

# CAIRNGORMS NATIONAL PARK AUTHORITY

## Annual Report and Accounts for the year ended 31 March 2012



## **AUDITED ACCOUNTS for the year ended 31 March 2012**

|   | <b>Page</b> |
|---|-------------|
| <b>MANAGEMENT COMMENTARY</b>                                  | <b>2</b>    |
| <b>REMUNERATION REPORT</b>                                    | <b>6</b>    |
| <b>NATIONAL PARK BOARD MEMBERS</b>                            | <b>11</b>   |
| <b>STATEMENT OF NATIONAL PARK AUTHORITY'S REPONSIBILITIES</b> | <b>14</b>   |
| <b>STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES</b>    | <b>14</b>   |
| <b>GOVERNANCE STATEMENT</b>                                   | <b>15</b>   |
| <b>INDEPENDENT AUDITOR'S REPORT</b>                           | <b>17</b>   |
| <b>STATEMENT OF COMPREHENSIVE NET EXPENDITURE</b>             | <b>20</b>   |
| <b>STATEMENT OF FINANCIAL POSITION</b>                        | <b>21</b>   |
| <b>STATEMENT OF CASH FLOWS</b>                                | <b>22</b>   |
| <b>STATEMENT OF CHANGES IN TAX PAYERS' EQUITY</b>             | <b>23</b>   |
| <b>NOTES TO THE ACCOUNTS</b>                                  | <b>24</b>   |
| <b>DIRECTION BY THE SCOTTISH MINISTERS</b>                    | <b>37</b>   |
| <b>APPENDIX I – Members attendance at meetings</b>            | <b>38</b>   |

# MANAGEMENT COMMENTARY

## 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 ninth year of operation of the Cairngorms National Park Authority (CNPA). The Accounts Direction is shown on page 37. The Park Authority became fully operational on 1 September 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 Cairngorms National Park Authority*

The statutory purpose of the Cairngorms National Park Authority is set out in section 9 of the National Parks (Scotland) Act 2000 (NP(S)A). This purpose is to ensure that the four aims for the National Park, highlighted above, are achieved in a way that is mutually supportive, rather than looking at each of the aims separately and in isolation. Under the legislative provisions of the NP(S)A, the Designation Order for the Park Authority was approved on 7 January 2003. The Order defined the boundaries of the National Park, confirmed the constitution of the Park Authority, the functions to be exercised by the Park 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 boundaries of the Cairngorms National Park, and therefore the administrative boundaries of the Authority, were extended on 4 October 2010 to include areas of North Perthshire.

The National Park Authority has the status of a Non-Departmental Public Body working to the provisions of a Management Statement and Financial Memorandum agreed with its sponsoring body within the Scottish Government: the Rural Directorate. The general purpose of the CNPA is to ensure that the National Park Aims are collectively achieved in a co-ordinated way, in relation to the Cairngorms National Park.

A full list of Park Authority Members together with a résumé of their backgrounds is detailed on pages 10 to 12.

The Register of Members' Interest is available for public inspection during office hours at the Park Authority's offices, 14 The Square, Grantown-on-Spey, PH26 3HG or on line at

[http://www.cairngorms.co.uk/uploads/documents/board\\_members\\_register\\_of\\_interests-revised\\_\\_20\\_Jan\\_2012.pdf](http://www.cairngorms.co.uk/uploads/documents/board_members_register_of_interests-revised__20_Jan_2012.pdf)

## Results and future activities

The results for the year to 31 March 2012 are set out in pages 20 to 23 together with the notes on pages 24 to 36. The accounts are prepared on a going concern basis.

The Park Authority's total expenditure for the year was £5.97 million and after receiving Grant in Aid of £4.72 million for operational activities, capital grant of £0.43 million, and third party contributions to Operational Plan expenditure and other income of £0.81 million, the accounts show recognised net expenditure of £0.01 million (see note 13).

Further details of our expenditure breakdown are shown in the notes to the accounts, in particular at note 2, which details our expenditure by key areas of operational activity, and note 4, which details Operational Plan expenditure.

A summary of our operational activity for the year is set out in the preceding sections of this Annual Report, including progress against targets and key performance indicators.

The main sources of CNPA funding for the year were the resource budgets and cash grant-in-aid funding allocated to it by its sponsoring department, the Scottish Government Rural Directorate (SGRD). These resources have been utilised during the year as shown in the table below and the result has been noted by the sponsoring department.

|   | Budget               | Out Turn                  | Variance   |
|---|----------------------|---------------------------|------------|
|   | £'000                | £'000                     | £'000      |
| <b>Resource Budget 2011/12</b>              |                      |                           |            |
| Current Operating Expenditure               | 4,723                | 4,723                     | 0          |
| Depreciation                                | 111                  | 114                       | (3)        |
| <b>Operating Costs</b>                      | <b>4,834</b>         | <b>4,837</b>              | <b>(3)</b> |
| <b>Capital</b>                              | <b>430</b>           | <b>430</b>                | <b>0</b>   |
| <b>Expenditure Financed by other income</b> | <b>Income (£000)</b> | <b>Expenditure (£000)</b> |            |
| Operating Expenditure                       | 707                  | 733                       | (26)       |
| Capital Expenditure                         | 0                    | 0                         | 0          |

Capital budget and expenditure was enhanced for the year as a result of securing additional capital grant allocations from Scottish Government. These allocations totalled £397k and contributed towards bids supporting the Blair Atholl Visitor Centre, Strathdon Bridge reconstruction, Tomintoul and Glenlivet Regeneration Project and two Core Path projects. In total, CNPA contributed £414k to capital projects within the Park with the balance of the £430k capital grant allocation funding fixed asset additions (see below).

### Changes in non-current assets

Movements in non-current assets are shown in note 7.

Key additions in the year related to £16k of Information Technology equipment.

### Post balance sheet events

There are no post balance sheet date events to report for the year to 31 March 2012.

### Charitable donations

There were no charitable donations made in the year.

### Payment performance

The Park Authority's payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2012, the time taken to pay creditors achieved an average of 11.7 days against a target of 10 days with 54% of payments being made by the target date (During the year to 31 March 2011, the time taken to pay creditors achieved an average of 10.5 days against a target of 10 days with 58% of payments being made by the target date).

### Employment policies, consultation and equality

CNPA continues to work closely with staff representatives and Prospect Trade Union through the Staff Consultative Forum in resolving a range of staffing issues, consulting on new initiatives and keeping staff well informed. CNPA gained Investors in People status in April 2008 and was re-accredited in 2011/12.

The Race, Gender and Disability Equality Schemes have been embedded into the work of CNPA, and progress with the associated action plans reviewed. Comprehensive equalities training for all staff and Board members has been delivered, and guidance to support delivery of our equalities duties and policies is in place. Undertaking equalities impact assessment on key policy and project proposals is embedded through the organisation. The Authority's work on equalities and creating "A Park for All" is overseen by an internal working group comprising staff drawn from across the organisation and Chaired by a Senior Manager. The Authority is accredited with the "Positive about Disability" symbol.

The Authority continues to recognise the importance of training and development to ensure that all staff have the skills required for delivery of their role in the context of the organisation's enabling and partnership ethos. Conversations on staff development are held regularly as part of the appraisal review process and a reasonable training and development budget has been retained to support delivery of identified training requirements.

The Authority maintains oversight of its management of sickness absence through regular review of performance at Board and Management Team level. Sickness absence is included as a key performance indicator in the Authority's balanced scorecard performance measurement tool. In 2011/12, the average number of days lost through sickness was 5.6 days per person (2010/11 4.5 days).

Significant attention has been given to security of information and data within the public sector over the course of 2011/12. The Authority has had no instances of loss of data or personal information over the course of the year. The Governance Statement included in this Annual Report and Accounts sets out more information on the Authority's range of internal controls and review mechanisms to ensure data security amongst other things.

## **Pensions**

The Park Authority's pension liabilities are detailed in the Remuneration Report and Notes 1, 3, 4 and 14 to the Accounts.

## **Sustainability reporting**

The Purpose of the Park Authority is to promote partnership and give leadership to all the bodies and agencies involved in the sustainable growth and development of the Park. To this end, the National Park Plan annual report sets out a comprehensive description of the work undertaken by the Authority and its partners in the sustainable development of the Cairngorms National Park.

The National Park Authority is actively engaged in a wide range of actions promoting sustainability – in community development, land management and in our own business processes. These activities are set out in detail in the main body of this annual report and accounts document. The Authority's Corporate Plan places significant emphasis on these areas of activity and we also aim to make a contribution to the relevant National Outcomes in this area. The Authority's performance monitoring system also focuses on sustainability, with measures of the sustainability of priority species, the development of community action plans, promotion of sustainable business and reduction in the Authority's own carbon emissions all featuring as key performance indicators for the organisation.

## **Environmental matters**

Over the past year we have been focusing on raising understanding of the biodiversity, cultural heritage and special qualities of the National Park and how people can help enhance them.

Our Supplementary Planning Guidance (SPG) will provide clarity on natural heritage and how it affects planning decisions made in the National Park. It supports policies in the Cairngorms National Park Local Plan and will lead to better conservation of natural heritage. Guidance on "Wildness" of the National Park has been produced amongst the suite SPG topics – a first for a National Park in the UK.

The first "Bio-Buzz Day" celebrated the great variety of plants and animals in the Cairngorms National Park and the vital role they play in our lives. It was a unique opportunity to bring people together to celebrate and promote greater understanding. There were three simultaneous 24 hour events in Grantown-on-Spey, Kingussie and Ballater. It was organised by the Cairngorms Local Biodiversity Action Group to coincide with the International Year of Biodiversity and Scottish Biodiversity Week. It was attended by the Cabinet Secretary for Rural Affairs and the Environment, Richard Lochhead and over 600 members of the community.

The Cairngorms National Park is helping to reduce climate change, increase native woodland and boost the rural economy through the Cairngorms Woodfuel Action Plan which was launched in August 2010. Early actions include: steps to improve demand for woodfuel; increase woodfuel production; developing business opportunities and increase access to information about using wood for heating homes and businesses.

The first meeting of the Land Management Forum took place after it was set up by the CNPA and the Scottish Rural Properties Business Association. The purpose of the forum is to bring together a wide range of people with an interest in land management in the Cairngorms National Park to: help improve viability and sustainability of land based businesses, share and compare information and experience, develop new ideas and opportunities to benefit the environment, economy and communities and provide practical advice.

The National Park Authority has also set the reduction in its carbon footprint from its business activities as a key objective and illustration of its environmental performance and leadership. Our key performance indicator of reducing carbon emissions from vehicle based business travel has seen a managed reduction of over a quarter of our carbon emissions since March 2008 against a baseline of 57.1 tonnes. A small reduction in the year of 0.2% has

sustained these significant improvements over the previous three years. Further investment and action is underway to target further reductions in future years.

### **Social and community issues**

Conserving and enhancing the special qualities of the Cairngorms National Park is essential if the Park is to maintain and build a diverse and vibrant economy. The Authority's work in this area spans support for sustainable business development within the National Park, to work on promoting development of affordable housing, and to establish partnerships with individual communities and more widely with community planning partnerships.

Over the course of 2011/12, the authority has continued to provide support for the development of the Cairngorms Business Partnership and developed supplementary planning guidance on affordable housing. The Authority remains active in working with communities to support the development and delivery of community action plans. Through the Cairngorms Outdoor Access Trust (COAT), the Authority has also supported the delivery of improved path networks to support community based infrastructure.

Our key performance indicators highlights that 16 Communities have been supported in producing their own Community Action Plans over the last four years. In working with COAT we are also making use of the outdoors and the infrastructure we support and develop within the National Park to encourage people to use and enjoy the environment we have, and for these opportunities to have positive health benefits for people. We have increased the number of health walks led within the National Park to 518 in the year to March 2012 from a base level of 225 in March 2008.

### **Auditors**

The accounts of the Park 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. The audit report is on pages 17 to 19 and details of the auditor's remuneration are given in note 5.

### **Future Activities**

Over the course of 2011/12, the Authority has led the finalisation of the National Park Partnership Plan (NPPP) for the Cairngorms NP. The NPPP sets out the target outcomes and priority actions for all organisational and groups involved in the National Park to collectively work towards between 2012 and 2017. The NPPP was approved by the Authority's Board in May 2012 and has now been submitted to Scottish Ministers for review and approval.

We have also developed the Authority's Corporate Plan for 2012 to 2017 in parallel with the NPPP. Our Corporate Plan highlights the National Park Authority's own organisational priorities in coordinating the NPPP and delivering or facilitating aspects of it. Our Corporate Plan sets out eight programmes of work and priority outcomes that the Authority will target over the course of the coming 5 years as our contribution to delivery of the collective NPPP. The Authority's Board also agreed this Corporate Plan at its meeting in May 2012.

### **Disclosure of information to auditors**

As Accountable Officer, as far as I am aware, there is no relevant audit information of which the Park Authority's auditors are unaware. I have taken all reasonable steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Park Authority's auditors are aware of the information.

**Signed on behalf of the Cairngorms National Park Authority**

**Jane Hope, Chief Executive**

**June 2012**

# REMUNERATION REPORT

## Introduction

The Park Authority has in place a Staffing and Recruitment Committee, which consists of five Board members. The Committee meets as required, its membership and remit being agreed annually by the full CNPA Board. The Committee's remit includes the following:

- to oversee and monitor the HR (human resources) systems put in place for the CNPA, including in particular the pay and grading system, performance appraisal system and the related performance related pay system;
- to advise the CNPA Board on annual pay awards;
- to provide an interface between staff representative group(s) and the Board, and play a role in arbitrating on staffing issues as set out in the CNPA's procedures, and as otherwise required; and
- to oversee the recruitment of senior staff (Heads of Group and Chief Executive) including agreeing the job descriptions, adverts and salary; to take responsibility for interviewing and selecting the successful candidates, and seeking the endorsement of the whole CNPA Board (and of Scottish Ministers in the case of the Chief Executive).

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Park Authority are taken to comprise the Chief Executive and Board members.

## Service contracts

Salary levels for the CNPA's staff, including the Chief Executive, are reviewed by the Staffing and Recruitment Committee and the overall pay remit is subject to agreement by the Park Authority's Sponsoring Body at the Scottish Government.

In reaching its recommendations, the Committee has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

### *Chief Executive*

The current Chief Executive, Mrs Jane Hope, served as the Interim Chief Executive from January 2003 until her appointment as permanent Chief Executive on 1 June 2004. Mrs Hope's contract of employment, signed on 30 April 2004, contains a three month notice period.

### *Board members*

Board members' fees are approved annually each April by the Scottish Government.

Board members (continued)

This section of the Remuneration Report is subject to Audit.

|                                      | Most recent appointment | End of term or date stepped down | 2011/12   | 2011/12        | 2010/11   |                |
|--------------------------------------|-------------------------|----------------------------------|-----------|----------------|-----------|----------------|
|                                      |                         |                                  | Fees<br>£ | Expenses#<br>£ | Fees<br>£ | Expenses#<br>£ |
| <i>Scottish Government appointee</i> |                         |                                  |           |                |           |                |
| David Green                          | 8 Sep 2009              | 7 Sep 2012                       | 20,775    | 9,993          | 20,781    | 10,299         |
| Eric Baird                           | 24 Mar 2009             | 30 Sep 2010                      |           |                | 5,235     | 1,938          |
| Duncan Bryden                        | 1 Oct 2010              | 30 Sep 2014                      | 10,391    | 2,108          | 10,390    | 1,317          |
| Angela Douglas                       | 1 Oct 2010              | 30 Sep 2014                      | 7,194     | 1,906          | 3,597     | 1,041          |
| Lucy Grant                           | 24 Mar 2009             | 30 Sep 2010                      |           |                | 4,303     | 555            |
| Gregor Hutcheon                      | 1 Oct 2010              | 30 Sep 2014                      | 7,194     | 1,331          | 3,597     | 1,052          |
| Robert Kinnaird                      | 1 Apr 2010              | 30 Jun 2011                      | 2,398     | 92             | 7,194     | 589            |
| Anne MacLean                         | 25 Mar 2007             | 30 Sep 2010                      |           |                | 3,597     | 115            |
| Alistair MacLennan                   | 24 Mar 2009             | 30 Sep 2010                      |           |                | 3,597     | 333            |
| David Paterson                       | 1 Oct 2010              | 31 Oct 2010                      |           |                | 599       | 622            |
| Martin Price                         | 24 Oct 2011             | 23 Oct 2015                      | 2,997     | 272            |           |                |
| Gordon Riddler                       | 1 Nov 2010              | 30 Sep 2014                      | 7,194     | 2,192          | 2,997     | 500            |
| Susan Walker                         | 25 Mar 2007             | 30 Sep 2010                      |           |                | 3,597     | 565            |
| Brian Wood                           | 1 Oct 2010              | 30 Sep 2014                      | 10,391    | 3,215          | 4,130     | 1,208          |
| <i>Local Authority nominee</i>       |                         |                                  |           |                |           |                |
| Peter Argyle                         | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 946            | 7,194     | 237            |
| Francis (Stuart) Black               | 1 Sep 2007              | 30 Sep 2010                      |           |                | 3,796     |                |
| Jaci Douglas                         | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 929            | 7,194     | 199            |
| Dave Fallows                         | 1 Sep 2007              | 30 Sep 2010                      |           |                | 3,796     | 396            |
| Drew Hendry                          | 1 Sep 2007              | 30 Sep 2010                      |           |                | 3,796     | 619            |
| Kate Howie                           | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 987            | 3,597     | 332            |
| Marcus Humphrey                      | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 684            | 7,194     | 493            |
| Ian Mackintosh                       | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 1,364          | 7,194     | 1,612          |
| Fiona Murdoch                        | 1 Sep 2007              | 30 Sep 2010                      |           |                | 3,796     | 234            |
| Gregor Rimell                        | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 1,022          | 7,194     | 775            |
| Richard Stroud                       | 1 Sep 2007              | 30 Sep 2010                      |           |                | 3,597     | 330            |
| Allan Wright                         | 1 Oct 2010              | 30 Sep 2012                      | 7,194     | 1,328          | 3,597     | 288            |
| <i>Local elected</i>                 |                         |                                  |           |                |           |                |
| Geva Blackett                        | 16 Mar 2007             | 15 Mar 2011                      |           |                | 6,893     | 366            |
| Dave Fallows                         | 16 Mar 2011             | 15 Mar 2015                      | 7,493     | 543            |           |                |
| Katrina Farquhar                     | 16 Mar 2011             | 15 Mar 2015                      | 7,493     | 1,905          |           |                |
| Eleanor Mackintosh                   | 16 Mar 2011             | 15 Mar 2015                      | 7,194     | 1,344          | 7,194     | 20             |
| Mary McCafferty                      | 16 Mar 2011             | 15 Mar 2015                      | 7,194     | 449            | 7,194     | 363            |
| William McKenna                      | 16 Mar 2011             | 15 Mar 2015                      | 7,194     |                | 7,194     |                |
| Andrew Rafferty                      | 16 Mar 2007             | 15 Mar 2011                      |           |                | 6,893     |                |
|                                      |                         |                                  | 155,460   | 32,610         | 170,927   | 26,398         |

# Expenses do not form part of the Remuneration Report subject to audit but are disclosed here for information purposes.



## Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Civil servants may be in one of four statutory based 'final salary' defined benefit schemes (classic, premium, classic plus and nuvos). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Consumer Price Index. New entrants may choose between membership of nuvos or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80<sup>th</sup> of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may commute some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2003 calculated broadly in the same way as classic. For nuvos, benefits accrue at the rate of 2.3% of pensionable salary for each year of service and there is an option to commute some pension for a lump sum payable on retirement.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3.5% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive and members of the Management Team. Fees and expenses received by Board members are shown above.

No Board member has any pension entitlement and no benefits in kind subject to UK taxation were received by any senior managers during the periods covered by these accounts.

## Remuneration

Salary includes gross salary, performance pay or bonuses and any other allowance to the extent that it is subject to UK taxation. No performance pay or bonuses were payable to the chief executive in 2011/12 or 2010/11 as she has voluntarily waived any entitlement to them.

|   | 2011/12               |                       | 2010/11               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Remuneration<br>£'000 | Benefits in kind<br>£ | Remuneration<br>£'000 | Benefits in kind<br>£ |
| Jane Hope<br><i>Chief Executive</i>                                     | 75-80                 | 0                     | 75-80                 | 0                     |
| David Cameron<br><i>Corporate Services Director</i>                     | 60-65                 | 0                     | 50-55                 | 0                     |
| Francoise van Buuren<br><i>Communications &amp; Engagement Director</i> | 50-55                 | 0                     | 40-45                 | 0                     |
| Hamish Trench<br><i>Strategic Land Use Director</i>                     | 50-55                 | 0                     | 45-50                 | 0                     |
| Murray Ferguson<br><i>Sustainable Rural Development Director</i>        | 50-55                 | 0                     | 50-55                 | 0                     |

|   |                    |  |                    |  |
|---|--------------------|--|--------------------|--|
|   | 2011/12            |  | 2010/11            |  |
|   | Total Remuneration |  | Total Remuneration |  |
| Band of Highest Paid Director's Total Remuneration (£000) | 75-80              |  | 75-80              |  |
| Median Total Remuneration                                 | £30,455            |  | £29,216            |  |
| Ratio   | 2.5                |  | 2.7                |  |

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The ratio decreased by 0.2 from 2010/11 due to the effects of performance related pay progression on the median remuneration and the effect of a pay freeze on the highest paid director.

### Pension entitlements

|   | Accrued pension at age 60 as at 31 Mar 2012 and related lump sum £'000 | Real increase in pension and related lump sum at age 60 £'000 | CETV (a) at 31 Mar 2012 £'000 | CETV (a) at 31 Mar 2011 £'000 | Real increase in CETV (b) £'000 |
|---|--|---|-------------------------------|-------------------------------|---------------------------------|
| Jane Hope<br><i>Chief Executive</i>                                     | 15-20 plus lump sum of 55-60   | 0 plus lump sum of 0  | 427                           | 399                           | 0                               |
| David Cameron<br><i>Corporate Services Director</i>                     | 20-25 plus lump sum of 0   | 0-2.5 plus lump sum of 0                                      | 268                           | 245                           | 0-5                             |
| Francoise van Buuren<br><i>Communications &amp; Engagement Director</i> | 0-5 plus lump sum of 0   | 0-2.5 plus lump sum of 0                                      | 69                            | 47                            | 5-10                            |
| Hamish Trench<br><i>Strategic Land Use Director</i>                     | 5-10 plus lump sum of 0  | 0-2.5 plus lump sum of 0                                      | 56                            | 46                            | 0-5                             |
| Murray Ferguson<br><i>Sustainable Rural Development Director</i>        | 10-15 plus lump sum of 40-45   | 0-2.5 plus lump sum of 0-2.5                                  | 231                           | 210                           | 0-5                             |

#### (a) The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalized value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service to which

disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

(b) The real increase in the value of the CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

(This concludes the audited part of the Remuneration Report).

**Signed on behalf of the Cairngorms National Park Authority**

**Jane Hope, Chief Executive**

**June 2012**

## NATIONAL PARK BOARD MEMBERS

The Cairngorms National Park Authority's Board comprises 19 members. The Scottish Government appoints seven members directly; appoints a further seven following Council nominations by the five councils in the Park area (Highland, Aberdeenshire, Moray, Angus and Perth & Kinross Councils) and five are elected locally. The members will serve for up to four years.

|                    |  |     |            |
|--------------------|--|-----|------------|
| David Green        | (Convener)                                     | (a) | (F), (S&R) |
| Peter Argyle       |  | (b) |            |
| Duncan Bryden      | (Convener, Planning Committee)                 | (a) | (S&R)      |
| Angela Douglas     | appointed 1 October 2010                       | (a) | (A)        |
| Jaci Douglas       |  | (b) |            |
| Dave Fallows       | elected 16 Mar 2011                            | (c) |            |
| Katrina Farquhar   | elected 16 Mar 2011                            | (c) | (S&R)      |
| Kate Howie         | appointed 1 October 2010                       | (b) | (S&R)      |
| Marcus Humphrey    |  | (b) | (F)        |
| Gregor Hutcheon    | appointed 1 October 2010                       | (a) | (A)        |
| Robert Kinnaird    | stepped down 30 June 2011                      | (a) | (S&R)      |
| Eleanor Mackintosh | re-elected 16 Mar 2011                         | (c) | (F)        |
| Ian Mackintosh     |  | (b) | (A)        |
| Mary McCafferty    | re-elected 16 Mar 2011                         | (c) | (F)        |
| William McKenna    | re-elected 16 Mar 2011                         | (c) |            |
| Martin Price       | appointed 24 October 2011                      | (a) |            |
| Gordon Riddler     | appointed 1 November 2010                      | (a) | (A)        |
| Gregor Rimell      |  | (b) | (F)        |
| Brian Wood         | (Deputy Convener),<br>appointed 1 October 2010 | (a) | (A), (S&R) |
| Allan Wright       | appointed 1 October 2010                       | (b) |            |

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

Committee membership (at present):

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

Membership of committees is reviewed annually.

Attendance at Board and Planning Committee meetings is set out in Appendix I (see page 38).

**David Green** is the Convener of the Cairngorms National Park Authority Board. A self-employed crofter who has diversified into tourism based on the croft, he lives in Ross and Cromarty. He was a Crofters Commissioner until September 2002, Convener of Highland Council until May 2003 and Chair of the Crofters Commission until March 2007. In June 2007 David was awarded an OBE for services to Local Government and crofting. Ministerial appointment.

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**Peter Argyle** (Scottish Liberal Democrat) has been a councillor since May 1999 and is Ward Councillor for Aboyne, Upper Deeside and Donside. He is Chair of the Infrastructure Services Committee and a past Chair of the Scrutiny and Audit Committee. Previously served on the CNPA Board from March 03 until September 04 and was reappointed in March 09. He is Chair of Mid Deeside Limited in Aboyne and on the Board of Royal Deeside Partnership. Peter is Vice Convener of the CNPA planning committee. Nominated by Aberdeenshire Council and approved by the Minister.

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**Duncan Bryden** is a self employed Rural Development consultant with a professional ecological background. He has undertaken a wide range of recreational and tourism-related activities within the Park. Duncan is Convener of the CNPA Planning Committee. Ministerial appointment.

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**Angela Douglas** is a Chartered Forester with over 22 years professional forestry and environment skills, knowledge and experience. She has benefitted from working across each of the private, public and third sectors, often in partnership. Angela manages her own forestry and environmental freelance business 'A Douglas Consultancy', having previously been Scotland Director for the Woodland Trust for 12 years and managing a very varied 21,000 acre estate. Ministerial appointment.

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**Cllr Jacqueline (Jaci) Douglas** (Highland Council) was elected to Highland Council in May 2007 as an Independent councillor. Jaci returned to Scotland in 2003, having lived and worked abroad for a number of years, and lives and works in Grantown on Spey. She was a founding member and organiser of the Cairngorms Farmers Market and worked for Grantown Initiative, an organisation which seeks to support local community groups. Jaci sits on the council's Education, Culture and Sport Committee and Gaelic Committee. She is on the Housing and Social Work Strategic Committee at Highland Council and is Children's Champion for Inverness, Nairn, Badenoch and Strathspey as well as Transitions Champion for Highlands.

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**Cllr David Fallows** was elected for Ward 1. He is a Highland Councillor and he sits on the Council's Housing and Social Work, TEC Services and Inverness, Nairn, Badenoch and Strathspey Planning Committees, as well as the Highland and Islands Joint Fire Board. He also represents the council on the Highland Disability Sport Committee and the Speyside Way Management Group. He also writes on, and photographs the sport of Shinty for the Strathspey and Badenoch Herald and is Chair of the area shinty coaching committee.

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**Katrina Farquhar** was directly elected to represent Ward 5. She has worked in Sheridan Butcher's Ballater for the past twenty five years. She works with local groups, actively fundraising for numerous charities. Very much involved in the local farming community. She delivers elementary health and hygiene and health and safety courses to local businesses and community groups. She has recently been elected as a local councillor in Aberdeenshire for Upper Deeside, Donside and Aboyne. She likes nothing better than walking, mountain biking or a more leisurely round of golf making the Park a very important part of her life having lived in it all her life.

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**Cllr Kate Howie** was elected to the Highland Ward of Perth & Kinross Council in February 2008 and has been heavily involved in all aspects of the proposed inclusion of Highland Perthshire and the Angus Glens in to the Cairngorm National Park. She is also Chair of Perth & Kinross Rural Forum. Ms Howie previously had an army career where she developed strong leadership and communication skills, gained experience in human resources and managing public funds, as well as expertise in transportation and logistics. She has a keen interest in the culture of Scotland and is Vice Convener of the Scots Language Centre. Nominated by Perth & Kinross Council and approved by the Minister.

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**Cllr Marcus Humphrey** (Aberdeenshire Council - Scottish Conservative) is a Chartered Surveyor who has been involved in farming, forestry, tourism and land management in the Park area. He is currently Deputy Provost of Aberdeenshire Council and Vice-Chairman of the Council's Infrastructure Services Committee. Eleanor Mackintosh was elected for Ward 4 and is Convener of the Finance Committee. She lives in Glenlivet and helps at home on the farm having previously been a financial adviser with the Clydesdale Bank. She serves on various community groups.

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**Gregor Hutcheon**, a resident of Strathdon, brings nearly 20 years of experience of the environmental, heritage and voluntary sectors. A graduate of Aberdeen University, he has recently returned to Aberdeenshire after a varied career championing the countryside and wider environment. This included stints with the Campaign to Protect Rural England (CPRE) and the National Trust. He is also a Director of Cairngorms Outdoor Access Trust. Ministerial appointment.

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**Eleanor Mackintosh** was elected for Ward 4 and is Convener of the CNPA's Finance Committee. She lives in Glenlivet and helps at home on the farm having previously been a financial adviser with the Clydesdale Bank. She serves on various community groups.

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**Cllr Ian Mackintosh** (Angus Council) is a farmer (third generation) and member for Kirriemuir and Dean Ward. At present, Ian is a member of NFUS Environment and Land Use Committee and has been president of Angus NFU twice. He is a land manager member of Angus Local Access Forum. Ian has over 14 years experience in local

government; is Depute Leader of the Council, Convener of the Council's Civic Licensing Committee and Convener of the Tayside Police Joint Board and is a member of Angus Community Planning Partnership. Ian is a member of the River Tay Basin Management Area Advisory Group.

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**Mary McCafferty** was elected for Ward 3 and has a thirty year professional background in education. She is a Justice of the Peace and currently serves on the Bench at Badenoch & Strathspey District Court. She is a member of the Community Council and works closely with a number of local agencies, is a Trustee and secretary of the Dulnain Bridge Village Hall and administrator for Dulnain Bridge Community Company. She has also been involved with the Sunshine Club for twenty five years and is a member of Granttown Twinning Association.

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**William McKenna** was elected for Ward 2. He worked locally in the skiing business for over 20 years and is a part-time ranger on the Rothiemurchus Estate. He is currently involved with Aviemore Community Company, the Citizens Advice Information Service and CRAGG (Cairngorms Rothiemurchus and Glenmore Group) as a member of the community association.

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**Professor Martin Price** has been Director of the Centre for Mountain Studies, Perth College, University of the Highlands and Islands since 2000. He previously worked at the Universities of Oxford, Bern, and Colorado and the National Center for Atmospheric Research in Colorado. Since 2009, he has held the UNESCO Chair for Sustainable Mountain Development. Working with European and international organisations including FAO, IUCN, UNESCO and UNEP, he has been a key player on the global mountain scene since the early 1990s, when he was involved in introducing the mountain chapter into \*Agenda 21\* at the Rio Earth Summit. His research and knowledge exchange activities mainly focus on mountain areas, particularly relating to biodiversity, forests, protected areas, and tourism.

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**Gordon Riddler**, a resident of Ballater, grew up in an Aberdeenshire farming community, is a graduate in Geology and Business Administration and a Chartered Engineer. His international career spans both the private and public sectors. He has served on boards of public listed companies and was Executive Director of the Mineral Industry Research Organisation. He worked for the Natural Environment Research Council, engaging in technology research and development. His experience includes studies balancing natural resource supply with social, environmental and economic costs, minerals planning and public enquiries, formulating codes of best practice for estimating mineral resources and guidelines for planning and construction of waste disposal facilities, optimising land use, and recording geodiversity data for areas that merit conservation. He is a Director and Trustee of Ballater (RD) Ltd (BRD), a voluntary sector Development Trust and registered charity, sourcing funds and providing administrative support for projects that meet specific needs arising from community action planning consultations. He is Managing Director of a Private Equity Fund, CD Capital (UK) Ltd. He has been active fundraising in the voluntary sector for many years. Ministerial appointment.

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**Gregor Rimell** councillor Badenoch and Strathspey. I have been a directly elected Board Member and a member nominated by HC. I believe the Park is key to bringing together public bodies and voluntary organisations to sustain our communities. All the aspects of our culture and our natural heritage make this a unique environment to be sustained and developed for future generations.

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**Brian Wood** is the Deputy Convener of the Cairngorms National Park Authority Board. He retired following a 38 year career in secondary education. Brian initially taught Physics at George Heriot's School, Edinburgh and Mackie Academy, Stonehaven. He was then appointed Rector of Mearns Academy, Laurencekirk and for the last 16 years of his career was Rector of Hazlehead Academy, Aberdeen. For the past 28 years, Brian has been a Justice of the Peace and Honorary Sheriff for Grampian, Highland and Islands, regularly presiding in the JP Court in Stonehaven. He is Chair of the Justices' Training and Appraisal Committees for GH&I. He is a volunteer guide at Braemar Castle and also chairs the Project Team planning the restoration of St Margaret's Church in Braemar. Ministerial appointment.

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**Cllr Allan Wright** is currently Leader of Moray Council. He is a lifelong supporter of National Parks and the responsible land management they bring to fragile areas. From 2007-10 he chaired the Speyside Way management group on which the Park was a major player. In Moray Council he is closely involved in economic development and considers the Park to have a key role in marrying tourism, economic development, and environmental protection. Nominated by Moray Council and approved by the Minister

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## **STATEMENT OF NATIONAL PARK AUTHORITY'S RESPONSIBILITIES**

Under Section 25 of the National Parks (Scotland) Act 2000, the Cairngorms National Park Authority (CNPA) is required to keep proper accounts and accounting records, and to prepare for each financial year an account of the authority's expenditure and receipts in accordance with directions issued by the Scottish Ministers.

## **STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

(Per FReM: [http://www.hm-treasury.gov.uk/d/2011\\_12\\_frem\\_full\\_version.pdf](http://www.hm-treasury.gov.uk/d/2011_12_frem_full_version.pdf), and Management Statement and Financial Memorandum, 8 September 2004)

The Chief Executive of the Authority is designated as its Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000.

The Accountable Officer is personally responsible for safeguarding the public funds (i.e. all funds falling within the stewardship of the Authority) for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Authority. The Accountable Officer should act in accordance with the terms of the Management Statement and Financial Memorandum and within the terms of relevant guidance in the Scottish Public Finance Manual and other instructions and guidance issued by the Scottish Ministers – in particular the Memorandum to Accountable Officers of Other Public Bodies.

Specific responsibilities falling on the Accountable Officer in terms of the Authority's accounts are to:

- sign the accounts and be responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Scottish Ministers;
- sign a Statement of Accountable Officer's responsibilities, for inclusion in the annual report and accounts;
- sign a Statement on Internal Control regarding the Authority's system of internal control, for inclusion in the annual report and accounts;
- sign a Certificate of Assurance on the maintenance and review of the Authority's internal control systems, for submission to the Department;
- ensure that an effective complaints procedure is in place and made widely known;
- give evidence when summoned before Committees of the Scottish Parliament on the use and stewardship of public funds by the Authority.

# GOVERNANCE STATEMENT

For the period ended 31 March 2012

## **Governance Framework**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of 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 Management Statement agreed between the Authority and Scottish Government. In discharging this responsibility I am held accountable by the Authority's Board, and by Scottish Ministers.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. An element of my responsibility as Accountable Officer is to ensure the Authority's internal control systems comply with the requirements of the SPFM.

## **The Operation of the Board and Sub Committees**

The Authority's Board has put Committees in place and delegated responsibility to oversee and scrutinise the Authority's deployment and management of resources, with a Finance Committee and a Staffing and Recruitment Committee in place.

The Authority also has an Audit Committee in place to lead on the oversight of all aspects of the organisation's operations and internal management control systems, in addition to taking a lead on strategic risk management. The Committee takes responsibility for ensuring that risk potentially impacting on the organisation's strategic objectives are identified and acted upon and that risk management approaches are embedded throughout the organisation's operations.

The Audit Committee is supported by the Authority's internal and external auditors, who also have rights of independent access to the Committee Chairperson.

Advice from independent internal and external auditors forms a key and essential element in informing my review of the effectiveness of the systems of internal control within the Authority. The Board's Audit Committee also plays a vital role in this regard, through its review of audit recommendations arising from reviews of internal control systems and its consideration of proposed management action. In particular, the Audit Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit Committee. The Audit Committee reports quarterly to the Board on the adequacy and effectiveness of the Authority's internal controls.

The internal audit function is an integral element of the Authority's internal control systems. KPMG LLP was appointed as the Authority's internal auditors in 2011 and they have undertaken a comprehensive review of key internal control systems since their appointment. Over the course of the year to 31 March, the internal auditors have reported to the Audit Committee on their independent reviews of Financial Controls Risks, Commercial Income Generation, Workforce Management, Financial Management Planning and Efficiencies and Stakeholder Satisfaction/ Community Engagement.

In addition, the external auditors have reviewed key systems including a positive review of the Internal Auditors' documentation, Standards and Reporting Procedures, to form a view on the effectiveness of control arrangements and support their audit opinion on the financial statements. Recommendations made as part of this process have been taken on board and actions taken where appropriate.



## **Risk Management**

All bodies to which the SPFM is directly applicable must operate a risk management strategy in accordance with the relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

The Board recognises the importance of risk management in the activities of the organisation. Through adoption of risk based monitoring reports for delivery of Corporate and Business Plan objectives, National Park Plan delivery, and for wider assessment of organisational performance, the Board has provided leadership on the importance of risk management at the highest level within the organisation. Any increased risk to achievement of targets is assessed, reported to the Senior Management Team, and, where required, remedial action determined and implemented.

The Board's Audit Committee and Senior Management Team are involved in leading on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk in line with the Risk Strategy adopted in 2008 and seek to ensure that the required actions to manage risk at a strategic level are appropriately reflected and incorporated in operational delivery plans. The authority has a strategic risk register in place, capturing the key risks potentially impacting on the delivery of strategic organisational objectives and recording action taken to mitigate those risks and senior management responsibility for leading on each risk area. The strategic risk register is reviewed and updated by both Audit Committee and Senior Management Team 2 to 3 times each year.

## **Data Security**

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Authority has had no reported or recorded instances of data loss over the course of the year.

## **Conclusion**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework and who provide assurance on systems within regular Management Team meetings;
- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- 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 its Audit Committee and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

Appropriate action is in place to address any weaknesses identified and to ensure continuous improvement of the system, although the internal auditors have concluded that the controls tested were found to be strong with suggestions for only minor improvements being made.

The internal auditor's annual report for 2011/12 states that, based on the work undertaken over the course of the year, the Authority's systems provide a reasonable basis for maintaining control and that the control framework provides reasonable assurance regarding the effective and efficient achievement of strategic objectives.

**Jane Hope**  
**Chief Executive and Accountable Officer**  
**June 2012**

# **INDEPENDENT AUDITOR'S REPORT**

## **Independent auditor's report to the members of the Cairngorms National Park Authority, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of the Cairngorms National Park Authority for the year ended 31 March 2012 under the National Parks (Scotland) Act 2000. The financial statements comprise of the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2011/12 Government Financial Reporting Manual (the 2011/12 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the board, accountable officer and auditor**

As explained more fully in the Statement of the Accountable Officer's Responsibilities the Board and Accountable Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Accountable Officer is also responsible for ensuring the regularity of expenditure and income. My 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) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2012 and of its net operating cost for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2011/12 FReM, and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

## **Opinion on regularity**

In my opinion in all material respects, the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

## **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers, and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept, or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records, or
- I have not received all the information and explanations I require for my audit, or
- the Corporate Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.

*Asif A Haseeb  
Audit Scotland  
7th Floor Plaza Tower  
East Kilbride  
G74 1LW*

*... June 2012*

# Statement of Comprehensive Net Expenditure

for the year ended 31 March 2012

|                                       | Note | 2012<br>£        | 2011<br>£        |
|---------------------------------------|------|------------------|------------------|
| <b>Expenditure</b>                    |      |                  |                  |
| Board members and staff costs         | 2, 3 | 2,247,633        | 2,263,008        |
| Operational Plan expenditure          | 2, 4 | 2,993,522        | 2,930,977        |
| Other operating costs                 | 2, 5 | 615,774          | 756,099          |
| Depreciation                          | 7    | 113,986          | 79,165           |
|                                       |      | <u>5,970,915</u> | <u>6,029,249</u> |
| <b>Income</b>                         |      |                  |                  |
| Operational Plan income               | 2, 6 | 771,777          | 827,246          |
| Other income                          | 2, 6 | 33,728           | 34,351           |
|                                       |      | <u>805,505</u>   | <u>861,597</u>   |
| Net Expenditure                       |      | 5,165,410        | 5,167,652        |
| Interest receivable                   |      | 0                | 0                |
|                                       |      | <u>5,165,410</u> | <u>5,167,652</u> |
| <b>Net Expenditure after interest</b> |      | <u>5,165,410</u> | <u>5,167,652</u> |

No activities were discontinued during the year.

The notes on pages 24 to 36 form part of these accounts.

# Statement of Financial Position

as at 31 March 2012

|   | Note | 2012<br>£        | 2011<br>£        |
|---|------|------------------|------------------|
| <b>Non-current assets</b>                         |      |                  |                  |
| Property, plant and equipment                     | 7    | <u>226,778</u>   | <u>324,384</u>   |
| <b>Total non current assets</b>                   |      | <u>226,778</u>   | <u>324,384</u>   |
| <b>Current assets</b>                             |      |                  |                  |
| Trade and other receivables due within one year   | 9    | 238,364          | 276,696          |
| Cash and cash equivalents                         | 10   | <u>569,844</u>   | <u>548,629</u>   |
| <b>Total current assets</b>                       |      | <u>808,208</u>   | <u>825,325</u>   |
| <b>Total assets</b>                               |      | <u>1,034,986</u> | <u>1,149,709</u> |
| <b>Current liabilities</b>                        |      |                  |                  |
| Trade and other payables due within one year      | 11   | <u>-529,258</u>  | <u>-620,082</u>  |
| <b>Total current liabilities</b>                  |      | <u>-529,258</u>  | <u>-620,082</u>  |
| <b>Non-current assets less net current assets</b> |      | 505,728          | 529,627          |
| <b>Non-current liabilities</b>                    | 12   | <u>-78,064</u>   | <u>-89,553</u>   |
| <b>Total non-current liabilities</b>              |      | <u>-78,064</u>   | <u>-89,553</u>   |
| <b>Assets less liabilities</b>                    |      | <u>427,664</u>   | <u>440,074</u>   |
| <b>Tax Payers' Equity</b>                         | 13   | <u>427,664</u>   | <u>440,074</u>   |
|   |      | <u>427,664</u>   | <u>440,074</u>   |

Signed on behalf of the Cairngorms National Park Authority

Jane Hope  
**Chief Executive**  
 June 2012

Authorised for issue  
 June 2012

The notes on pages 24 to 36 form part of these accounts

## Statement of Cash Flows

for the year ended 31 March 2012

|  | 2012              | 2011              |
|--|-------------------|-------------------|
| Note   | £                 | £                 |
| <b>Cash flows from operating activities</b>                  |                   |                   |
| Net Expenditure after interest                               | -5,165,410        | -5,167,652        |
| Adjustments for non cash transactions                        |                   |                   |
| Depreciation   | 113,986           | 79,165            |
| Gain on disposal of fixed assets                             | 0                 | 0                 |
| Movements in working capital                                 |                   |                   |
| Decrease in trade and other receivables                      | 38,332            | 93,341            |
| (Decrease)/ Increase in trade and other payables             | -90,824           | 239,008           |
| (Decrease)/ Increase in non-current liabilities              | -11,489           | 89,553            |
|  | <u>-5,115,405</u> | <u>-4,666,585</u> |
| <b>Cash flows from investing activities</b>                  |                   |                   |
| Purchase of property, plant and equipment                    | -16,380           | -180,427          |
| Proceeds from disposal of property, plant and equipment      | 0                 | 0                 |
|  | <u>-16,380</u>    | <u>-180,427</u>   |
| <b>Cash flows from financing activities</b>                  |                   |                   |
| Grant funding  | 5,153,000         | 5,357,000         |
| Net cash flow from financing                                 | <u>5,153,000</u>  | <u>5,357,000</u>  |
|  | <u>21,215</u>     | <u>509,988</u>    |
| <b>Net increase in cash and cash equivalents in the year</b> |                   |                   |
| Cash and cash equivalents at 1 April 2011                    | 548,629           | 38,641            |
| Cash and cash equivalents at 31 March 2012                   | 10 <u>569,844</u> | <u>548,629</u>    |

The notes on pages 24 to 36 form part of these accounts

## Statement of Changes In Taxpayers' Equity

for the year ended 31 March 2012

|   | Note | General<br>Reserve<br>£ | Total<br>Reserves<br>£ |
|---|------|-------------------------|------------------------|
| <b>Balance at 1 April 2010</b>              | 13   | 250,726                 | 250,726                |
| <b>Changes in Taxpayers' Equity 2010-11</b> |      |                         |                        |
| Net Expenditure after interest              |      | -5,167,652              | -5,167,652             |
| Grant funding                               |      | 5,357,000               | 5,357,000              |
| <b>Balance at 31 March 2011</b>             | 13   | 440,074                 | 440,074                |
| <b>Changes in Taxpayers' Equity 2011-12</b> |      |                         |                        |
| Net Expenditure after interest              |      | -5,165,410              | -5,165,410             |
| Grant funding                               |      | 5,153,000               | 5,153,000              |
| <b>Balance at 31 March 2012</b>             | 13   | 427,664                 | 427,664                |

The notes on pages 24 to 36 form part of these accounts



# NOTES TO THE ACCOUNTS

## For the Year Ended 31 March 2012

### I Statement of Accounting Policies

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by Cairngorms National Park Authority are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors. Changes in accounting policies, which do not give rise to a prior year adjustment, are reported in the relevant note.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

#### 1.2 IFRS

These financial statements have been prepared under International Financial Reporting Standards.

#### 1.3 Accounting Period

The accounting period commenced on 1 April 2011 and ended on 31 March 2012.

#### 1.4 Non Current Assets - Property, Plant and Equipment (PPE)

##### Recognition

All PPE assets will be accounted for as non-current assets unless they are deemed to be held-for-sale.

Assets classified as under construction are recognised in the balance sheet to the extent that money has been paid or a liability has been incurred.

##### Capitalisation

The minimum levels for capitalisation of a property, plant, or equipment asset within Cairngorms National Park Authority equipment and vehicles is £500; Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £500; substantial improvements to leasehold properties are also capitalised.

##### Valuation

From 1 April 2007, plant and equipment assets that have short useful lives or low values or both are no longer revalued using indices but are reported at depreciated historic cost as a proxy for fair value.

Losses in value reflected in valuations are accounted for in accordance with International Financial Reporting Standard 11, Impairment of Assets. The consumption of economic benefits is taken to the revaluation reserve to the extent of any previous gain and any further loss is charged to the Outturn Statement.

##### Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Cairngorms National Park

Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement Of Comprehensive Net Expenditure during the financial period in which they are incurred.

### 1.5 Depreciation

Depreciation is provided at rates calculated to write off the valuation of buildings and other PPE assets by equal instalments over their estimated useful lives, which are normally in the following ranges:

|                        |                              |
|------------------------|------------------------------|
| Park Entry Markers     | 25 years                     |
| Office equipment       | 5 years                      |
| ICT equipment          | 3 years                      |
| Leasehold improvements | Over the length of the lease |
| Motor vehicles         | 5 years                      |

Assets under construction are not depreciated.

### 1.6 Financial Instruments

The Park Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are Financial Assets in the form of cash, trade receivables and accrued income and Financial Liabilities in the form of trade payables and accruals.

Financial instruments are recognised in accordance with IAS 37, IAS 39 and IFRS 7 as interpreted and adapted by the FReM, initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the Park Authority will be unable to collect an amount due in accordance with agreed terms.

### 1.7 Inventories

The cost of stationery and publications is charged as an expense within the Statement Of Comprehensive Net Expenditure.

### 1.8 Income

Operating income is income that relates directly to the operating activities of Cairngorms National Park Authority. It includes fees and charges for services provided to external customers.

### 1.9 Grant-in-Aid

The Authority receives grant in aid from the Scottish Government to finance its net expenditure. Following financial reporting guidance, grant in aid is credited to the General Reserve and net expenditure on activities funded by grant in aid is charged to this fund.

### 1.10 Impending application of newly issued accounting standards not yet effective

The Park Authority has not applied any new IFRS accounting standards that have been issued but are not yet effective for 2011/12. No disclosure has been made of any known or reasonably estimable information relevant to assessing the possible impact that initial application of any new standards will have on the Park Authority's financial statements.

### **1.11 Pension Costs**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme. The Authority recognises the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which they benefit from their services by payment to the PCSPS of amounts calculated on an accruing basis. (Relevant disclosures are reported in Note 14.) Liability for the payment of future benefits is a charge to the PCSPS.

In respect of any defined contribution schemes, the Authority recognises the contributions payable for the year.

### **1.12 Leases**

Where substantially all the risks and rewards of ownership of a leased property are borne by the entity, it is recorded as a non-current asset and a corresponding creditor recorded in respect of the debt due to the lessor, with the interest element of the finance lease payment charged to the outturn statement. Rentals payable in respect of operating leases will be charged to the outturn statement on a straight-line basis over the term of the lease.

### **1.13 Value Added Tax (VAT)**

Most of the activities of Cairngorms National Park Authority are outside the scope of VAT, and in general output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

### **1.14 Trade Receivables**

All material amounts due as at 31 March 2012 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

### **1.15 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

### **1.16 Trade Payables**

All material amounts outstanding as at 31 March 2012 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

### **1.17 Short Term Employee Benefits**

A liability and an expense is recognised for holiday days, holiday pay, bonuses and other short-term benefits when the employees render service that increases their entitlement to these benefits. As a result an accrual has been made for holidays earned but not taken.

### **1.18 Segmental Reporting**

IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports about components of Cairngorms National Park Authority that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and assess their performance. Cairngorms National Park Authority reports on seven segments, six drawn from the current National Park Plan and one from the Park Authority's current Corporate Plan.

## CNPA

### Notes to the Accounts

for the year ended 31 March 2012

## 2 Analysis of Net Expenditure by Segment

|   | Board<br>Member<br>&<br>Staff costs<br>£ | Operational<br>Plan<br>Expenditure<br>£ | Other<br>Operating<br>Costs<br>£ | Operational<br>Plan Income<br>£ | Other<br>Income<br>£ | Net<br>Segmental<br>Expenditure<br>£ |
|---|--|---|----------------------------------|---------------------------------|----------------------|--------------------------------------|
| <b>2012 by segment</b>                                  |  |   |                                  |                                 |                      |                                      |
| Planning & Communications                               | 964,327                                  | 516,893                                 | 200,085                          |                                 | -33,728              | 1,647,577                            |
| Awareness & Understanding                               | 349,706                                  | 622,652                                 | 135,192                          | -2,334                          |                      | 1,105,216                            |
| Outdoor Access  | 313,202                                  | 488,311                                 | 111,263                          | -2,505                          |                      | 910,271                              |
| Sustainable Business & Tourism                          | 256,634                                  | 889,258                                 | 76,206                           | -597,522                        |                      | 624,576                              |
| Biodiversity, Landscape & Deer                          | 219,557                                  | 315,767                                 | 58,491                           | -113,831                        |                      | 479,984                              |
| Land Management Support                                 | 113,152                                  | 138,395                                 | 27,153                           | -55,585                         |                      | 223,115                              |
| Affordable, Sustainable Housing                         | 31,055                                   | 22,246                                  | 7,384                            |                                 |                      | 60,685                               |
|   | <b>2,247,633</b>                         | <b>2,993,522</b>                        | <b>615,774</b>                   | <b>-771,777</b>                 | <b>-33,728</b>       | <b>5,051,424</b>                     |
| Reconciling Items:                                      |  |   |                                  |                                 |                      |                                      |
| Income  | -  | -                                       | -                                | -                               | -                    | -                                    |
| Expenditure   | -  | -                                       | -                                | -                               | -                    | -                                    |
| Total per Statement of<br>Comprehensive Net Expenditure | <b>2,247,633</b>                         | <b>2,993,522</b>                        | <b>615,774</b>                   | <b>-771,777</b>                 | <b>-33,728</b>       | <b>5,051,424</b>                     |
|   |  |   |                                  |                                 |                      |                                      |
|   | Board<br>Member<br>&<br>Staff costs<br>£ | Operational<br>Plan<br>Expenditure<br>£ | Other<br>Operating<br>Costs<br>£ | Operational<br>Plan Income<br>£ | Other<br>Income<br>£ | Net<br>Segmental<br>Expenditure<br>£ |
| <b>2011 by segment</b>                                  |  |   |                                  |                                 |                      |                                      |
| Planning and Communications                             | 873,275                                  | 372,486                                 | 207,659                          |                                 | -34,351              | 1,419,069                            |
| Sustainable Business & Tourism                          | 272,679                                  | 1,050,702                               | 123,793                          | -622,429                        |                      | 824,745                              |
| Awareness & Understanding                               | 299,833                                  | 400,354                                 | 123,229                          |                                 |                      | 823,416                              |
| Outdoor Access  | 296,138                                  | 387,479                                 | 120,259                          |                                 |                      | 803,876                              |
| Biodiversity, Landscape & Deer                          | 239,286                                  | 279,457                                 | 73,661                           | -95,062                         |                      | 497,342                              |
| Affordable, Sustainable Housing                         | 144,288                                  | 213,841                                 | 63,170                           |                                 |                      | 421,299                              |
| Land Management Support                                 | 137,509                                  | 226,658                                 | 44,328                           | -109,755                        |                      | 298,740                              |
|   | <b>2,263,008</b>                         | <b>2,930,977</b>                        | <b>756,099</b>                   | <b>-827,246</b>                 | <b>-34,351</b>       | <b>5,088,487</b>                     |
| Reconciling Items:                                      |  |   |                                  |                                 |                      |                                      |
| Income  | -  | -                                       | -                                | -                               | -                    | -                                    |
| Expenditure   | -  | -                                       | -                                | -                               | -                    | -                                    |
| Total per Statement of<br>Comprehensive Net Expenditure | <b>2,263,008</b>                         | <b>2,930,977</b>                        | <b>756,099</b>                   | <b>-827,246</b>                 | <b>-34,351</b>       | <b>5,088,487</b>                     |

**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

| <b>3 Board members and staff costs</b>         | <b>2012</b>      | <b>2011</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| <b>Summary</b>                                 |                  |                  |
| Board members                                  | 158,634          | 177,382          |
| Staff – Core                                   | 2,088,999        | 2,085,626        |
|  | <u>2,247,633</u> | <u>2,263,008</u> |
| <b>Board members - see Remuneration report</b> |                  |                  |
| Fees   | 155,460          | 170,927          |
| Social security costs                          | 3,174            | 6,455            |
| Pension costs                                  | 0                | 0                |
|  | <u>158,634</u>   | <u>177,382</u>   |
| <b>Staff – Core</b>                            |                  |                  |
| Salaries                                       | 1,656,850        | 1,653,246        |
| Social security costs                          | 127,380          | 122,752          |
| Pension costs (see note 14)                    | 304,769          | 309,628          |
|  | <u>2,088,999</u> | <u>2,085,626</u> |
| <b>Average numbers employed during period</b>  |                  |                  |
|  | <b>No.</b>       | <b>No.</b>       |
| Board members                                  | 19               | 21               |
| Core employees (full time equivalents - FTE)   | 48               | 48               |

The Core employee number includes 0 staff members seconded to the Park Authority (0 FTE) and excludes 0 staff member seconded from the Park Authority (0 FTE). In 2011, 0 staff members were seconded to the Park Authority (0 FTE) and 1 staff member was seconded from the Park Authority (0.5 FTE).

| <b>Number of staff with salaries above £50,000<br/>(including Chief Executive)</b> | <b>2012</b> | <b>2011</b> |
|--|-------------|-------------|
|  | <b>No.</b>  | <b>No.</b>  |
| £75,001 - £80,000  | 1           | 1           |
| £70,001 - £75,000  | -           | -           |
| £65,001 - £70,000  | -           | -           |
| £60,001 - £65,000  | 1           | -           |
| £55,001 - £60,000  | -           | -           |
| £50,001 - £55,000  | 4           | 3           |

**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

**3.1 Reporting of Civil Service and other compensation schemes - exit packages**

| Exit package<br>cost band            | Number of voluntary<br>departures agreed |                 |
|--------------------------------------|--|-----------------|
|                                      | 2012                                     | 2011            |
| <£10,000                             | 0  | 2               |
| £10,000 -£25,000                     | 0  | 2               |
| £25,000 -£50,000                     | 0  | 0               |
| £50,000 - £100,000                   | 0  | 0               |
| £100,000 - £150,000                  | 0  | 1               |
| <b>Total number of exit packages</b> | <u>0</u>                                 | <u>5</u>        |
| <b>Total cost of exit packages</b>   | <u>£0</u>                                | <u>£151,935</u> |

Departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Park Authority has agreed early retirements, the additional costs are met by the Park Authority and not by the Civil Service Pension Scheme.

## CNPA

### Notes to the Accounts

for the year ended 31 March 2012 (continued)

| <b>4 Operational Plan expenditure</b>           | <b>2012</b>      | <b>2011</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| LEADER programme                                | 553,300          | 628,212          |
| Outdoor Access projects                         | 488,311          | 387,479          |
| Visitor Information                             | 378,874          | 162,158          |
| Ranger Services                                 | 183,912          | 157,798          |
| Local Plan Inquiry and development costs        | 164,904          | 186,873          |
| Planning Enforcement and Monitoring             | 139,653          | 150,601          |
| LEADER Administration costs                     | 109,509          | 96,120           |
| Cultural & Community Heritage                   | 76,161           | 46,933           |
| Land Based Business Training                    | 74,231           | 118,867          |
| Species and Habitat Conservation                | 72,304           | 74,798           |
| National Park Authorities' shared services work | 70,519           | 103,788          |
| Publications                                    | 69,499           | 76,287           |
| Website   | 63,375           | 52,627           |
| Strengthen Business Organisations               | 61,782           | 97,378           |
| Community Needs                                 | 61,395           | 46,958           |
|   | <u>2,563,729</u> | <u>2,386,877</u> |
| Other (not previously greater than £50,000)     | 429,793          | 544,100          |
|   | <u>2,993,522</u> | <u>2,930,977</u> |

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

#### **Staff - Project**

|                       |                |                |
|-----------------------|----------------|----------------|
| Salaries              | 258,777        | 219,126        |
| Social security costs | 19,388         | 15,082         |
| Pension costs         | 47,442         | 40,062         |
|                       | <u>325,607</u> | <u>274,270</u> |

The average number of full time equivalent Project staff employees in the year was 7 (in 2011 - 7).

**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

| <b>5 Other operating costs</b>              | <b>2012</b>    | <b>2011</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Office running costs                        | 186,898        | 173,200        |
| Board and staff costs (exc. salary costs)   | 159,193        | 173,001        |
| Information technology                      | 86,773         | 49,430         |
| Professional support fees                   | 81,578         | 81,288         |
| Land and buildings rentals                  | 53,678         | 62,335         |
| Vehicles and office equipment rentals       | 50,601         | 44,843         |
| Audit fees (external)                       | 10,400         | 10,900         |
| Employee benefits and early departure costs | -13,347        | 161,102        |
|   | <u>615,774</u> | <u>756,099</u> |
| <b>6 Income</b>                             | <b>2012</b>    | <b>2011</b>    |
|   | <b>£</b>       | <b>£</b>       |
| Operational Plan income from EU sources     | 562,820        | 627,606        |
| Operational Plan income from other sources  | 208,957        | 199,640        |
| Planning fees and other income              | 33,728         | 34,351         |
|   | <u>805,505</u> | <u>861,597</u> |



**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

| <b>7 Property, plant and Equipment</b> | <b>Park Entry Markers</b> | <b>Leasehold Improvement</b> | <b>Information Technology</b> | <b>Office Equipment</b> | <b>Motor Vehicles</b> | <b>Total</b> |
|--|---------------------------|------------------------------|-------------------------------|-------------------------|-----------------------|--------------|
|  | <b>£</b>                  | <b>£</b>                     | <b>£</b>                      | <b>£</b>                | <b>£</b>              | <b>£</b>     |
| <b>Cost</b>                            |                           |                              |                               |                         |                       |              |
| At 1 April 2011                        | 56,882                    | 280,326                      | 425,141                       | 133,174                 | 22,595                | 918,118      |
| Additions                              |                           |                              | 16,380                        |                         |                       | 16,380       |
| Disposals                              |                           |                              |                               |                         |                       | 0            |
| At 31 March 2012                       | 56,882                    | 280,326                      | 441,521                       | 133,174                 | 22,595                | 934,498      |
| <b>Depreciation</b>                    |                           |                              |                               |                         |                       |              |
| At 1 April 2011                        | -9,101                    | -218,265                     | -265,094                      | -97,132                 | -4,142                | -593,734     |
| Charged in the year                    | -2,275                    | -24,340                      | -70,736                       | -12,116                 | -4,519                | -113,986     |
| Disposals                              |                           |                              |                               |                         |                       | 0            |
| At 31 March 2012                       | -11,376                   | -242,605                     | -335,830                      | -109,248                | -8,661                | -707,720     |
| <b>Net book value</b>                  |                           |                              |                               |                         |                       |              |
| At 31 March 2012                       | 45,506                    | 37,721                       | 105,691                       | 23,926                  | 13,934                | 226,778      |
| At 31 March 2011                       | 47,781                    | 62,061                       | 160,047                       | 36,042                  | 18,453                | 324,384      |
| <b>Asset financing:</b>                |                           |                              |                               |                         |                       |              |
| Owned                                  | 45,506                    | 37,721                       | 105,691                       | 23,926                  | 13,934                | 226,778      |
| Finance Leased                         |                           |                              |                               |                         |                       | 0            |
| At 31 March 2012                       | 45,506                    | 37,721                       | 105,691                       | 23,926                  | 13,934                | 226,778      |
| Owned                                  | 47,781                    | 62,061                       | 160,047                       | 36,042                  | 18,453                | 324,384      |
| Finance Leased                         |                           |                              |                               |                         |                       | 0            |
| At 31 March 2011                       | 47,781                    | 62,061                       | 160,047                       | 36,042                  | 18,453                | 324,384      |

**8 Financial Instruments**

As the cash requirements of the Park Authority are met through the spending review process, financial instruments play a more limited role in creating and managing risk than in a non public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Park Authorities expected purchase and usage requirements and the Park Authority is therefore exposed to little credit, liquidity or market risk.

**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

| <b>9 Trade Receivables and other current assets</b>                            | <b>2012</b>    | <b>2011</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year:</b>                                    |                |                |
| Project income debtors   | 190,897        | 209,031        |
| Prepayments and accrued income   | 47,467         | 67,665         |
| <b>Total due within one year</b>   | <b>238,364</b> | <b>276,696</b> |
| Included within Trade Receivables are the following inter-government balances: |                |                |
| European Government Funders  | 190,082        | 202,470        |
| Local Authorities  | 815            | 0              |
| Enterprise Companies   | 0              | 0              |
| Other NDPB's   | 0              | 17,518         |
|  | <b>190,897</b> | <b>219,988</b> |
| <b>10 Cash at bank and in hand</b>   | <b>2012</b>    | <b>2011</b>    |
|  | <b>£</b>       | <b>£</b>       |
| Bank accounts  | 569,646        | 548,379        |
| Cash imprest accounts  | 198            | 250            |
|  | <b>569,844</b> | <b>548,629</b> |
| <b>11 Trade payables and other current liabilities</b>                         | <b>2012</b>    | <b>2011</b>    |
|  | <b>£</b>       | <b>£</b>       |
| <b>Amounts falling due within one year:</b>                                    |                |                |
| Trade payables   | 137,611        | 242,799        |
| Project income received in advance   | 131,104        | 179,302        |
| Accruals and deferred income (see note 12)                                     | 260,543        | 197,981        |
| <b>Total due within one year</b>   | <b>529,258</b> | <b>620,082</b> |
| Included within Trade Payables are the following inter-government balances:    |                |                |
| Central Government Bodies  | 0              | 0              |
| European Government Funders  | 35,000         | 70,000         |
| Local Authorities  | 0              | 0              |
| Enterprise Companies   | 0              | 0              |
| Other NDPB's   | 61,104         | 59,302         |
|  | <b>96,104</b>  | <b>129,302</b> |

**CNPA****Notes to the Accounts**

for the year ended 31 March 2012 (continued)

| <b>12 Non-current liabilities</b>   | <b>2012</b>   | <b>2011</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Early departure costs arising from the Park Authority's voluntary severance scheme (see note 3.1) | 92,561        | 151,935       |
| Costs arising within one year included in accruals and deferred income (see note 11)              | 14,497        | 62,382        |
|   | <u>78,064</u> | <u>89,553</u> |

The transfer of £14,497 deferred income to creditors due within one year represents the income that will be released against early departure payments over the next twelve months. The net cost to the Park Authority of these future payments is therefore nil.

| <b>13 Tax Payers' Equity</b>                                   | <b>2012</b>      | <b>2011</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Tax Payers' Equity at 1 April 2011                             | 440,074          | 250,726          |
| Net Expenditure after interest                                 | -5,165,410       | -5,167,652       |
| Grant in aid received  | <u>5,136,620</u> | <u>5,176,573</u> |
| Recognised Net (Expenditure)/ Income for the year              | <u>-28,790</u>   | <u>8,921</u>     |
| <b>Grant applied to capital expenditure</b>                    | <u>16,380</u>    | <u>180,427</u>   |
| Change in Tax Payers' Equity for the year ending 31 March 2012 | <u>-12,410</u>   | <u>189,348</u>   |
| Tax Payers' Equity at 31 March 2012                            | <u>427,664</u>   | <u>440,074</u>   |

## CNPA

### Notes to the Accounts

for the year ended 31 March 2012 (continued)

#### 14 Pensions

The Park Authority is a member of the Principal Civil Service Pension Scheme (PCSPS) which is an un-funded multi-employer defined benefit scheme. The Park 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 2007 details of which can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2011/12 employer's contributions of £297,490 (2010/11 £303,807) were payable to the PCSPS. The contributions were payable at one of four rates ranging from 16.7% to 24.3% of pensionable pay, based on salary bands.

All employees have the opportunity to join the scheme. In addition, the Park Authority paid employer pension contributions of £7,279 (2010/11 £5,821) to other pension providers and we were also invoiced for employer pension contributions of seconded staff working for the Park Authority.

#### 15 Capital commitments

2012

2011

£

£

Contracted capital commitments at 31 March 2012 not otherwise included in these financial statements

Property, plant and equipment

0

0

#### 16 Commitments under leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

|   | Land & buildings |                | Motor vehicles & office equipment |               |
|---|------------------|----------------|-----------------------------------|---------------|
|   | 2012             | 2011           | 2012                              | 2011          |
|   | £                | £              | £                                 | £             |
| <b>Obligations under operating leases comprise:</b> |                  |                |                                   |               |
| Not later than one year                             | 54,500           | 54,500         | 22,327                            | 25,088        |
| Later than one year & less than five years          | 6,554            | 62,208         | 11,999                            | 22,907        |
| Later than five years                               | 0                | 0              | 0                                 | 0             |
|   | <u>61,054</u>    | <u>116,708</u> | <u>34,326</u>                     | <u>47,995</u> |

There were no commitments under finance leases at the balance sheet date.

## **CNPA**

### **Notes to the Accounts**

for the year ended 31 March 2012 (continued)

#### **17 Contingent liabilities**

There were no contingent liabilities existing at the balance sheet date.

#### **18 Related party transactions**

The Park Authority is a Non-Departmental Public Body of the Scottish Government. The Park Authority's Sponsoring Body is the Scottish Government Rural Directorate which is regarded as a related party with which there have been various material transactions during the year in the normal course of business. In addition the Park Authority has had a number of material transactions with other Government Departments and other Non-Departmental Public Bodies.

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

#### **19 Losses and Special Payments**

There were no losses or special payments in the year to 31 March 2012, nor in the year to 31 March 2011.



**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 for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 April 2004 is hereby revoked.

Signed by the authority of the Scottish Ministers

*IR Hooper*

*Head of Country Side and  
National Heritage Division*

Dated 12 January 2006

## Appendix I

### Members' attendance at meetings 2011-12

| Board Member           | Planning Committee |     | Board Meetings   |     |
|------------------------|--------------------|-----|------------------|-----|
|                        | Total meetings 13  |     | Total meetings 7 |     |
|                        | Attended:          | %*  | Attended:        | %*  |
| Peter Argyle           | 10                 | 77  | 6                | 86  |
| Duncan Bryden          | 12                 | 92  | 7                | 100 |
| Angela Douglas         | 8                  | 62  | 6                | 86  |
| Jaci Douglas           | 13                 | 100 | 6                | 86  |
| Dave Fallows           | 10                 | 77  | 4                | 57  |
| Katrina Farquhar       | 8                  | 62  | 7                | 100 |
| David Green (Convener) | 9                  | 69  | 6                | 86  |
| Kate Howie             | 9                  | 69  | 4                | 57  |
| Marcus Humphrey        | 10                 | 77  | 7                | 100 |
| Gregor Hutcheon        | 9                  | 69  | 7                | 100 |
| Bob Kinnaird           | 4                  | 80  | 1                | 50  |
| Eleanor Mackintosh     | 13                 | 100 | 7                | 100 |
| Ian Mackintosh         | 10                 | 77  | 6                | 86  |
| Mary McCafferty        | 9                  | 69  | 3                | 43  |
| Willie McKenna         | 13                 | 100 | 4                | 57  |
| Martin Price           | 2                  | 50  | 2                | 100 |
| Gordon Riddler         | 13                 | 100 | 6                | 86  |
| Grigor Rimell          | 12                 | 92  | 6                | 86  |
| Brian Wood             | 12                 | 92  | 4                | 57  |
| Allan Wright           | 10                 | 77  | 5                | 71  |

\* This shows the percentage of meetings that the members attended out of the possible number during their tenure.