the fund.

5. Audit of Accounts

5.1 The audit of the accounts by Deloitte has been concluded and the report is at Item 7.

6. Financial and Staffing Implications

6.1 The financial and staffing implications are described in the report.

7. Sustainability Appraisal

7.1 There are no sustainability issues.

8. Legal Implications

8.1 There are no legal implications arising from this report.

9. Recommendation

9.1 That Members approve the Statement of Final Accounts for the financial year ended 31 March 2013.

Contact Officer:
Peter Yates
Treasurer
North Yorkshire County Council
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Background documents to this report**File Ref**

1. Service Reporting Code of Practice (SeRCOP).
2. CIPFA Code of Practice on Local Authority Accounting (the Code).
3. Financial Grant Memorandum (Revision dated April 2008).
4. Report to Special National Park Authority 20 January 2011 Pension Fund Triennial Valuation 2010.

North York Moors National Park Authority

Draft Statement of Accounts (21.08.13)

2012/13



Statement of Accounts

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EXPLANATORY FOREWORD

INTRODUCTION

- (i) The North York Moors National Park Authority was constituted on 1 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.
- (ii) The Authority's accounts for the year ended 31 March 2013 are presented in the format laid down in the "Code of Practice on Local Authority Accounting in the United Kingdom 2012/13" - issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the International Accounting Standards Board framework for the preparation and presentation of financial statements as interpreted by the code (*The Code*). The code is based upon International Financial Reporting Standards (IFRS).

The Statements included in the accounts are as follows:

- a) **Explanatory Foreword** – the purpose of this is to indicate the most significant matters impacting on the Authority's financial position. In particular it shows the Authority's performance against budget for the financial year and the resources used.
- b) **Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into 'useable reserves' and other reserves. 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 Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.
- c) **Comprehensive Income & 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.
- d) **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 useable 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'.
- e) **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.

- (iii) These accounts are supported by a Statement of Accounting Policies detailing the basis upon which the accounts have been prepared, estimation techniques used and supplementary notes which provide further information on the figures stated in the accounting statements.
- (iv) **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.
- (v) The Authority is an admitted body to the North Yorkshire Pension Fund.

Change in net position on the Local Government Pension Scheme (LGPS)

Members' attention is drawn to Note 25, which discloses the status of the Authority's overall liability in relation to its participation in the LGPS. As at 31 March 2013, the net liability (assets minus liabilities) stood at **£6,445m**, a change of **£1.183m** on the previous year's value (£5.262m).

The main reason for the change is the fall in bond yields (against which the value of pension payments to members of the scheme are measured), increasing liabilities by approximately £2.7m. In addition, an increase in life expectancy added a further £300k to liability values. The impact of these two factors was partially offset by better than expected performance of the Authority's assets (£1.1m) and a fall in the forecast for inflation (£700k).

SUMMARY OF REVENUE SPENDING

- (vi) The main components of the Revised Budget for 2012/13 and a comparison with the actual position are set out below. These figures are prior to charges for the use of assets, and as a result reconcile to the annual outturn as reported to the North York Moors National Park Finance, Risks, Audit and Standards Committee in May 2013, but not the adjusted Comprehensive Income and Expenditure Account on page 22.

2011/12 Outturn £000s		2012/13		
		Budget £000s	Outturn £000s	Variance £000s
	Expenditure			
1,101	Conservation of the Natural Environment	843	792	(51)
511	Conservation of Cultural Heritage	430	490	60
1,438	Recreation Management & Transport	1,506	1,673	167
1,525	Promoting Understanding	1,435	1,432	(3)
839	Ranger, Estates & Volunteers	945	897	(48)
734	Development Control	707	788	81
549	Forward Planning & Communities	444	253	(191)
300	Corporate & Democratic Core	288	334	46
6,997	Total Expenditure	6,598	6,659	61
	Income			
297	Conservation of the Natural Environment	181	147	(34)
182	Conservation of Cultural Heritage	140	235	95
616	Recreation Management & Transport	682	685	3
548	Promoting Understanding	420	385	(35)
23	Ranger, Estates & Volunteers	5	7	2
173	Development Control	223	359	136
353	Forward Planning & Communities	50	25	(25)
87	Corporate & Democratic Core	58	86	28
2,278	Total Income	1,760	1,929	169
4,718	Net Expenditure	4,838	4,730	(108)
	Financed By:			
4,936	National Park Grant	4,845	4,845	0
(218)	Transfer to Reserves	(7)	(115)	(108)
4,718	Total	4,838	4,730	(108)

- vii) Major expenditure variances against budget have their origin as follows:
(Note that favourable expenditure variances mean that less was spent than planned and favourable income variances mean that more income was received than planned at the start of the year)

Heading	Variance	Explanation
Farmed Land	£88k Favourable	Review of grants scheme during year resulted in lower levels of commitment
Archaeology	£68k Adverse	Additional expenditure 100% funded by English Heritage Grant
Public Rights Of Way	£66k Adverse	Additional expenditure funded by Local Sustainable Transport Fund Grant
National Trails	£43k Adverse	Expenditure on Coast Alive Project partially funded by grant
Development Control	£126k Adverse	Additional expenditure in relation to a major planning application offset by additional income received from a Planning Performance Agreement and the Application Fee
Sustainable Development Fund	£178k Favourable	Review of grants scheme during the year resulted in no new grant commitments along with a review of the provision on the balance sheet relating to commitments from previous years
Other Variations (net)	£24k Adverse	
Total Expenditure Variance	£61k Adverse	

- viii) The most significant items of expenditure incurred by the Authority are employees at £3.53m. During the year the Authority employed 122.5 full time equivalent staff.
- ix) In 2012/13 the Authority spent £340k on capital expenditure, of which £317k was funded from Revenue Expenditure which represent 4.8% of the Authority's total gross expenditure.
- x) Revenue Working Balance
The Authority seeks to maintain a permanent balance sheet reserve as a contingency against unexpected events. At present, the Authority has set a target objective for the level of this contingency reserve at £220k and the actual position at 31 March 2013 is £220k (not apparent from Balance Sheet).
- xi) The accounting policies are set out formally in the Statement of Accounting Policies on page 11. The policies adopted in 2012/13 are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.
- xii) The Authority has never borrowed any money for Capital purposes, and with no intention to do so in the foreseeable future, does not have in place any arrangement for borrowing facilities. The Authority does have a facility arrangement with North Yorkshire Council whereby any daily over-draft balances are consolidated into the County Council's Bank Accounts on a daily basis. However this facility does not represent an over-draft facility, is used to manage day-to-

day cash-flow balances (not to fund Capital Expenditure) and represents an on-going investment of surplus cash balances at year-end for investment purposes.

CHANGES IN ACCOUNTING POLICIES AND PRESENTATION OF THE ACCOUNTS

There have been no changes in accounting policies or significant changes to the presentation of accounts for 2012/13.

P Yates

Section 151 Officer and Treasurer to the North York Moors National Park Authority

Central Services
North Yorkshire County Council
County Hall
Northallerton
28 June 2013

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Independent Auditor's Report To The Members Of North York Moors National Park Authority

Opinion on the Authority accounting statements

We have audited the accounting statements of North York Moors National Park Authority for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

This report is made solely to the members of North York Moors National Park Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of the Chief Financial Officer and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounting statements

In our opinion the accounting statements:
give a true and fair view of the financial position of North York Moors National Park Authority as at 31 March 2013 and of its expenditure and income for the year then ended; and
have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the accounting statements.

Matters on which we report by exception

We report to you if:

in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
we exercise any other special powers of the auditor under the Audit Commission Act 1998
We have nothing to report in these respects.

Other matters on which I am required to conclude

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

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission in November 2012, we have considered the results of the following:

- our review of the annual governance statement;
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities; and
- our locally determined risk-based work as necessary.

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

Certificate

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

Chris Powell (Engagement Lead)
For and on behalf of Deloitte LLP
Appointed Auditor
Leeds, United Kingdom
24th September 2013

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority is required:

- a) To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Authority, that officer is the Treasurer.
- b) To manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets.
- c) Approve the Statement of Accounts

The Treasurer 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 of Practice)."

In preparing the statement of accounts, the Treasurer has:

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

The Treasurer has also:

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

CERTIFICATE OF THE TREASURER

I certify that the Statement of Accounts 2012/13 presents a true and fair view of the financial position of the North York Moors National Park Authority as at 31 March 2013.

P Yates

Section 151 Officer and Treasurer to the North York Moors National Park Authority

Central Services
North Yorkshire County Council
County Hall
Northallerton

STATEMENT OF ACCOUNTING POLICIES

1. General

The Statement of Accounts summarises the Authority's transactions for the 2012/13 financial year and its position at the year end of 31 March 2013. These Accounts have been prepared in accordance with *The Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (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 County Council 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 from sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date 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 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 more than 3 month's 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 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 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 or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are 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 Non Distributed Costs line in 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 Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are 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 North Yorkshire Local Government Pension Scheme, administered by North Yorkshire County Council, which provides Members with defined benefits earned as employees working for the Authority.

The Local Government Pension Scheme 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;
 - property at market value;
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - 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 and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return, credited to the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - 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; and
 - contributions paid to the North Yorkshire Pension Fund – cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are

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 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 retirement 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 Local Government Pension Scheme.

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.

Accounting policies in line with the Code for Financial Instruments have been applied.

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 Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

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

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.

The Authority as a Lessee

The Authority, as lessee, has entered into leasing arrangements of both an Operating and Finance Lease nature. Where it is judged that substantially all of the risks and rewards incidental to the ownership of an asset have been transferred to the National Park Authority, then the lease is classified as a Finance Lease. A Finance Lease gives rise to the recognition of the Fixed Asset on the Balance Sheet together with a corresponding liability for future payments. Rental payments made under a Finance Lease are apportioned between a charge to write down the lease liability within the Balance Sheet and an element for finance charges. These charges are based upon the original rent payable on the lease agreement.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

The Authority as a Lessor

The Authority acts as the lessor on a number of properties under operating lease arrangements. Rental income is credited to the provision of services on a straight-line basis over the period of the lease.

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 expenditure being allocated.

This reallocation of costs is in line with the CIPFA Service Reporting Code of Practice (SeRCOP).

13. Property Plant & 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

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 Taxation and Non-Specific 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 Balance 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 & Equipment is valued on the basis required by CIPFA in accordance with the Statements of Asset Valuation Principles and Guidance notes issued by The Royal Institution of Chartered Surveyors (RICS). Bruton Knowles valued the land and buildings as at 1 April 2011. Revaluation is required at least every five years.

Assets are classified into the groupings required by the 2012/13 Code of Practice on Local Authority Accounting in the United Kingdom.

- 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.

The Revaluation Reserve contains gains recognised since its implementation on 1 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 (Bruton Knowles). 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
- 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 all assets 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. The office premises and Sutton Bank Visitor Centre buildings are depreciated over forty years, as advised by Bruton Knowles, Danby Visitor Centre buildings by fifty years as advised by Bruton Knowles. All other buildings are depreciated over twenty 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 Useable Capital Receipts Reserve, and will only be used to finance new capital investment. Receipts are appropriated to the General Fund Balance in the Movement in Reserves Statement.

Revaluation Reserve

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

The Authority has not identified any such contingent liabilities as at 31 March 2013.

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 Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement. These reserves are 'non-cash' reserves, and do not impact on the utilisation of the National Park Grant.

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.

17. Presentation of Accounting Statements

The accounts are presented in the format required by the Service Reporting Code of Practice (SeRCOP), 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 Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

19. Treasury Management

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

- Lease classifications between Operating and Finance Leases
- Income recognition
- Classification of Heritage Assets

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

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.

Uncertainties	Effect if Actual Results Differ from Assumptions
Building Repairs and impairments to Buildings	If the useful life of the asset is reduced, depreciation charges will increase and the carrying amount of the asset will fall. It is estimated that the annual depreciation charge will increase by approximately £2k per year that useful lives be reduced.
Pensions 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

	<p>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 deficit of £6.445m would occur if alternative assumptions were to be applied:</p> <ul style="list-style-type: none"> - a +0.1%pa change in the discount rate to be applied would reduce the pension deficit by £385k - a +0.1%pa change in salary inflation would increase the deficit by £394k - an additional 1 year increase in life expectancy would increase the deficit by £341k
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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 Statement of Accounts for 2012/13 was authorised on 28 June 2013 by the Treasurer.

DRAFT

CORE FINANCIAL STATEMENTS

Movement in Reserves Statement

	General Fund Balance	Unusable Reserves	Total Authority Reserves
	£000	£000	£000
Balance as at 1 April 2011	1,289	(524)	765
Movements in Reserves during 2011/12			
Surplus on the provision of services (Page 22)	87	0	87
Other Comprehensive Income and Expenditure (Page 22)	0	1,584	1,584
Total Comprehensive Income and Expenditure	87	1,584	1,672
Adjustments between accounting basis & funding basis under regulations (Note 1)	131	(131)	0
Increase in 2011/12	218	1,453	1,672
Balance as at 31 March 2012 carried forward	1,507	928	2,435
Movements in Reserves during 2012/13			
Surplus on the provision of services (Page 22)	16	0	16
Other Comprehensive Income and Expenditure (Page 22)	0	(967)	(967)
Total Comprehensive Income and Expenditure	16	(967)	(951)
Adjustments between accounting basis & funding basis under regulations (Note 1)	100	(100)	0
Increase in 2012/13	116	(1,067)	(951)
Balance as at 31 March 2013 carried forward	1,623	(139)	1,484

Comprehensive Income & Expenditure Statement for Year Ended 31 March 2013

2011/12			2012/13			
<u>Gross</u> <u>Expenditure</u> £000	<u>Income</u> £000	<u>Net</u> <u>Expenditure</u> £000	<u>Heading</u>	<u>Gross</u> <u>Expenditure</u> £000	<u>Income</u> £000	<u>Net</u> <u>Expenditure</u> £000
1,124	(297)	827	Conservation of the Natural Environment	811	(147)	664
509	(182)	327	Conservation of Cultural Heritage	490	(235)	255
1,452	(616)	836	Recreation Management and Transport	1,641	(695)	946
1,556	(548)	1,008	Promoting Understanding	1,348	(384)	964
879	(23)	856	Rangers, Estates and Volunteers	905	(7)	898
728	(173)	555	Development Control	794	(359)	435
391	(353)	38	Forward Planning and Communities	234	(25)	209
308	(52)	257	Corporate and Democratic Core	316	(53)	263
0	0	0	Non Distributed Costs			
6,947	(2,244)	4,704	Cost of Service	6,539	(1,905)	4,634
			Other operating Income & Expenditure			
		0	Profit on disposal of fixed assets (Notes 1 and 2(g))			(9)
			Financing and Investment Income & Expenditure			
		16	Interest payable and similar charges (Note 24)			16
		(36)	Interest receivable and investment income (note 16)			(33)
		165	Pensions interest cost and expected return on assets (Note 25)			221
			Grant Income			
		(4,936)	National Park Grant			(4,845)
		(87)	Surplus on Provision of Services			(16)
		(2,055)	(Surplus)/Deficit on the revaluation of Long-term Assets			0
		471	Actuarial losses / (gains) on pension assets/liabilities (note 25)			967
		(1,584)	Other Comprehensive Income and Expenditure			967
		(1,671)	Total Comprehensive Income and Expenditure			951

Balance Sheet as at 31 March 2013

31 March 2012 £000		Notes	31 March 2013 £000
3,571	Property, Plant & Equipment	2	3,673
2,651	Heritage Assets	2	2,651
33	Intangible Assets	3	26
157	Long Term Debtors	8	177
6,412	Long Term Assets		6,527
103	Inventories	6	92
669	Short Term Debtors	7	632
1,621	Cash and Cash Equivalents	9	1,914
2,393	Current Assets		2,638
(554)	Short Term Creditors	10	(797)
(228)	Short Term Provisions	11	(151)
(782)	Current Liabilities		(948)
(179)	Finance Lease	24	(179)
(147)	Provisions	11	(109)
(5,262)	Pension Liability	25	(6,445)
(5,588)	Long Term Liabilities		(6,733)
2,435	NET ASSETS		1,484
	Usable Reserves		
1,507	General Fund Reserve		1,623
	Unusable Reserves		
3,070	Revaluation Reserve	12	3,037
3,156	Capital Adjustment Account	13	3,304
0	Financial Instruments Adjustment Account	5	0
(5,262)	Pension Reserve	14	(6,445)
(36)	Accumulated Absences Account	15	(35)
928			(139)
2,435	TOTAL RESERVES		1,484

I confirm that these accounts were approved by the North York Moors National Park Authority on 23 September 2013.

Signed on behalf of the North York Moors National Park Authority:

Chairperson for the North York Moors National Park Authority:

**Cash Flow Statement
Year Ended 31 March 2013**

2011/12		2012/13
£000		£000
	Operating Activities	
87	Net Surplus on the provision of services (See Page 22)	16
	Adjustment to net surplus on the provision of services for non cash movements	
271	Depreciation (Note 1)	221
	Carrying Value of non-Current Assets written out on Disposal	4
(184)	Movement in Creditors (Note 10)	243
(266)	Movement in Debtors (Note 7)	37
25	Movement in Inventories (Note 6)	11
(84)	Movement in Provisions(Note 11)	(115)
167	Pension Liability (Note 25)	215
(71)		616
0	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(13)
16	Net cash flows from Operating Activities	619
	<u>Investing Activities</u>	
(306)	Purchase of property, plant and equipment (Note 2)	(340)
0	Proceeds from the sale of property, plant & equipment	13
	Other receipts for investing activities	
(306)	Net cash flows from investing activities	(326)
0	Financing Activities	0
(290)	Net decrease in cash and cash equivalents	293
1,911	Cash and cash equivalents at the beginning of the reporting period	1,621
1,621	Cash and cash equivalents at the end of the reporting period	1,914

Notes to the Core Financial Statements

1. 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.

2012/13	Usable Reserves		Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	£000
	£000	£000	£000
Adjustments involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation, Amortisation and impairment of non-current assets	221		(221)
Capital Grants and Contributions Applied	(10)		10
Carrying Value of Non-current Assets written out on Disposal	4		(4)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement			
Capital expenditure charged against the General Fund	(317)		317
Adjustments involving the Capital Receipts Reserve	(12)	12	0
Transfer of Sales proceeds credited as part of the gain/loss On disposal to the Comprehensive Income and Expenditure Statement		(12)	12
Adjustments involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 25)	680		(680)
Employer's pensions contribution payable in the year	(465)		465
Adjustment involving the Accumulating Compensated Absences Adjustment Account			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year, in accordance with statutory requirements	(1)		1
Total Adjustments	100	0	(100)

2011/12 Comparable figures

	Usable Reserves		Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	
	£000	£000	£000
Adjustments involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation, Amortisation and impairment of non- current assets	271		(271)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement			
Capital expenditure charged against the General Fund	(306)		306
Adjustments involving the Pensions Reserve	610		(610)
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 25)			
Employer's pensions contribution payable in the year	(443)		443
Adjustment involving the Accumulating Compensated Absences Adjustment Account	(1)		1
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements			
Total Adjustments	131	0	(131)

2. Property, Plant and Equipment and Heritage Assets

(a) Movements in Property, Plant and Equipment during the year were as follows:

Movements in 2012/13			
	Land and Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Historical or Revalued Gross Cost	3,437	606	4,043
Additions in Year	125	190	315
Cost of Disposals in Year	0	(18)	(18)
Revaluations as at 31 March 2013			
Recognised in the Revaluation Reserve	0	0	0
Recognised in the Provision of Services	0	0	0
Gross Value at 31 March 2013	3,562	778	4,340
Depreciation B/f	(77)	(394)	(471)
Accumulated Depreciation of Disposals in Year	0	0	0
Depreciation for 2012/13	(80)	(130)	(210)
Disposals	0	14	14
Net value as at 31 March 2013	3,405	268	3,673
Movements in 2011/12			
	Land and Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Historical or Re-valued Gross Cost	2,901	507	3,408
Additions in Year	39	99	138
Cost of Disposals in Year	0	0	0
Revaluations as at 31 March 2012			
Recognised in the Revaluation Reserve	592	0	592
Recognised in the Provision of Services	(95)	0	(95)
Gross Value at 31 March 2012	3,437	606	4,043
Depreciation B/f	(178)	(304)	(482)
Accumulated Depreciation of Disposals in Year	0	0	0
Depreciation for 2011/12	(77)	(90)	(167)
Revaluations	178	0	178
Net value as at 31 March 2012	3,360	212	3,572

(b) 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 are held in the Balance Sheet at valuations:

Heritage Assets Held at Valuation -	2008/09	2009/10	2010/11	2011/12	2012/13
Land and Buildings	£000	£000	£000	£000	£000
As at 1st April 2012	1,362	1,362	1,362	1,362	2,651
Revaluation	0	0	0	1,289	0
As at 31st March 2013	1,362	1,362	1,362	2,651	2,651

Heritage Assets held by the Authority consist of:

- The Levisham Estate (approximately 1,347 Hectares of moorland, woodland and grassland)
- Spout House, Bilsdale (Single Storey Grade 1 Listed building)
- 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 2011/12, as part of the 5 year rolling programme of revaluation, by RICS registered external valuers, Bruton Knowles as at 1 April 2011.

(c) Depreciation

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

- Buildings (but not the land they stand on) HQ and Sutton Bank Visitor Centre- 40 years
- Moors Centre - 50 years
- All other buildings- 20 years
- Vehicles- 5 years

(d) Revaluations

The Authority carries out a programme at least every 5 years that ensures all Property, Plant and Equipment that is required to be measured at fair value is re-valued. Land and Buildings were last re-valued as at 1 April 2011 by Bruton Knowles. The basis of valuation is disclosed in Note 13 Statement of Accounting Policies. The Authority is not aware of any material change in the value of its assets.

(e) Financing of Property, Plant and Equipment

The capital expenditure on Fixed Assets of £316k, (£138k in 2011/12) and intangible assets (see Note 3) of £4k (£11k in 2011/12) were financed as follows:

	31 March 2013 £000	31 March 2012 £000
Revenue	297	149
Capital Receipt	13	0
Capital Grant	10	0
	<u>320</u>	<u>149</u>

(f) Capital Schemes

There were 8 major capital schemes including the replacement of vehicles and machinery, additional advance of loan to Esk Energy and improvements to the Sutton Bank Visitor Centre.

	31 March 2013 £000	31 March 2012 £000
Sutton Bank Visitor Centre	90	39
Esk Energy Loan	20	157
Intangible Assets (Note 3)	4	11
Ranger and Volunteer Vehicles	64	0
Trailers	42	12
Minibus	0	10
Machinery	42	0
IT& Other Equipment	78	77
	<u>340</u>	<u>306</u>

(g) Disposals of Property, Plant and Equipment

	31 March 2013 £000	31 March 2012 £000
Pool Vehicles	12	0

(h) Analysis of Property

The list below gives an indication of the significant fixed assets of the Authority as at 31 March 2013:

Land	Acres
Land related to operational use	3,500
Buildings	Number
National Park Centres	2
Other Operational Buildings	1
Public Conveniences	7
Administrative Buildings	2

3. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Vehicles, Plant and Equipment. The intangible assets included relate to purchased software as the Authority has no internally generated software.

All software is given a finite useful life, based on the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are:

- 3 years – Microsoft Upgrade
- 5 Years – Microsoft Licences
- 5 Years – Northgate Planning System.

The carrying amount of intangible assets is amortised on a straight line basis. An amortisation charge of £11k in 2012/13 (£10k in 2011/12) was charged to the following service headings:-

- Conservation of Natural Environment
- Recreation Management & Transportation
- Promoting Understanding

The movement on Intangible Asset Balances during the year is as follows:

	2012/13 £000	2011/12 £000
Balance at 1 April		
Gross Carrying Amount	53	44
Accumulated Amortisation	(20)	(11)
Net Carrying Amount at 1 April	33	33
Additions		
Purchases	4	11
Amortisation for the Year	(11)	(10)
Net Carrying Amount at 31 March	26	33
Comprising		
Gross Carrying Amount	57	54
Accumulated Amortisation	(31)	(21)
	26	33

The Authority has financed the purchase of software through revenue.

4. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases, together with the resources that have been used to finance it). 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 in the second part of this note.

	2012/13 £000	2011/12 £000
Opening Capital Financing Requirement	179	179
Capital Investment		
Property Plant and Equipment	315	138
Intangible Assets	4	11
Loan to Esk Energy	20	157
Sources of Finance		
Capital Receipts	(12)	0
Government Grants	(10)	0

<u>Sums Set Aside from Revenue</u>		
Direct Revenue Contributions	(317)	(306)
Minimum Revenue Provision Finance Lease	<u>0</u>	<u>0</u>
Closing Capital Financing Requirement	<u>179</u>	<u>179</u>

The Capital Financing Requirement arises as a result of the classification of the buildings element of Moors Centre 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.

5. Financial Instruments

(a) Financial Assets: Cash, loans and receivables

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

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 under a Service Level Agreement by NYCC 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 County 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 County 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 Treasury Management Practices 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;
- Corporate governance;

(b) Financial Instrument Balances

	31 March 2012 £000	31 March 2013 £000
Bank Current Accounts	(275)	(120)
Short Term Deposit with NYCC Treasury	<u>1,896</u>	<u>2,034</u>
	<u>1,621</u>	<u>1,914</u>

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.

(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
- 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
- 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 Service Level Agreement (SLA) with NYCC, 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 NYCC 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 SLA with NYCC. 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 31 March 2013, which are included within the £632k debtors, can be analysed by age as follows:

	31 March 2013 £000	31 March 2012 £000
Less than 3 Months	29	9
3 to 6 Months	15	1
6 to 12 Months	13	1
More than 12 Months	7	1
	<u>64</u>	<u>12</u>

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.

6. Inventories

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

Type of Stock:	2012/13 £000	2011/12 £000	Footpath Maintenance Stock		2012/13 £000	2011/12 £000
	Stock for Resale		£000	£000	Total	Total
Balance At 1 April 2012	81	102	22	26	103	128
Purchases	101	118	89	118	190	236
Inventory Utilised Within Year	(114)	(139)	(87)	(122)	(201)	(261)
Written off balances	0	0	0	0	0	0
Balance At 31 March 2013	<u>68</u>	<u>81</u>	<u>24</u>	<u>22</u>	<u>92</u>	<u>103</u>

7. Short-term Debtors

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

	31 March 2013 £000	31 March 2012 £000
Central government bodies	286	102
Other Local Authorities	116	430
Other entities and individuals	205	129
Payments in Advance	25	8
	<u>632</u>	<u>669</u>

Provision for Doubtful Debt

No provision has been provided for doubtful debts.

8. Long Term Debtors

A £177k loan over 12 years to Esk Energy (Yorkshire) Limited was advanced in 2 separate instalments in 2012/13 (£20k) and 2011/12 (£157k). This loan arrangement is subject to a formal signed legal agreement. The balance of this loan is £177k as at 31 March 2013 (£157k as at 31 March 2012).

9. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the Authority's bank current bank accounts and a short term deposit with North Yorkshire County Council (See Note 5(b)).

10. Short-term Creditors

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

	31 March 2013 £000	31 March 2012 £000
Central government bodies	53	0
Other local authorities	56	25
Other entities and individuals	688	493
Income in Advance	0	36
	<u>797</u>	<u>554</u>

11. Provisions

	31 March 2013 £000	31 March 2012 £000		
Sustainable Development Fund	200	339		
Restructuring Provision	26	0		
Accumulated Absences	34	36		
	<u>260</u>	<u>375</u>		
	Sustainable Development Fund £000	Accumulated Absences £000	Restructuring £000	Total £000
Balance as at 1 April 2011	422	37	0	459
Additional Provisions made in 2011/12	111	36	0	147
Amounts Used in 2011/12	(194)	(37)	0	(231)
Balance as at 31 March 2012	339	36	0	375
Balance as at 1 April 2012	339	36	0	375
Additional Provisions made in 2012/13	0	34	26	60
Amounts used in 2012/13	(139)	(36)	0	(175)
Balance as at 31 March 2013	200	34	26	260
Provisions as at 31 March 2013				
Short term provisions within one year	91	34	26	151
Long Term provisions over one year	109	0	0	109
Total	200	34	26	260
Provisions as at 31 March 2012				
Short term provisions within one year	192	36	0	228
Long Term provisions over one year	147	0	0	147
Total	339	36	20	375

A provision of £220k has been made for Sustainable Development Grants offered in 2012/13 (£339k in 2011/12), and represents the balance to be spent by the Authority on previous year's allocated grants. The Sustainable Development Fund is financed by DEFRA and was ring fenced up to 31 March 2011, outside of the National Park Grant. Grants up to this point were paid out for projects which met the Sustainable Development Fund criteria. £200k is the balance of the unspent funding at year end which the Authority will be obliged to finance £91k in 2013/14 and £109k after 1 April 2014.

A provision of £26k has been made in respect to pending restructure costs.

The Accumulated Absences Provision represents the value of untaken holiday pay still owing to staff as at 31 March 2013.

12. 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 1 April 2007, the date that the Reserve was created.

	2012/13 £000	2011/12 £000
Balance at 1 April	3,070	1,049
Upward revaluation of assets	0	2,054
Difference between fair value depreciation and historical cost depreciation	(33)	(33)
Balance as at 31 March	3,037	3,070

13. 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).

	2012/13 £000	2011/12 £000
Balance as at 1 April	3,156	3,088
Reversal of items relating to capital expenditure debited or credited to the I&E		
Charges for depreciation & impairment of non current assets	(221)	(177)
Revaluation losses on Property, Plant & Equipment	0	(95)
Amounts of non-current Assets written off on disposal to I&E	(4)	0
	(225)	(272)
Adjusting amount written out of the Revaluation Reserve	33	33

Net written out amounts of the cost of non current assets consumed in year	<u>(192)</u>	<u>(239)</u>
Capital Financing Applied in Year:		
Use of Capital Receipts	13	0
Capital Grants credited to the I&E	10	0
Capital Expenditure charged against the General Fund	<u>317</u>	<u>306</u>
	340	306
Balance at 31 March	3,304	3,156

14. 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 debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Authority participates in the North Yorkshire Pension Fund.

	2012/13	2011/12
	£000	£000
Balance at 1 April	(5,262)	(4,624)
Actuarial gains or losses on pensions assets and liabilities	(967)	(471)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of Services	(680)	(610)
in the Comprehensive Income and Expenditure Statement		
Employers' pension contributions and direct payments to pensioners payable in the year	<u>464</u>	<u>443</u>
Balance at 31 March	<u>(6,445)</u>	<u>(5,262)</u>

15. Accumulated Absences Account

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

	2012/13 £000	2011/12 £000
Balance at 1 April	36	37
Release of Provision in-year	(36)	(37)
Recognition of 2012/13 Provision	35	36
Balance at 31 March	35	36

16. 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 Service Expenditure Reporting Code of Practice (SeRCOP). This is the same basis used to make decisions about resource allocation, which are taken by the Authority's Performance and Monitoring Committee. 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 Foreword on page 5, and therefore the detailed report is not included here. A reconciliation to show the differences is shown below:

Headings	Outturn figures £000s	Accumulated Absences Account £000s	Add Capital Charges to conform with CIPFA Cap Accounting £000s	Less Capital Expenditure Funded from Revenue £000s	Add Pension Adjust with IAS19 £000s	Interest Received £000s	Moors Centre now Finance Lease asset £000s	Net Expenditure in Final Accounts £000s
Conservation of the Natural Environment	644	0	21	0	-1			664
Conservation of Cultural Heritage	255	0	1	0	-1			255
Recreation Management and Transport	987	0	47	-87	-1			946
Promoting Understanding	1,047	0	50	-116	-1		-16	964
Rangers, Estate and Volunteers	891	0	72	-64	-1			898
Development Control	428	0	8	0	-1			435
Forward Planning and Communities	228	0	2	-20	0			209
Corporate and Democratic Core	249	0	11	-31	0	33		263
Non Distributed Cost								
Net Cost of Service	4,729	0	211	-317	-6	33	-16	4,634

Profit on Disposal	-9
Interest Payable	16
Interest Received	-33
Pension Interest Cost and expected return on net assets	221
National Park Grant	-4,845
Surplus on Provision of Service	-16
Surplus on revaluation of fixed assets	0
Actuarial gains/losses on pension assets/liabilities	967
Total Comprehensive Income and Expenditure	951

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

Service Heading Income and Expenditure

	Conservation of the Natural Environment	Conservation of the Cultural Heritage	Recreation Management and Transport	Promoting Understanding	Rangers Estates and Volunteers	Development Control	Forward Planning and Communities	Corporate and Democratic Core	TOTAL
2012/13									
Fees Charges and Service Income	-59	-53	-332	-286	-7	-359	0	-57	-1,153
Government Grants	-88	-182	-353	-99	0	0	-25	-29	-776
Total Income	-147	-235	-685	-385	-7	-359	-25	-86	-1,929
Employee Expenses	349	214	505	579	456	399	140	896	3,537
Other Service Expenses	283	208	852	604	277	184	66	648	3,122
Support Service Recharges	159	68	315	250	164	205	48	-1,209	0
Total Expenditure	792	490	1,673	1,432	897	788	253	335	6,660
Net Expenditure	644	255	987	1,047	891	428	228	249	4,731

	Conservation of the Natural Environment	Conservation of the Cultural Heritage	Recreation Management and Transport	Promoting Understanding	Rangers Estates and Volunteers	Development Control	Forward Planning and Communities	Corporate and Democratic Core	TOTAL
2011/12 Comparators - RESTATED									
Fees Charges and Service Income	(156)	(26)	(414)	(253)	(20)	(173)	0	(48)	(1,090)
Government Grants	(141)	(156)	(202)	(295)	(3)	0	(353)	(40)	(1,189)
Total Income	(297)	(182)	(616)	(548)	(23)	(173)	(353)	(88)	(2,279)
Employee Expenses	82	216	468	607	441	406	168	834	3,222
Other Service Expenses	883	229	722	662	208	79	294	698	3,774
Support Service Recharges	136	66	249	256	189	249	87	(1,232)	0
Total Expenditure	1,101	511	1,438	1,525	838	734	549	300	6,996
Net Expenditure	804	329	822	977	815	561	196	212	4,717

This note has been restated for 2011-12, to more accurately reflect employee-related expenses.

Reconciliation of Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of service heading income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2012/13 £000	2011/12 £000
Net Expenditure in the Directorate Analysis	4,730	4,718
Net Expenditure of Services not included in the Analysis		
Non Distributed Cost	0	0
Amounts in the Comprehensive Income and Expenditure Statement not reported to Management in the Analysis		
Accumulated Absences Account	(1)	(1)
Capital Charges	211	271
Capital Expenditure Funded from General Working Balances	(317)	(306)
Profit on Disposal of a Fixed Asset	(9)	0
Pension Adjustment	(6)	2
Finance Lease	(16)	(16)
Amounts Included in the Analysis not included in the Comprehensive income and Expenditure Statement		
Capital Income	9	0
Interest received	33	36
Cost of Services in the Comprehensive Income and Expenditure Statement	<u>4,634</u>	<u>4,704</u>

17. Agency Services

The Authority has contracts with the following Local Authorities to provide services. The charges for 2012/13 and 2011/12 are as follows:

	2012/13 £000	2011/12 £000
North Yorkshire County Council	32	217
Scarborough Borough Council	88	23
Ryedale District Council	1	2
Hambleton District Council	0	5
	<u>121</u>	<u>247</u>

18. Member's Allowances

The total amount of member's allowances paid during 2012/13 was £55k (£53k in 2011/12).

19. Disclosure of Remuneration

The Local Government Accounts and Audit Regulations 2003 require that the Authority discloses the number of employees whose remuneration falls in each bracket of a scale in multiples of £5,000 starting with £50,000. The definition of remuneration includes gross pay and certain expense allowances.

	2012/13 No. Employees	2011/12 No. Employees
Band		
£50,000 - £54,999	0	0
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£65,000 - £69,999	0	0
£70,000 - £74,999	1	1

	2012/13 £	2011/12 £
Chief Executive		
Total remuneration excluding pension contribution	71,555	71,555
Pension contribution (Employers)	11,520	11,520
Total remuneration including pension contribution	83,075	83,075

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. The Chief Executive has asked that this note confirms that a contractual contribution was made from his salary of £5,152 in each year, and in addition he made additional contributions to the scheme in each year.

In 2012/13 the Chief Executive claimed no expenses for reimbursement of expenditure incurred whilst on Authority business and did not receive any benefits in kind.

20. Exit Packages / 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	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
							£000	£000
£0 - £59,999	3	3	0	1	3	4	44	39
	<u>3</u>	<u>3</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>4</u>	<u>44</u>	<u>39</u>

21. External Audit Cost

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts:

	2012/13 £000	2011/12 £000
Fees payable to Deloitte LLP for external audit services carried out	11	20

22. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2012/13:

	2012/13 £000	2011/12 £000
Credited to Non Specific Grant Income		
Government Grants		
National Park Grant (NPG)	<u>4,845</u>	<u>4,936</u>
Credited to Services		
National Park Grant (Sustainable Development Fund)	0	354
Department for Communities and Local Government	0	39
Natural England	102	147
European Grants	40	19
English Heritage	52	24
Forestry Commission	27	37
Environment Agency	66	77
North Yorkshire County Council	295	186
Scarborough Borough Council	0	2
Redcar & Cleveland Borough Council	11	22
Ryedale District Council	0	13
Other Local Authorities	<u>2</u>	<u>6</u>
Total Government Revenue Grants (excluding NPG)	595	926
Lottery Funding	87	199
Other Grants	<u>112</u>	<u>61</u>
Total Revenue Grants (excluding NPG)	<u>794</u>	<u>1,186</u>

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 22 Members, 12 are Councillors from the County and District Councils that the National Park geographical boundary encompasses. Of these, North Yorkshire County Council has 5 seats, Scarborough BC 2 seats, Redcar & Cleveland and Ryedale DC 2 seats each, and Hambleton DC 1 seat. All transactions with the appropriate councils in 2012/13 are included within the primary financial statements and relevant Disclosure Notes reported in these accounts.

Officers have day to day control of the running of the Authority's affairs. No material related party transactions have occurred with officers in 2012/13. It should be noted that the Treasurer (Section 151 Officer) of the North York Moors National Park Authority is also an Assistant Director for North Yorkshire County Council. The Authority's Monitoring Officer is the Director of Legal and Democratic Services at Scarborough Borough Council.

The Chief Executive of the Authority is a Member on the Natural England Board.

24. Leases

Finance Leases

The Authority has one finance lease for the Moors Visitor Centre at Danby.

A revised lease was negotiated from October 2009 for 63 years, and is now carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	31 March 2013 £000	31 March 2012 £000
Other Land and Buildings	202	196

The Authority is committed to making minimum payments under these leases comprising settlement of the long term liability; these minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following future rent reviews.

	2012/13 £000	2011/12 £000
Finance Lease Liabilities		
Non Current	179	179
Finance Costs Payable in Future Years	775	791
Minimum Lease Payments	954	970

The minimum lease payments are to be paid over the following periods:

	Finance Lease Interest Payments		Finance Lease Liabilities	
	2012/13 £000	2011/12 £000	2012/13 £000	2011/12 £000
Not Later than one year	16	16	0	0
Later than one year and not later than five years	80	80	1	1
Later than five years	680	696	178	178
	776	791	179	179

Operating Lease

As at the 31 March 2013 the Authority was not committed to making any payments under operating leases in 2012/13.

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 North Yorkshire Local Government Pension Fund, which is administered locally by North Yorkshire County Council; this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

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 Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement.

As at 31 March 2013, the Authority has paid all pension contributions due to the North Yorkshire Pension Fund.

Comprehensive Income and Expenditure Statement

2011/12 £000		2012/13 £000
	Net Cost of Service	
(445)	Current Service Cost	(425)
0	Curtailments	(34)
0	Past Service Cost	0
	Financing and Investment Income	
(780)	Interest Cost	(778)
0	Settlements	0
615	Expected return on Assets in the Scheme	557
<u>(610)</u>	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Service	<u>(680)</u>
	Other Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	
(471)	Actuarial gains and (losses)	(967)
<u>(1,081)</u>	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	<u>(1,647)</u>
	Movement in Reserves Statement	
(610)	Reversal of net charges made to the Surplus or Deficit for the provision of Services for post employment benefits in accordance with the code	(680)
443	Actual amount charged against the General Fund Balance for employer's pension contributions in the year	464
<u>(167)</u>		<u>(216)</u>

The cumulative amount of actuarial losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2013 is a loss of £967k (£471k in 2011/12).

The liabilities show the underlying commitments that the Authority has in the long term to pay retirement benefits. The total liability of £6,445m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheets and the table below summarises the Authority's Share of the assets and liabilities of the scheme:

	31 March 2013 £000	31 March 2012 £000
Estimated share of liabilities in scheme	(18,206)	(15,168)
Estimated share of assets in scheme	11,761	9,906
Authority's net liability (deficit)	<u>(6,445)</u>	<u>(5,262)</u>
	31 March 2013 £000	31 March 2012 £000
Pension Liabilities at beginning of year	(15,168)	(13,991)
Movement in Liabilities in year:		
Current service cost	(425)	(445)
Interest cost	(778)	(780)
Contributions by scheme participants	(165)	(174)
Actuarial (loss)/gain	(2,041)	(1)
Curtailments	(34)	0
Benefits paid	405	223
Past service cost	0	0
Pension Liabilities at end of the year	<u>(18,206)</u>	<u>(15,168)</u>
Pension Assets at beginning of year	9,906	9,367
Movement in Assets in year:		
Expected rate of return	557	615
Actuarial (loss)/gain	1,074	(470)
Employer contributions	464	443
Contributions by scheme participants	165	174
Benefits paid	(405)	(223)
Pension Assets at end of the year	<u>11,761</u>	<u>9,906</u>
Deficit	<u>(6,445)</u>	<u>(5,262)</u>

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

	31 March 2013	31 March 2012
Financial assumptions:		
Rate of CPI inflation	2.4%	2.6%
Rate of increase in salaries	4.15%	4.35%
Rate of increase in pensions	2.4%	2.6%
Rate for discounting scheme liabilities	4.4%	5.1%
Rate of employees opting to take a commuted lump sum	50.0%	50.0%
Mortality assumptions:		
Longevity at 65 for current pensioners: years		
Men	22.6	22.2
Women	25.3	24.8
Longevity at 65 for future pensioners: years		
Men	24.4	23.6
Women	27.2	26.4

Assets in the Pension Fund are valued at fair value, principally market value for investments, totalling £11.761m at 31 March 2013 (£9.906m at 31 March 2012), and consist of the following categories, by proportion of the total assets held in the fund.

	Long term rate of expected Return 2012/13 %	Long term rate of expected Return 2011/12 %	2012/13 %	2011/12 %
Equity investments	7.0	7.0	64.0	70.8
Government Bonds	2.8	3.1	13.1	20.2
Bonds	3.9	4.1	10.1	8.2
Property	5.7	6.0	3.7	0.0
Cash/Liquidity	0.5	0.5	0.4	0.8
Other	7.0	7.0	8.7	0.0
			100.0	100.0

The Actuarial loss identified as movements on the Pensions Reserve in 2012/13 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2013 with comparative data for the previous four financial years:

	2012/13		2011/12		2010/11		2009/10		2008/09	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between the expected and actual return on assets	1,074	9.1	(470)	4.7	438	3.0	2,502	31.2	(2,974)	(61.8)
Difference between actuarial assumptions about liabilities and actual experience	(2,041)	11.2	(1)	0.0	928	6.6	(4,300)	(29.5)	3,004	32.0
Changes in the demographic and financial assumptions used to estimate liabilities	0	0.0	0	0.0	0	0.0	0	0.0		0.0
	<u>(967)</u>		<u>(471)</u>		<u>1,366</u>		<u>(1,798)</u>	(12.3)	<u>30</u>	0.3

The total contribution expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2013 is £450k.

Annual Governance Statement

1. Scope of Responsibility

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 and 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, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

The Authority has approved and adopted an Ethical Framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the overall governance framework in operation by the Authority. A copy of the Authority's Values Statement and Ethical Framework is available on our website <http://www.northyorkmoors.org.uk> in the publications section or can be obtained from; Director of Corporate Services, North York Moors National Park Authority, The Old Vicarage, Bondgate, Helmsley, YO62 5BP. This statement explains how the authority has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2011.

2. The Purpose of the Governance Framework

The governance framework comprises the values, systems and processes for the direction and control of the authority and its activities through which it accounts to, engages with and leads the community. 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.

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 policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2013 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework

Accountability

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 (via Defra and Department for Communities and Local Government) and to local communities reflecting the needs of national and local customers. Local accountability is achieved via the appointment of elected Members by local government and other mechanisms.

The other mechanisms are varied involving the statutory appointment of elected Parish Councillors to the Authority and a wide variety of voluntary mechanisms. The NYMNPA makes great effort to ensure that voluntary mechanisms are as open, inclusive and transparent as possible. They include (omitting statutory requirements):

- Customer Service Excellence success
- The arrangement of regular Parish Forums which are attended by Members, the Chief Executive and Directors
- Representatives of groups of users otherwise under-represented as Members (young people, disabled people, BME groups and volunteers) address the full Authority meeting directly.
- The Scheme of Delegation allows members of the public and representatives of the parish to address the Planning committee
- Wide and effective consultation mechanisms using a number of different communication channels including social media and the website.
- User forums such as the Primary Land Users Group and Disability Action Group.
- Publication of full pension, allowance and salary details of all staff earning over £50k
- Publication of Member allowances
- Publication and access to documents within the Publication Scheme including but not exclusively details of all invoices over £500.

In the last year the Authority has taken the following voluntary steps to strengthen these arrangements:

- Conducted its fourth satisfaction survey of all residents.
- Agreed to establish a Community Forum in addition to the Parish Forums.
- Publicised the Parish Forums better.
- Established two Forums with external membership to replace two committees.
- Agreed an annual review of Standards involving the independent person.
- Established a feedback loop for under represented groups.

The Authority regularly monitors Complaints and Compliments and reports these to the Finance, Risk, Audit and Standards Committee which also considers any reports from the Local Government Ombudsman (to update at year end on any findings). Processes are also 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.

- In 2012/13, as at 22 January 2013 the Authority received 14 complaints of which 6 were justified or partially justified, these included issues with both tearooms, Planning Department and Moorsbus. As at the same date the Local Government Ombudsman had received 1 complaint but no determination had been made (to update at the year end).

Internal

The Authority's governance framework seeks to ensure that the principles of good governance are embedded into all aspects of its work. This has been achieved by the adoption of the Ethical Framework which aims to embed the Authority's core values into the day to day operations of the Authority.

The objectives for the National Park are defined and established by the National Park Management Plan. The Management Plan was approved in June 2012 following widespread engagement with partners and stakeholders. Progress against the overall long term objectives of the Management Plan can be identified via regular reporting against a broad range of targets and strategic indicators.

The Authority's Business Plan 2012-2015 confirms the strategic priorities that have been developed from the long term objectives, establishes the Financial Principles that underpin the strategic financial management of the Authority and describes how activities over the medium term will contribute to their achievement.

It also includes forecasts of income and expenditure for the three year period, allocating indicative resources to the objectives based upon the best available information. This forms the basis of the Medium Term Financial Strategy and assists in identifying any potential financial risks. This is reviewed annually as part of the budget setting process and ensures that resources and objectives are appropriate aligned.

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.

Compliance with the regulations, procedures and statutory requirements is facilitated by a range of 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 auditors, providing assurance that the procedures are being adhered to. The Authority receive legal advice and Monitoring Officer support as appropriate in all aspects of its work via a contractual arrangement with Scarborough Borough Council with effect from 1 April 2012 following a tendering exercise. 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.

The management of risk within the business is embedded into the activity of the Authority. A risk register is maintained to identify significant operational risks and describe the mitigation measures in place to control them. The risk management process is the responsibility of the Director of Corporate Services and is reported to Members in the spring of each year. Direct responsibility for controlling individual risks is delegated to

the officer 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 and Annual Performance Plan.

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 Senior Management Team receive reports on expenditure and income against the expected position at their monthly meeting and take appropriate action to address any significant deviation from the plan. The quarterly meetings of the Finance, Risk, Audit and Standards Committee (FRASC) receive a formal report on the financial position, including a description of any significant variations that have been made. In November of each year, the annual budget is fully reviewed and revised to reflect the anticipated out-turn for the whole year.

The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010) with the exception of two issues which reflect the arrangements in place to provide certain services under contract. The Authority's Chief Financial Officer (s151 Officer) is the Assistant Director of Finance (Corporate Accountancy) at North Yorkshire County Council. His role as one of the three statutory officers and his professional qualifications and experience are consistent with the Statement. The arrangements for the Chief Financial Officer also give the Authority access to services of a specialist nature, such as Treasury Management and Insurance / risk management etc.

The Chief Financial Officer has direct access as required to the Chief Executive and Members of the National Park Authority, and contributes to the meetings of the Management Team as appropriate. He does not have line management of the staff working on financial matters within the Authority, but works closely with the Authority's Director of Corporate Services, who is professionally qualified, a member of Senior Management Team, and who plays a significant part in the organisational leadership and management of an internal finance function with suitably qualified staff.

Performance Management is conducted via the Finance, Risk, Audit and Standards Committee which meets every quarter. This committee receives reports on finance, risk management, complaints and compliments and it monitors performance against the Authority's Headline Indicators and Corporate Management performance indicators. Senior Management Team receives progress reports on the headline indicators where the data is collected on a monthly cycle. The Authority is subject to an external five yearly performance assessment (National Park Authorities Performance Assessment – NPAPA) which analyses its performance against seven sets of criteria. The most recent Assessment assessed as performing well or excellently in six of the seven categories.

4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance 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 and inspectorates.

This review is used to inform the contents of the Annual Governance Statement which prepared by the Director of Corporate Services in consultation with the Chief Executive, Monitoring Officer, Chief Finance Officer, Assistant Director of Corporate Services, Business Performance and Support Officer and the following key Members.

- The Chair of the Authority
- The Chair of the Finance, Risk Audit and Standards Committee
- The Independent Person.

The following key areas of work have been conducted in 2012/13

- Work on a substantial revision to the North York Moors National Park Management Plan has been completed following extensive stakeholder consultation. Key partners have signed up to the new plan.
- Members and Officers have worked together to produce a final Business Plan for 2012-2015. This includes the Medium Term Financial Strategy which was based on the Financial Planning and Prioritisation exercise conducted in 2011/12.
- The Authority has implemented a review of Committee Structure with take effect from June 2012. A new Committee has been established to bring together all work on audit, risk, standards, complaints and performance. This committee has been asked to conduct an annual review of the overall ethical performance of the Authority with the active support of an independent person.
- The Authority has adopted a revised Code of Conduct for Members and has implemented a system compliant with the new arrangements for Standards including arrangements for an Independent Person, collation and maintenance of a revised Register of Member Interests and training on standards matters for Members.
- The Customer Service Excellence Standard was maintained and performance improved.
- The Authority has monitored the plan to address issued raised as part of the National Park Authorities Performance Assessment (NPAPA) regime.
- The Authority has established independent systems for obtaining legal advice and advice on Members Code of Conduct in relation to a significant planning application relating to the extraction of minerals. This was deemed necessary due to a potential conflict of interest with the Authority's Legal Advisers.
- The Authority has reviewed the Corporate Risk Register.
- The Authority has reviewed and updated its Procurement Practices.
- The Authority has reviewed its arrangements for the provision of Grants to Individuals and organisations and the administrative criteria and arrangements for these in order to improve value for money

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Finance, Risk, Audit and Standards Committee, and a plan to address weaknesses to ensure continuous improvement of the system is in place.

1. Significant Governance Issues

The review of effectiveness has identified the following areas to be addressed in 2013/14

- The Authority needs to review further the Standing Orders, Scheme of Delegation and Financial Regulations.
- The Authority will need to review the adopted Code of Conduct for Members, and procedures and protocols for dealing with complaints about Members, and appoint or make arrangements to share Independent Person(s), to ensure that they are consistent with best practice.
- The Authority's corporate Health and Safety framework and policies will be given a fundamental review by an accredited expert to doubly ensure appropriate compliance with legislation.
- The Authority will undertake a review of the Ethical Framework and Officer Code of Conduct.

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

Signed:

.....
A. Wilson (Chief Executive)

Date.....

.....
J Bailey (Chairman)

Date.....

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

NORTH YORK MOORS NATIONAL PARK - REVENUE OUTTURN 2012/13

APPENDIX B

Headings	Outturn figures reported to FRASC on 20 May 2013	Adjustment to Outturn Position up to June 2013	Final 12/13 Outturn figures	Accumulated Absences Account	Add Capital Charges to conform with CIPFA Cap Accounting	Less Capital Expenditure Funded from Revenue	Add Pension Adjust with IAS19	Interest Received	Moor Centre now financial Lease asset	Net Expenditure in Final Accounts
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Conservation of the Natural Environment	635	9	644	-0.2	21	0	-1.0			664
Conservation of Cultural Heritage	262	-8	255	-0.1	1	0	-0.9			255
Recreation Management	919	68	987	-0.3	47	-87	-0.9			946
Promoting Understanding	1,054	-7	1,047	-0.3	50	-116	-1.2		-16	964
Rangers, Estate and Volunteers	916	-25	891	-0.3	72	-64	-0.9			898
Development Control	463	-35	428	-0.2	8	0	-0.8			435
Forward Planning	268	-40	228	-0.1	2	-20	-0.3			209
Corporate and Democratic Core	217	32	249	0.0	11	-31	0.0	33		263
Net Cost of Service	4,735	-5	4,729	-1	211	-317	-6	33	-16	4,633
Profit on Disposal										-9
Interest Payable									16	16
Interest Received								-33		-33
Pension Interest Cost and expected return on net assets										221
National Park Grant	-4,845		-4,845							-4,845
Budgeted Transfers to & From Reserves	7		7							
Total Budget	-4,838		-4,838							
UNDER-SPEND REPORTING TO FRASC	-103	-5	-108							
(Surplus) or Deficit on Provision of Service										-16
Surplus on revaluation of fixed assets										0
Actuarial losses on pension fund assets/liabilities										967
Total Comprehensive Income and Expenditure										-951

This table reconciles the Finance, Risk, Audit and Standards Committee Draft Outturn Report on 20 May 2013 to the Surplus on Provision of Services reported within the Comprehensive Income and Expenditure Account for 2012/13.