

**THE CAIRNGORMS NATIONAL PARK
AUTHORITY**

**Draft Accounts for the
year ended
31 March 2005**



CAIRNGORMS
NATIONAL PARK

INDEX

	Page
FOREWORD	1
NATIONAL PARK BOARD MEMBERS	3
STATEMENT OF NATIONAL PARK AUTHORITY'S RESPONSIBILITIES	6
STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES	6
STATEMENT OF INTERNAL CONTROL	7
INDEPENDENT AUDITOR'S REPORT	8
INCOME AND EXPENDITURE ACCOUNT	10
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	10
BALANCE SHEET	11
CASH FLOW STATEMENT	12
NOTES TO THE ACCOUNTS	13
DIRECTION BY THE SCOTTISH MINISTERS	19

FOREWORD

Introduction

This Statement of Accounts, prepared in a form directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000, reports on the second year of operation of the Cairngorms National Park Authority (CNPA). The Authority became fully operational on 1 September 2003 but prior to that date the Authority had assumed stewardship duties for the area from the Cairngorms Partnership following the creation of the CNPA Board on 25 March 2003.

Background

National Park Aims

Section 1 of the National Parks (Scotland) Act 2000 sets out four aims for the Park:

- to conserve and enhance the natural and cultural heritage of the area;
- to promote sustainable use of the natural resources of the area;
- to promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
- to promote sustainable economic and social development of the area's communities.

The National Park Authority

Under the legislative provisions of the National Parks (Scotland) Act 2000, the Designation Order for CNPA was approved on 7 January 2003. The Order defined the boundaries of the National Park, confirmed the constitution of the Authority, the functions to be exercised by the Authority and identified specific dates on which the CNPA would come into existence and when it would become responsible for full function delivery viz, the establishment date of 25 March 2003 and operational date of 1 September 2003.

The National Park Authority (NPA) has the status of a Non-Departmental Public Body working to the provisions of a Management Statement and Financial Memorandum agreed with its sponsor department within the Scottish Executive: the Environment and Rural Affairs Department (SEERAD). The general purpose of the Authority is to ensure that the National Park Aims are collectively achieved in a co-ordinated way, in relation to the National Park.

A full list of Park Authority Members together with a resume of their backgrounds is detailed on pages 3 to 5.

Results and future activities

The accounts for the year to 31 March 2005 are set out in pages 10 to 12 together with the notes on pages 13 to 18. These show a surplus of £16,788 for the year to 31 March 2005.

The Authority will continue to build on the progress made in its first period of operation and will maintain operational services while putting in place efficient, effective and economic management information systems. A major priority during the course of the coming year will be the completion of the development and issue for consultation of a draft National Park Plan and draft Local Plan. The CNPA assumed responsibilities as an Access Authority on 2 February 2005 and therefore 2005/06 will represent the first full year during which these responsibilities will be exercised.

A comprehensive presentation of the Authority's current and future activity plans is available in its Operational Plan for 2005/06 and Corporate Plan for 2005 to 2008.

Changes in fixed assets

Movements in fixed assets are shown in note 7.

Post Balance Sheet Events

There are no post balance sheet date events to report for the year to 31 March 2005.

Charitable Donations

There were no charitable donations made in the year.

Payment Performance

The Authority's payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2005, the time taken to pay creditors achieved an average of 19 days (2004 - 24 days).

Employment policies, consultation and disabled employees

During the year the Authority issued a staff handbook which covers its employment policies and terms and conditions. The Authority's Equal Opportunities Policy ensures that the Authority does not discriminate on grounds of disability, racial group, sex, religion, sexual orientation or age, and that access to employment and career development within the Authority is based solely on ability, skill, competence and potential.

A job evaluation exercise has been completed and an appraisal system is now in operation.

There is a monthly staff meeting for all staff at which any issue may be raised by individuals, as well as regular meetings for each Group within the Authority where individuals may raise issues with their Head of Group. A Staff Consultative Forum has been formed which provides a formal mechanism for employer representatives to inform, consult and negotiate with staff representatives from across the organisation.

Auditors

The accounts of the Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25 (2) of the National Parks (Scotland) Act 2000. His audit report is on pages 8 and 9 and details of the auditor's remuneration are given in note 5.

Signed on behalf of the Cairngorms National Park Authority

Jane Hope, Chief Executive
● ● 2005

NATIONAL PARK BOARD MEMBERS

The CNPA's Board comprises 25 members. The Scottish Executive appoints 10 members directly; appoints a further 10 following Council nominations by the four councils in the Park area (Highland, Aberdeenshire, Moray and Angus Councils) and five are elected locally. The members will serve between 18 months and four years.

All members served throughout the period covered by these accounts except as noted below.

Andrew Thin	(Convenor)	(a)	(F), (S&R)
Eric Baird	(Deputy Convenor)	(a)	(A), (S&R)
Peter Argyle	(until 24 September 2004)	(b)	
Francis (Stuart) Black		(b)	
Duncan Bryden		(a)	(A)
Sally Dowden		(a)	(A)
Basil Dunlop		(b)	
Douglas Glass		(c)	(S&R)
Angus Gordon		(b)	
Lucy Grant		(a)	
David Green		(a)	(S&R)
Marcus Humphrey	(from 25 September 2004)	(b)	
Bruce Luffman		(b)	(S&R)
Willie McKenna		(c)	
Eleanor Mackintosh		(c)	(F)
Anne MacLean		(a)	(S&R)
Alistair MacLennan		(a)	
Sandy Park	(from 25 September 2004)	(b)	
Andrew Rafferty		(c)	
Gregor Rimell		(c)	(F)
David Selfridge		(b)	(F)
Robert Severn	(until 24 September 2004)	(b)	
Joyce Simpson		(a)	(F)
Sheena Slimon		(b)	(A)
Richard Stroud		(b)	
Susan Walker		(a)	
Bob Wilson		(b)	(A)

- (a) Scottish Executive appointee
- (b) Local Authority nominee
- (c) Locally elected

Committee membership:

- Planning (all Board members sit on the Planning Committee)
- Finance (F)
- Audit (A)
- Staffing & Recruitment (S&R)

Andrew Thin is also a Board Member of the Crofters Commission and holds senior non-executive positions in a number of other charitable, public and private organisations.

Eric Baird is the immediate past convenor of the Cairngorms Community Councils Group and Head Ranger on the Glen Tanar estate. He also has a specialist knowledge of countryside issues is a member of the Grampian Regional Forestry Forum and a occasional lecturer with the Scottish Agricultural College.

Peter Argyle (Liberal Democrat Councillor for Aberdeenshire) has a lifelong interest in conservation issues and natural history. He has worked on a local level with the Cairngorms Partnership on projects for the Aboyne area. At one time he was employed as a Countryside Ranger by Aberdeenshire Council.

Francis (Stuart) Black (Scottish Liberal Democrat) is a Board member of North Area Board of Scottish Natural Heritage. He is also Chairman of Explore Abernethy, a community project involving the creation of a local footpath network. He serves on a number of the Highland Council's committees. He is a former member of the Cairngorms Partnership Board. He has been a Strathspey hill farmer for over 40 years.

Duncan Bryden is a self employed Rural Development consultant with a professional ecological background. Previously he worked in the public, private and voluntary sectors throughout the Highlands. Duncan is a member of the Highland Forest Forum. He has three school age boys and when not on the shinty, football or rugby touchline is active in the hills.

Sally Dowden owns Speyside Wildlife, one of Scotland's largest wildlife tour operating companies. She is a Board member of the Cairngorms Chamber of Commerce and a Committee member of Wild Scotland, the national association of wildlife tour operators in Scotland.

Basil Dunlop (Independent Councillor for Highland) is Chairman of Planning for the Badenoch and Strathspey area. In addition to being a member of various Highland Council committees and the Northern Joint Police Board, he is a director of several local groups such as Moray Badenoch & Strathspey Enterprise and the Grantown Museum and Heritage Trust. He is a chartered forester who has specialised in the native pinewoods of the Cairngorms area and is Chairman of Anagach Woods Trust. He has lived in the Cairngorms for over 40 years and is a keen hillwalker and photographer.

Douglas Glass was elected for ward 5. He is a full time general practitioner at Ballater clinic since 1986. He lives on Dee Castle Farm, Glentanar, Aboyne. A board member of Crathie Opportunity Holidays and partner on Dee Castle Farm, his interests include farming, medicine and environmental issues.

Angus Gordon (Independent Councillor for Highland) is Chairman of the Badenoch and Strathspey Area Committee of the Licensing Board. He sits on various committees including the Sustainable Development Select Committee and the Land and Environment Select Committee. He is a local tenant farmer and is a member at area and local level of the NFU.

Lucy Grant is a partner in the family livestock farm and has developed a good general knowledge of the area's issues.

David Green lives in the Ross and Cromarty area and is currently Chair of the Crofters Commission. He was a Crofters Commissioner until September 2002 and Convenor of Highland Council until 1 May. He was the Independent member for the Lochbroom Ward. He is also a self-employed crofter who has diversified into tourism based on the croft.

Marcus Humphrey (Scottish Conservative Councillor for Aberdeenshire) is a chartered surveyor and has been involved in farming, forestry, tourism and land management in the Cairngorms area for many years. He is currently Chair of the Marr Area Committee and is on the Infrastructure Services and Policy and Resources Committees. He also serves on COSLA's Economic Development Executive Committee.

Bruce Luffman (Scottish Conservative Councillor for Aberdeenshire) is a member of a number of organisations. These include the North Board of SEPA, The North East Scottish Agricultural Advisory Group and the Strategic Forestry Working Group. He is also a Director of the Cairngorms Chamber of Commerce. He has been on the Cairngorms Agricultural Forum for some 4 years and is a member of the National Farmers Union. He and his wife run a guesthouse at Strathdon which is within the Cairngorms National Park.

Willie McKenna was elected for ward 2. He worked locally in the ski-ing business for over twenty years and is now a countryside manager, looking after everyone who enjoys Rothiemurchus Estate. He is currently involved with Aviemore Community Company and the Citizens Advice Information Service.

Eleanor Mackintosh was elected for ward 4. She worked in the Clydesdale Bank for 25 years, ending up as financial adviser, and now helps at home on the farm. She lives in Glenlivet, and has served in the past on various community groups.

Anne MacLean retired from Trade Union work in 1990. She has an interest in measures which promote access for disabled people and is a Board member of the Highland Society for Blind People and RNIB Scotland. She is also a Board member of Albyn Housing Society and an Independent Assessor for Ministerial Appointments.

Alastair MacLennan is a farmer who has diversified into tourism and other business ventures. Mr MacLennan has also been at the forefront of the LEAF initiative (Linking Environment and Farming) and has been a demonstration farmer since 2000. He had formerly served on the Cairngorms Partnership Board.

Sandy Park (Independent Councillor for Highland) is the Provost of Nairn and is Chair of Highland Council's Planning, Development, Europe and Tourism Committee. He also sits on the Council's Transport, Environment and Community Services Committee and the Northern Joint Police Board. He has been involved in outdoor pursuits in the area for over 40 years.

Andrew Rafferty was elected for ward 3. He is the principal vet in the Strathspey Veterinary Centre which covers four out of the five wards in the National Park. Born in Grantown he lives at a smallholding at Invertruim near Aviemore. He is a Director of Anagach Woods Trust.

Gregor Rimell was elected for ward 1. For 12 years he has been sub-postmaster in Kingussie and lives in Newtonmore. In May 2003 he was elected as an Independent councillor to Highland Council.

David Selfridge JP (Scottish National Party Councillor for Angus) He currently serves on a number of bodies including Scottish Enterprise (Tayside), Angus & Dundee Tourist Board and Angus Economic Development Partnership. He is Convenor of the Infrastructure Services Committee (Planning & Transport Policy, Roads and Economic Development) and a member of several other committees. He is formerly an Assistant Director of Water Services with Tayside Regional Council.

Robert Severn was nominated to the Board by Highland Council. He lives in Aviemore and is a co-opted member of Aviemore Community Council. He is a Director of Dachaidh Care and Support Scheme. He has lived and worked in the area for over 30 years and was a member of the Cairngorms Mountain Rescue Team and is heavily involved in other outdoor sporting pursuits.

Joyce Simpson is a retired solicitor who has been involved for many years with outdoor activities for youth organisations. She is a member and former Chair of the Cairngorms Community Councils Group.

Sheena Slimon (Independent Councillor for Highland) was involved in setting up the Laggan Rural Partnership and the Community Information Resource Centre and the Laggan Forrest Trust. She works closely with a number of local agencies and other parties concerned with the wellbeing of the Laggan community. She is also a member of several Highland Council committees including Sustainable Development and Education, Culture & Sport and is Vice-Chair of Housing & Social Work with responsibility for housing.

Richard Stroud (Liberal Democrat Councillor for Aberdeenshire) He previously worked with Community Education Service in the Upper Deeside/Donside areas and has considerable contact with community organisations, communities and individuals in these areas through professional work. He is currently Convenor of Aberdeenshire Council's Education and Recreation Committee and an active mountaineer and ski mountaineer.

Susan Walker is a former Professor of Geography and Environment at Aberdeen University and a part time environmental consultant. She is a specialist in water management and related ecological and conservation issues. She is currently a Board member of Scottish Natural Heritage, the Deer Commission for Scotland, the Scottish Environment Protection Agency, and a member of the Fisheries (Electricity) Committee.

Bob Wilson (Independent Councillor for Moray) is Convener of the Grampian Joint Valuation Board, Chairman of the Environmental Services Committee, Chairman of the Speyside Way Management Committee, Director of the Aberdeen & Grampian Tourist Board & Director of Moray Microbiological Services. He is a member of several other organisations, including the North East Scottish Agricultural Advisory Group & is proprietor of Speyside Gauging Services. He has a keen interest in both local community issues and those issues which fall to the remit of the Park Board.

STATEMENT OF NATIONAL PARK AUTHORITY'S RESPONSIBILITIES

Under Section 25(1) of the National Parks (Scotland) Act 2000, the Cairngorms National Park Authority (CNPA) is required to prepare financial statements for each financial year in the form and on the basis determined by the Scottish Minister.

The financial statements are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Authority at the financial period end and of the income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing those financial statements, the CNPA is required to:

- *observe the financial statements direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;*
- *make judgements and estimates on a reasonable basis;*
- *state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CNPA will continue in operation.*

In addition, the CNPA has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the CNPA and to prevent and detect fraud and other irregularities.

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

The Accountable Officer of the Scottish Executive's Environment and Rural Affairs Department designated the Chief Executive of the CNPA as Accountable Officer for the Authority.

The Chief Executive's relevant responsibilities as Accountable Officer for the Authority, includes responsibility for propriety and regularity of the public finances and for the keeping of proper records are set out in the Non-Departmental Public Bodies Accountable Officers' Memorandum, issued by the Treasury and published in Government Accounting.

The Authority's Management Statement sets out the specific responsibilities of the Chief Executive, as Accountable Officer. With specific reference to accounting for the CNPA's activities the Accountable Officer:

- has a duty to sign the accounts and be responsible for ensuring that proper records are kept and presented in accordance with any direction issued by the Scottish Ministers;
- sign a Statement of Accountable Officer's responsibilities and a Statement on Internal Control both for inclusion in the annual accounts;
- sign a Certificate of Assurance on the maintenance and review of the Authority's internal control, for submission to the Sponsoring Department; and
- give evidence when summoned before Committees of the Scottish Parliament on the use and stewardship of public funds by the Authority.

Jane Hope, Chief Executive

● ● 2005

STATEMENT OF INTERNAL CONTROL for the period ended 31 March 2005

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Authority's Management Statement. This is achieved by ensuring that I, as Chief Executive, managers within the organisation and members of the Authority receive regular flows of accurate and timely information enabling decisions to be made on an informed and considered basis.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Work on risk assessment and development of an appropriate risk management strategy was undertaken over the course of 2004/05. A risk management workshop was attended by members of the Authority's Management Team and by the Convener of the Audit Committee in November 2004. An outcome of that workshop was the identification and ranking of strategic risks facing the Authority. The risk and their ranking were subsequently approved by the Board's Audit Committee in March 2005, along with a risk management strategy. The Authority will identify appropriate responses to these risks and officers responsible for their management in the 2005/06 financial year. The first steps have been taken to embed the risk management strategy within the Authority's operational planning processes.

The internal audit function is an integral element of the Authority's internal control systems. Deloitte LLP were appointed as the Authority's internal auditors in June 2004 and, in addition to facilitating the risk management workshop, have established and commenced work on a three year internal audit programme. They will report to and attend the Board's Audit Committee. Reports on the outcome of their first two internal audit reviews, covering fixed assets and payroll, were presented to the Audit Committee in March 2005. These reviews identified a need to implement financial procedures and also highlighted significant weaknesses in asset registers. Subsequent to these reports, the Audit Committee approved financial regulations for the Authority at its meeting on 26 August 2005. A timetable for improvement to asset registers has been agreed with internal audit.

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Authority's Audit Committee is tasked with monitoring the operation of the internal control function and bringing to the attention of the full Board any material matters. Detailed findings of all the internal audit reviews are made available to both management and the Audit Committee and, in addition, the Audit Committee will produce an annual report to the Board assessing the adequacy and effectiveness of the Authority's internal controls.

Jane Hope, Chief Executive

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INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF THE CAIRNGORMS NATIONAL PARK AUTHORITY,
THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR
SCOTLAND**

Report to be supplied by Audit Scotland.

DRAFT

Opinions
Report to be supplied by Audit Scotland

DRAFT

INCOME AND EXPENDITURE ACCOUNT
for the period ended 31 March 2005

	<i>Note</i>	<i>2005</i> £	<i>2004</i> £
Income			
Grant in Aid	2	3,178,000	1,494,290
Planning fees		38,017	-
Released from Capital Assets Fund	11	90,852	44,042
Operational Plan income		793,147	386,663
		<u>4,100,016</u>	<u>1,924,995</u>
Expenditure			
Board members and staff costs	3	1,496,085	675,438
Operational Plan expenditure	4	1,770,161	512,885
Other operating costs	5	730,459	679,531
Notional costs	6	10,899	3,202
Depreciation	7	90,852	44,042
		<u>4,098,456</u>	<u>1,915,098</u>
Surplus on operating activities		1,560	9,897
Bank interest received		4,329	1,138
Surplus on ordinary activities		5,889	11,035
Add back: Notional costs	6	10,899	3,202
Surplus for the period	12	<u>16,788</u>	<u>14,237</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period ended 31 March 2005

	<i>Note</i>	<i>2005</i> £	<i>2004</i> £
Surplus for the period	12	<u>16,788</u>	<u>14,237</u>
Total recognised gains		<u>16,788</u>	<u>14,237</u>

No activities were discontinued during the year.

The accounting policies and notes on pages 13 to 18 form part of these accounts.

BALANCE SHEET
as at 31 March 2005

	<i>Note</i>	2005 £	2004 £
Fixed Assets			
Tangible assets	7	<u>422,037</u>	<u>401,603</u>
Current Assets			
Debtors	8	346,916	159,776
Cash at bank and in hand	9	<u>43,230</u>	<u>193,272</u>
		390,146	353,048
Creditors: amounts falling due within one year	10	<u>(359,121)</u>	<u>(338,811)</u>
Net Current Assets		<u>31,025</u>	<u>14,237</u>
		<u>453,062</u>	<u>415,840</u>
 Financed by:			
Deferred income	11	422,037	401,603
Reserves	12	<u>31,025</u>	<u>14,237</u>
		<u>453,062</u>	<u>415,840</u>

Signed on behalf of the National Park Authority

Jane Hope, Chief Executive

● ● 2005

The accounting policies and notes on pages 13 to 18 form part of these accounts.

**CASH FLOW STATEMENT
for the period ended 31 March 2005**

	<i>Note</i>	<i>2005</i> £	<i>2004</i> £
Net cash (outflow)/ inflow from operating activities	13	(88,919)	126,682
Returns on investments			
Bank interest received		4,329	1,138
Investing activities			
Purchase of fixed assets		(176,738)	(366,258)
Net cash (outflow) from operating activities		<u>(261,328)</u>	<u>(238,438)</u>
Financing			
Grants received to be applied to purchase fixed assets		111,286	431,710
(Decrease)/increase in cash		<u>(150,042)</u>	<u>193,272</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash for the period		(150,042)	193,272
Net funds at start of period		193,272	-
Net funds at end of period		<u>43,230</u>	<u>193,272</u>

The accounting policies and notes on pages 13 to 18 form part of these accounts

NOTES TO THE ACCOUNTS for the period ended 31 March 2005

1. Accounting Policies

(a) *Basic Accounting*

The accounts have been prepared under the historical cost convention modification in a form determined by Scottish Ministers. The particular accounting policies adopted are described below and are applied consistently within the accounts.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued and adopted by the Accounting Standards Board in so far as those requirements are appropriate.

(b) *Accounting Period*

The accounting period commenced on 1 April 2004 and ended on 31 March 2005.

(c) *Fixed Assets*

Fixed assets are valued at initial cost less accumulated depreciation.

Depreciation is provided on all fixed assets at rates calculated to write-off the cost evenly over the asset's expected useful life, as follows:

Leasehold improvements	Over length of lease
Office equipment	5 years
IT equipment	3 years
Motor vehicles	5 years

(d) *Value Added Tax*

Irrecoverable VAT is charged to the Income and Expenditure Account in the period in which it is incurred.

(e) *Leases*

Operating lease rentals are charged to the Revenue Account over the term of the lease.

(f) *Grant in Aid Receivable*

The Authority receives government Grant in Aid to finance its net expenditure. Grant in aid used to purchase fixed assets is credited to a Government Grant Reserve Account and an amount equivalent to the historical depreciation charge is released to the Income and Expenditure Account over the expected useful life of the relevant assets.

(g) *Notional Costs*

In line with HM Treasury's Fees and Charges Guide, the Authority includes notional costs for cost of capital.

(h) *Pension Costs*

The Authority is a member of the Principal Civil Service Pension Scheme (PCSPS). The expected cost of providing staff pensions is recognised through monthly payment of Accruing Superannuation Liability Charges contributions to the PCSPS.

(i) *Debtors*

All material amounts due as at 31 March 2005 have been brought into the Income and Expenditure Account irrespective of when actual payments were received.

(j) *Creditors*

All material amounts outstanding as at 31 March 2005 have been brought into the Income and Expenditure Account irrespective of when actual payments were made.

CAIRNGORMS NATIONAL PARK AUTHORITY
Paper 5 Annex 1 07/10/05

2. Grant in Aid		2005	2004
		£	£
Grant in Aid receivable		3,289,286	1,926,000
less: amounts designated as Deferred Income (note 11)		(111,286)	(431,710)
		<u>3,178,000</u>	<u>1,494,290</u>

3. Board members and staff costs		2005	2004
		£	£
<i>Summary</i>			
Board members		187,853	183,456
Staff - Core		1,308,232	491,982
		<u>1,496,085</u>	<u>675,438</u>

Project staff's salary details are included in note 4.

Board members

Fees	179,900	175,775
Social security costs	7,953	7,681
Pension costs	-	-
	<u>187,853</u>	<u>183,456</u>

Analysis of Board members' fees and expenses

	<i>Current year</i>		<i>Previous year</i>	
	<i>Fees</i>	<i>Expenses</i>	<i>Fees</i>	<i>Expenses</i>
	£	£	£	£
Andrew Thin (Convenor)	18,982	6,219	18,439	5,611
Eric Baird (Deputy Convenor)	9,491	1,587	9,219	1,062
Peter Argyle	3,283	327	6,383	1,058
Francis (Stuart) Black	6,571	-	6,383	-
Duncan Bryden	6,571	1,345	6,383	1,075
Sally Dowden	6,571	1,078	6,383	754
Basil Dunlop	6,571	-	6,383	103
Douglas Glass	6,571	1,469	6,383	57
Angus Gordon	6,571	85	6,383	90
Lucy Grant	6,829 *	822	6,792 *	395
David Green	6,571	779	6,383	2,476
Marcus Humphrey	3,285	304	-	-
Bruce Luffman	6,571	1,938	6,383	1,499
Willie McKenna	6,571	-	6,383	123
Eleanor MacKintosh	6,571	756	6,383	437
Anne MacLean	6,571	300	6,383	118
Alistair MacLennan	6,571	327	6,383	364
Sandy Park	3,285	480	-	-
Andrew Rafferty	6,571	72	6,383	238
George Rimell	6,571	1,112	6,383	726
David Selfridge	6,571	2,373	6,383	2,382
Robert Severn	2,736	269	6,383	653
Joyce Simpson	6,571	199	6,383	82
Sheena Slimon	6,571	-	6,383	25
Richard Stroud	6,571	460	6,383	502
Susan Walker	7,160 *	998	7,282 *	911
Bob Wilson	6,571	1,143	6,383	1,279
	<u>179,900</u>	<u>24,442</u>	<u>175,775</u>	<u>22,020</u>

* additional amounts over the standard fees of £6,571 (2004 - £6,383) relate to child care payments. Expenses are included in other operating costs (see note 5).

3. Board members and staff costs (continued)	<i>2005</i> £	<i>2004</i> £
<i>Staff - Core</i>		
Salaries	1,074,309	414,182
Social security costs	83,362	31,009
Pension costs (note 14)	150,561	46,791
	<u>1,308,232</u>	<u>491,982</u>
 <i>Average numbers employed during period</i>		
	<i>No.</i>	<i>No.</i>
Park Authority Board Members	25	25
Core employees	45	20

The Core employee number includes 2 seconded staff (2004 – 3).

At 31 March 2005 there were a total number of 45 (2004 - 27) Core employees.

The emoluments of the Chief Executive, Jane Hope (age 51) were £62,391 (2004 - £56,372) including employer pension costs of £8,837 (2004 - £7,572). Prior to 1 June 2004 Mrs Hope was the Interim Chief Executive on secondment from the Scottish Executive and became the permanent Chief Executive on that date.

4. Operational Plan expenditure

The Operational Plan details key targets and milestones that the Authority follows in seeking to meet objectives set by the Scottish Executive. Major items of expenditure are detailed below:

	<i>2005</i> £	<i>2004</i> £
Leader+ *	249,118	130,447
Leader+ Administration costs *	67,311	59,790
Moorlands *	187,560	79,645
Land Based Training *	146,238	20,528
Small Grants Scheme	100,130	-
Park Entry Point signage	71,071	-
Community Consultation	58,803	34,849
Forest of Spey	51,745	12,624
State of the Park report	42,561	-
Marketing/Promotional action	31,912	-
LBAP (Local Biodiversity Action Plan) Officer *	31,242	12,735
John Muir Award *	31,046	18,049
Visitor Survey	-	30,995
Affordable Health and Fitness	-	21,647
Community Councils Support Officer	-	19,062
	<u>1,068,737</u>	<u>440,371</u>
Other (individually less than £30,000; 2004 – less than £10,000)	701,424	72,514
	<u>1,770,161</u>	<u>512,885</u>

* the above expenditure includes the following salary costs paid to staff employed directly on individual projects:

<i>Staff - Project</i>		
Salaries	178,240	96,562
Social security costs	11,917	8,459
Pension costs (note 14)	23,951	8,990
	<u>214,108</u>	<u>114,011</u>

At 31 March 2005 there were a total number of 10 Project employees (2004 – 7) and the average number of Project employees throughout the year was 7 (2004 - 5).

CAIRNGORMS NATIONAL PARK AUTHORITY
Paper 5 Annex 1 07/10/05

5. Other operating costs	2005	2004
	£	£
Board and staff costs (exc. salary costs)	362,898	336,509
Office running costs	176,654	117,073
Information technology	91,223	25,109
Consultants' fees	99,684	61,468
Publicity, information and communication	-	139,372
	<u>730,459</u>	<u>679,531</u>

The following expenditure is included in the above costs:

	£	£
Audit fees (external audit)	8,600	8,900
Operating lease rentals - land and buildings	46,325	38,764
- vehicles and office equipment	12,463	5,081
	<u>67,393</u>	<u>52,745</u>

6. Notional costs	2005	2004
	£	£
Cost of capital (calculated @ 3½%)	10,899	3,202
	<u>10,899</u>	<u>3,202</u>

7. Fixed Assets				
	<i>Leasehold improvements</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
<i>Cost</i>				
At 1 April 2004	280,326	165,319	-	445,645
Additions	-	81,386	29,900	111,286
Disposals	-	-	-	-
At 31 March 2005	<u>280,326</u>	<u>246,705</u>	<u>29,900</u>	<u>556,931</u>
<i>Depreciation</i>				
At 1 April 2004	(13,628)	(30,414)	-	(44,042)
Provided in year	(31,726)	(58,628)	(498)	(90,852)
Disposals	-	-	-	-
At 31 March 2005	<u>(45,354)</u>	<u>(89,042)</u>	<u>(498)</u>	<u>(134,894)</u>
<i>Net book value</i>				
At 31 March 2005	<u>234,972</u>	<u>157,663</u>	<u>29,402</u>	<u>422,037</u>
At 31 March 2004	<u>266,698</u>	<u>134,905</u>	<u>-</u>	<u>401,603</u>

8. Debtors	2005	2004
	£	£
Grant in Aid due from Scottish Executive	178,000	-
Project income debtors	117,166	144,146
Other debtors	51,750	15,630
	<u>346,916</u>	<u>159,776</u>

CAIRNGORMS NATIONAL PARK AUTHORITY
Paper 5 Annex 1 07/10/05

9. Cash at bank and in hand	2005 £	2004 £
Bank accounts	43,030	192,972
Cash imprest accounts	200	300
	<u>43,230</u>	<u>193,272</u>
10. Creditors	2005 £	2004 £
Trade creditors	178,801	73,503
Project income received in advance	76,020	156,440
Payroll taxes	53,678	20,094
Accruals	50,622	88,774
	<u>359,121</u>	<u>338,811</u>
11. Deferred income	2005 £	2004 £
<i>Capital Assets Fund</i>		
Opening balance	401,603	-
Transferred in from Cairngorms Partnership	-	13,935
Grant in Aid received for purchase of fixed assets	111,286	431,710
Released to Income and Expenditure Account	(90,852)	(44,042)
Closing balance	<u>422,037</u>	<u>401,603</u>
12. Reserves	2005 £	2004 £
Opening balance	14,237	-
Surplus for the period	16,788	14,237
Closing balance	<u>31,025</u>	<u>14,237</u>
13. Reconciliation of operating surplus on ordinary activities to net cash flow from ordinary activities	2005 £	2004 £
Surplus on operating activities	1,560	9,897
Depreciation charge	90,852	44,042
Notional costs	10,899	3,202
Transferred from Government Grant Reserve	(90,852)	(44,042)
(Increase)/decrease in debtors	(187,140)	(159,776)
Increase/(decrease) in creditors	85,762	273,359
	<u>(88,919)</u>	<u>126,682</u>

14. Pensions

The Authority is a member of the Principal Civil Service Scheme (PCSPS). This is an un-funded multi-employer defined benefit scheme and accords with guidance contained in "Non-Departmental Bodies: A Guide for Departments". The Authority is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out as at 31 March 2003 details of which can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2004-05 employer's contributions of £160,147 (2003-04 £18,392) were payable to the PCSPS. The contributions were payable at one of four rates ranging from 12.0% to 18.5% of pensionable pay, based on salary bands. The contribution rates reflect benefits as they are accrued and reflect past experience of the scheme. For 2005-06 the employer's contribution rates increase to between 16.2% and 24.6% for 2005-06 and between 17.1% and 25.5% for 2006-07.

Effective 1 April 2004, all employees previously employed by the Cairngorms Partnership transferred into the PCSPS and all new employees have the opportunity to join the scheme.

15. Related party transactions

The Authority is a Non-Departmental Public Body of the Scottish Executive. The Authority's sponsoring Department is the Scottish Executive Environment and Rural Affairs Department (SEERAD)

SEERAD is regarded as a related party with which there have been various material transactions during the year.

In addition the Authority has had a number of material transactions with other Government Departments and other Non-Departmental Public Bodies. Most of these transactions have been with Scottish Natural Heritage.

None of the Board Members, Management Team, or other related parties have undertaken any material transactions with the Authority during the year. Material transactions cover payments made under contract for goods or services.

16. Capital commitments, contingent liabilities and operating leases

There were no contracted capital commitments outstanding and not included in the balance sheet, nor were there any contingent liabilities existing at the balance sheet date.

Commitments under non-cancellable operating leases are as follows:

	<i>Land & buildings</i> 2005 £	<i>Motor vehicles & office equipment</i> 2005 £	<i>Land & buildings</i> 2004 £	<i>Motor vehicles & office equipment</i> 2004 £
<i>Operating leases which expire:</i>				
Within one year	-	-	-	-
Within two to five years	46,325	12,463	46,325	12,463
After five years	-	-	-	-
	<u>46,325</u>	<u>12,463</u>	<u>46,325</u>	<u>12,463</u>



CAIRNGORMS NATIONAL PARK AUTHORITY
DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of The National Parks (Scotland) Act 2000, hereby give the following direction.

2. The statement of accounts which it is the duty of the Cairngorms National Park Authority to prepare in respect of the financial year ended 31 March 2004 and in respect of any subsequent financial year, shall comprise:

- 2.1 a foreword;
- 2.2 an income and expenditure account;
- 2.3 a balance sheet;
- 2.4 a cash flow statement;
- 2.5 a statement of total recognised gains and losses;
- 2.6 a statement of accountable officer's responsibilities; and
- 2.7 a statement on the system of internal control.

including such notes as may be necessary for the purposes referred to in the following paragraphs.

3. The statement of accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year and the state of affairs as at the end of the financial year. Subject to this requirement, the accounts shall be prepared in accordance with:

- 3.1 the accounting and disclosure requirements of the Companies Act for the time being in force; and
- 3.2 generally accepted accounting practice in the UK, including accounting standards issued or adopted by the Accounting Standards Board; and
- 3.3 guidance which Scottish Ministers may issue from time to time in respect of accounts which are required to give a true and fair view;
- 3.4 the accounting and disclosure requirements given in "Executive NDPBs: Annual Reports and Accounts Guidance", as amended or augmented from time to time;

insofar as these are appropriate to the Cairngorms National Park Authority and are in force for the financial year for which the statement of accounts is to be prepared.

4. Clarification of the application of the accounting and disclosure requirements of the

Companies Act and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.

5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:

5.1 fixed assets at their value to the business by reference to current costs; and

5.2 stocks valued at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.

6. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated

20th April 2004

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SCHEDULE 1

APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE COMPANIES ACT AND ACCOUNTING STANDARDS

Companies Act

1. The disclosure exemptions permitted by the Companies Act shall not apply.
2. The Companies Act requires certain information to be disclosed in the Director's Report. To the extent that it is appropriate, the equivalent information relating shall be contained in the foreword.
3. When preparing its income and expenditure account the Cairngorms National Park Authority shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the Companies Act.
4. When preparing its balance sheet the Cairngorms National Park Authority shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies Act.
5. The Cairngorms National Park Authority is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies Act.
6. The foreword and balance sheet shall be signed and dated by the Cairngorms National Park Authority Accountable Officer.

Accounting Standards

7. The Cairngorms National Park Authority is not required to include a note showing historical cost profits and losses as described in FRS3
8. The Cairngorms National Park Authority shall not adopt the Financial Reporting Standard for Smaller Entities.

SCHEDULE 2

ADDITIONAL DISCLOSURE REQUIREMENTS

1. The foreword shall, *inter alia*:
 - 1.1 state that the statement of accounts have been prepared in a form directed by the Scottish Ministers in accordance with The National Parks (Scotland) Act 2000.
 - 1.2 include a brief history of the Cairngorms National Park Authority and its statutory background.
2. The notes to the accounts shall include:
 - 2.1 details of any key corporate financial targets set by the Scottish Ministers together with an indication of the performance achieved, and
 - 2.2 details of the pension arrangements operated by the Cairngorms National Park Authority and confirmation that the scheme accords with the guidance contained in “Non-Departmental Public Bodies: A guide for Departments”.