

THE CAIRNGORMS NATIONAL PARK AUTHORITY

Annual Report and Accounts for the year ended 31 March 2010

Authorised for issue
On 25 June 2010



AUDITED ACCOUNTS for the year ended 31 March 2010

	Page
MANAGEMENT COMMENTARY	2
REMUNERATION REPORT	5
NATIONAL PARK BOARD MEMBERS	9
STATEMENT OF NATIONAL PARK AUTHORITY'S REPONSIBILITIES	12
STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES	12
STATEMENT OF INTERNAL CONTROL	13
INDEPENDENT AUDITOR'S REPORT	16
NET EXPENDITURE ACCOUNT	19
STATEMENT OF FINANCIAL POSITION	20
STATEMENT OF CASH FLOWS	21
STATEMENT OF CHANGES IN TAX PAYERS' EQUITY	22
NOTES TO THE ACCOUNTS	23
DIRECTION BY THE SCOTTISH MINISTERS	34
APPENDIX I – Members attendance at meetings	35

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 seventh year of operation of the Cairngorms National Park Authority (CNPA). The Accounts Direction is shown on page 34. 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 aims in section 1 of the Act 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 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 9 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/resource/docs/Register.of.Interests.of.Members.pdf>

Results and future activities

The results for the year to 31 March 2010 are set out in pages 19 to 22 together with the notes on pages 23 to 33. The accounts are prepared on a going concern basis.

The Park Authority's total expenditure for the year was £5.6 million and after receiving Grant in Aid of £4.8 million, third party contributions to Operational Plan spend of £ 0.7 million and other income the accounts show recognised net expenditure of £57,002 (see note 14).

Further details of our expenditure breakdown are shown in the notes to the accounts, in particular at note 3, which details our expenditure by Segment and note 5, 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.

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
Resource Budget 2009/10	£'000	£'000	£'000
Current Operating Expenditure	4,747	4,747	0
Depreciation	78	62	16
Cost of Capital	9	12	(3)
Operating Costs	4,834	4,821	13
Capital	58	58	0

A comprehensive presentation of the Park Authority's current and future activity plans is available in its Operational Plan for 2010-11

(<http://www.cairngorms.co.uk/resource/docs/boardpapers/19032010/CNPA.Paper.3403.Board.Board.Paper.5.O.pdf>)

and Corporate Plan for 2008 to 2011

(<http://www.cairngorms.co.uk/parkauthority/corporatepoliciesplans/plans>).

Significant attention has been given to security of information and data within the public sector over the course of 2009/10. The Authority has had no instances of loss of data or personal information over the course of the year.

Changes in fixed assets

Movements in fixed assets are shown in note 9.

Key additions in the year related to £56k of Information Technology equipment.

Post balance sheet events

There are no post balance sheet date events to report for the year to 31 March 2010.

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 2010, the time taken to pay creditors achieved an average of 11.3 days against a target of 10 days (During the period from 1 December 2008 to 31 March 2009 the time taken to pay creditors achieved an average of 12.4 days against a target of 10 days. During the period to 30 November 2008, the time taken to pay creditors achieved an average of 14.7 days against a target of 30 days.).

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.

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 and guidance for all staff is in place, and CNPA 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. An independent staff survey conducted, through the "Sunday Time Best Places to Work" processes, confirmed the effectiveness of the Authority's employment policies, with training benefits being seen as of particular value.

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 2009/10, the average number of days lost through sickness was 6.1 days per person (2008/09 6.2days).

Pensions

The Park Authority's pension liabilities are detailed in the Remuneration Report and Notes 1, 4, 5 and 15 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

A priority focus for the Authority is on conserving and enhancing biodiversity and landscapes to sustain our natural and cultural heritage. The Authority's focus in this priority has been on improving opportunities for people to engage in local biodiversity and cultural heritage and supporting active conservation as part of the Local Biodiversity Action Partnership. The Authority continued to develop the longer term plans and guidance necessary to conserve and enhance biodiversity and landscapes in the Park. These included completion of a landscape character assessment; a study of the landscape special qualities of the Park; development of planning guidance to support the forthcoming Local Plan; and a geology audit completed by the British Geological Survey.

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 reduced by 5.6 tonnes (10.3%) in 2009/10.

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 partnerships with individual communities and more widely with community planning partnerships. Over the course of 2009/10, the authority has provided support for the development of the Cairngorms Business Partnership; explored and been instrumental in developing new affordable housing innovations, for example to help build new homes in the Park that receive no subsidy; and the 'Our Community A Way Forward' scheme, which was previously developed by the CNPA and Badenoch & Strathspey Community Planning Partnership, was selected by the Scottish Government as a project that demonstrates the best way of engaging with communities. The community action planning toolkit, developed as a result, was subsequently used by 'Ballater One Voice Our Future'.

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. His audit report is on pages 17 and 17 and details of the auditor's remuneration are given in note 6.

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

25 June 2010

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	2009/10		2008/09	
			Fees £	Expenses £	Fees £	Expenses £
<i>Scottish Government appointee</i>						
David Green	8 Sep 2009	7 Sep 2012	20,776	9,641	20,441	11,025
Eric Baird	24 Mar 2009	30 Sept 2010	10,390	879	10,221	1,648
Duncan Bryden	25 Mar 2007	30 Sep 2010	10,430	1,716	10,221	1,595
Nonie Coulthard	1 Apr 2006	30 Nov 2008			4,932	998
Lucy Grant	24 Mar 2009	30 Sep 2010	7,889	582	7,768	821
Robert Kinnaird	1 Dec 2006	31 Mar 2010	7,194	512	7,076	753
Anne MacLean	25 Mar 2007	30 Sep 2010	7,194	560	7,076	469
Alistair MacLennan	24 Mar 2009	30 Sep 2010	7,194	243	7,076	360
Susan Walker	25 Mar 2007	30 Sep 2010	7,194	919	7,076	909
Ross Watson	1 Apr 2006	31 Oct 2008			4,134	186
<i>Local Authority nominee</i>						
Peter Argyle	16 Mar 2009	31 Aug 2011	7,194	166	591	-
Francis (Stuart) Black	1 Sept 2007	31 Aug 2011	7,194	-	7,076	-
Jaci Douglas	1 Sept 2007	31 Aug 2011	7,297	51	7,285	123
Dave Fallows	1 Sept 2007	31 Aug 2011	7,194	916	7,076	1,103
Drew Hendry	1 Sept 2007	31 Aug 2011	7,194	676	7,076	1,033
Marcus Humphrey	1 Sept 2007	31 Aug 2011	7,194	366	7,076	493
Bruce Luffman	1 Sept 2007	31 Jan 2009			5,895	1,438
Ian Mackintosh	1 Sept 2007	31 Aug 2011	7,194	1,109	7,076	1,041
Fiona Murdoch	1 Sept 2007	31 Aug 2011	7,194	807	7,076	760
Sandy Park	1 Sept 2007	30 Nov 2008			4,725	716
Gregor Rimell	01 Jan 2009	31 Aug 2011	7,194	625	1,772	187
Richard Stroud	1 Sept 2007	31 Aug 2011	7,194	491	7,076	1,012
<i>Local elected</i>						
Geva Blackett	16 Mar 2007	15 Mar 2011	7,194	931	7,076	526
Eleanor Mackintosh	16 Mar 2007	15 Mar 2011	7,194	722	7,076	1,217
Mary McCafferty	16 Mar 2007	15 Mar 2011	7,194	604	7,076	543
William McKenna	16 Mar 2007	15 Mar 2011	7,194	-	7,076	-
Andrew Rafferty	16 Mar 2007	15 Mar 2011	7,194	-	7,076	128
			186,274	22,517	191,195	29,081

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 Retail 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 1/80th 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 1/60th 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. 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 (Chief Executive and Board members) 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. 2008/09 comparative has been adjusted for retrospective December 2009 pay award.

	2009/10		2008/09	
	Remuneration £'000	Benefits in kind £	Remuneration £'000	Benefits in kind £
Jane Hope Chief Executive Salary	70-75	0	70-75	0

In addition to the above remuneration, on behalf of the chief executive the Park Authority made employer's pension and national insurance contributions of £20,000-£25,000 in 2009/10 and £20,000-£25,000 in 2008/09.

Pension entitlements

	Accrued pension at age 60 as at 31 Mar 2010 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV (a) at 31 Mar 2010 £'000	CETV (a) at 31 Mar 2009 £'000	Real increase in CETV (b) £'000
Jane Hope <i>Chief Executive</i>	15-20 plus lump sum of 50-55	0-2.5 plus lump sum of 2.5-5	369	330	19

(a) The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised 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

25 June 2010

NATIONAL PARK BOARD MEMBERS

The Cairngorms National Park Authority's Board comprises 23 members. The Scottish Government appoints eight members directly; appoints a further nine following Council nominations by the four councils in the Park area (Highland, Aberdeenshire, Moray and Angus Councils) and five are elected locally. The members will serve between 18 months and four years.

All members served throughout the period covered by these accounts.

David Green	(Convener)	(a)	(F), (S&R)
Eric Baird	(Deputy Convener)	(a)	(A), (S&R)
Peter Argyle		(b)	
Francis (Stuart) Black		(b)	
Geva Blackett		(c)	(S&R)
Duncan Bryden	(Convener, Planning Committee)	(a)	
Jaci Douglas		(b)	
Dave Fallows		(b)	(F)
Lucy Grant		(a)	(A)
Drew Hendry		(b)	
Marcus Humphrey		(b)	
Robert Kinnaird		(a)	(S&R)
Eleanor Mackintosh		(c)	(F)
Ian Mackintosh		(b)	(A)
Anne MacLean		(a)	(S&R)
Alistair MacLennan		(a)	
Mary McCafferty		(c)	(F)
William McKenna		(c)	
Fiona Murdoch		(b)	(A)
Andrew Rafferty		(c)	
Gregor Rimell		(b)	
Richard Stroud		(b)	(F)
Susan Walker		(a)	(A)

- (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 28).

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.

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 Aberdeenshire Council 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.

Eric Baird is currently Deputy Convener of the Park Authority Board and Convener of the Audit Committee. He is Head Ranger on the Glen Tanar estate, has specialist knowledge of countryside issues, and sits on the Board of Governors of the Macaulay Land Use Research Institute.

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

Geva Blackett, was elected for Ward 5. As a Board Member she works hard for the future of our iconic, managed landscapes so that local people, living in local houses can do local jobs. She sits on the CNPA's Staffing and Recruitment Committee.

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 and is Convener of the CNPA's Planning Committee.

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.

Cllr David Fallows (Highland Council), was elected to Highland Council in May 2007 and became a Board Member in September 2007. 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 is a member of the Park Authority's Finance Committee and a Park nominated Director of the Cairngorms Outdoor Access Trust. 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.

Lucy Grant is a partner in the family livestock farm and has developed a good general knowledge of the area's issues. She sits on the CNPA's Audit Committee.

Cllr Andrew (Drew) Hendry (Highland Council) was elected as a Highland Councillor in May 2007. He has an established background in senior retail and manufacturing management and has worked at Director level with a multinational company before setting up his own Business in 1999. He is chair of the council's Planning, Environment and Development Committee and sits on the Education, Culture and Sport Committee.

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.

Robert Kinnaird from Kingussie, is Principal, Glenmore Lodge, sportscotland's national outdoor training centre based at Glenmore. He is chair of the National Park branding group, member of LOAF and sits on the CNPA's Staffing and Recruitment Committee. He holds both an international mountain leader licence and international ski

instructor's licence.

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.

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. He sits on the CNPA's Audit committee.

Anne MacLean OBE has an interest in Human Resource issues, disability rights and awareness and is a board member of the Highland Society for Blind People and the Royal National Institute of the Blind Scotland. She served as an Assessor for the Commissioner for Public Appointments in Scotland for six years until June 2006. In January 2009 she was appointed Convener of the Mobility and Access Committee for Scotland. She Chairs the CNPA Staffing and Recruitment Committee and sits on the Staff Consultative Forum.

Alastair MacLennan was born in Grantown-on-Spey and is a farmer who has diversified into tourism and other business ventures. Being a demonstration farmer since 2000, he has been at the forefront of the LEAF (Linking Environment and Farming) initiative and is a director of the Cairngorms Farmers Market Association. He sits on the National Access Forum, Cairngorms FWAG (Farming and Wildlife Advisory Group), and the National Farmers Union's Land Use and Environment Committee. He is Chairman of the Cairngorms Farmers Market Association and was previously a board member with the Cairngorms Partnership.

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 Grantown Twinning Association. She sits on the CNPA's Finance Committee.

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.

Cllr Fiona Murdoch (Moray Council) was brought up on a farm outside Dufftown in Moray. Previously a partner in the family farm business, Fiona also worked as a journalist for twenty years. In more recent years, Fiona has run several businesses, including a holiday cottage business, a small printing firm, a specialist whisky shop and was one of the original instigators of Spirit of Speyside Whisky Festival. Fiona was elected as independent councillor for the Speyside-Glenlivet ward in May 2007. She sits on the CNPA's Audit Committee.

Andrew Rafferty was elected for Ward 1 and is the principal vet in the Strathspey Veterinary Centre. He lives on a smallholding near Aviemore and is a director of Laggan Forest Trust.

Gregor Rimell councillor Badenoch and Strathspey. Since 1992 he has been sub postmaster in Kingussie. He lives at Newtonmore.

Cllr Richard Stroud (Aberdeenshire Council - Liberal Democrat) previously worked with the Community Education Service in the Upper Deeside/Donside areas and has considerable contact with community organisations and individuals in these areas through his professional work. He is Chair of Aberdeenshire Councils Education, Learning and Leisure Committee. He is an active mountaineer and ski mountaineer. He sits on the CNPA's Finance Committee.

Susan Walker OBE is a specialist in water and land. She is currently a board member of the Scottish Environment

Protection Agency and Chair of its North Region Board. She is an adviser to the Deer Commission for Scotland and the Grampian Area of Scottish Natural Heritage and a member of Waterwatch Scotland. She sits on the CNPA's Audit Committee.

STATEMENT OF NATIONAL PARK AUTHORITY'S RESPONSIBILITIES

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

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

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

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

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

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

The Accountable Officer of the Scottish Government's Rural Directorate designated the Chief Executive of the Cairngorms National Park Authority as Accountable Officer for the Authority.

The Chief Executive's relevant responsibilities as Accountable Officer for the Park Authority include responsibility for propriety and regularity of the public finances and for the keeping of proper records are set out in the Non-Departmental Public Bodies Accountable Officers' Memorandum, issued by the Treasury and published in Government Accounting. This includes requirement to comply with the guidance set out in the Scottish Public Finance Manual.

The CNPA's Management Statement sets out the specific responsibilities of the Chief Executive, as Accountable Officer. In respect of accounting for the Park Authority's activities these include responsibility 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.

Jane Hope, Chief Executive

25 June 2010

STATEMENT OF INTERNAL CONTROL

for the period ended 31 March 2010

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Those personal responsibilities are set out in the Management Statement for the Cairngorms National Park Authority. In discharging these responsibilities I am held accountable by the Authority's Board, and by Scottish Ministers. In particular, the Authority's Board has Audit, Finance and Staffing and Recruitment Committees in place, each of which has remits to ensure elements of the Authority's financial management and internal control systems, including risk management systems, are in place and function effectively.

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, emphasizes 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 and hence ensure good systems of internal control.

The purpose of the system of internal control

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the organisation's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process within the Cairngorms National Park Authority accords with guidance from the Scottish Ministers provided in the SPFM and has been in place for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership for the process of risk management within the organisation is provided at the highest level, with the Park Authority Board recognising the importance of risk management in the activities of the organisation. Through adoption of risk based monitoring reports for delivery of Corporate and Operational 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.

The Board's Audit Committee and Management Team are each actively involved in leading on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk at regular intervals, reviewing and updating the strategic risk register and seeking to ensure that the required actions to manage risk at a strategic level are appropriately reflected and incorporated in operational delivery plans. Accordingly, a risk management focus has been developed into key control processes, including quarterly organisational performance monitoring and project initiation and delivery documents.

The risk and control framework

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

The Authority's strategic risk management is based on an overarching risk management strategy together with a schedule of key risks. The strategy and schedule of key strategic risks was revised to reflect the Authority's new Corporate Plan at a workshop of Board members and senior managers in December 2008, and has since been

regularly reviewed and adapted as required by the Audit Committee and Management Team.

The Authority has also adopted a risk based approach to the management and monitoring of its Operational and Corporate Plan delivery, and of key aspects of organisational performance, whereby any increased risk to achievement of targets is assessed, reported to Board and Management Team, and, where required, remedial action determined and implemented.

In terms of information management and security, a requirement to maintain close scrutiny on the Authority's IT functionality remains highlighted within the strategic risk register and is therefore reviewed regularly by Management Team and Audit Committee. The Authority's Staff Handbook sets out policies for both Data Protection compliance and Information and Communications Technology use, which make clear the importance of secure handling of information and data. These policies have, over the course of 2009/10, been reinforced by Data Protection training for all staff, with more targeted, advance training for relevant senior staff.

More generally, the organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice in this area. In particular, in the period covering the year to 31 March and up to the signing of the accounts the organisation has:

- Determined and implemented an annual internal audit review plan through the audit Committee;
- Commissioned further independent reviews of its LEADER grant and planning services;
- Acted on a range of internal audit recommendations for further improvements in the internal control framework;
- Continued delivery of a Best Value action plan, seeking prioritised, continuous improvement in service delivery.
- Continued implementation of a coordinated framework within which public stakeholders will, along with the Authority, deliver priority actions set out in the National Park Plan agreed by Scottish Ministers.
- Further developed a framework to review effectiveness of implementation of Corporate and National Park Plan objectives. This framework will also support the management of risks by these public stakeholders in their delivery of National Park Plan actions.

Review of effectiveness

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 Authority who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditors, who submit regular reports to the organisation's Audit Committee 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.

Advice from independent internal and external auditors forms an 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 produces an Annual Report to the Board assessing 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. Deloitte LLP were appointed as the Authority's internal auditors in June 2004 and 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 the Authority's budgetary control, Human Resources appraisal arrangements, National Park Plan delivery arrangements, brand management, and undertook a detailed follow-up review of implementation of actions to address control weaknesses highlighted in previous years' recommendations. Work is currently underway on planning enforcement, while independent reviews of LEADER grant systems and the planning services have also been commissioned. The Board's Audit Committee has considered reports on each of these completed reviews and approved management actions required to address any recommendations made. Recommendations made were for improvements to control systems, with all reviews finding adequate control systems to be in place and operational.

Appropriate action is in place to address any weaknesses identified and to ensure the continuous improvement of the system.

Senior Managers on the Authority's Management Team also play an important role in implementing control systems and advising on any improvements required. The Head of Corporate Services is particularly involved in implementing a variety of internal control process, ensuring a continuing process of review and improvement to these systems is in place, and taking a leading role in embedding the principles of risk management throughout the organisation.

The internal auditors have reported that, overall, adequate internal controls were in place within the Authority over the course of 2009/10.

Jane Hope, Chief Executive

25 June 2010

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 Cairngorms National Park Authority for the year ended 31 March 2010 under the National Parks (Scotland) Act 2000. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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 123 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, Chief Executive and auditor

The Board and Chief Executive are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and receipts. These responsibilities are set out in the Statements of National Park Authority's Responsibilities and Accountable Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers. I report to you whether, in my opinion, the information which comprises the Management Commentary included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, I report to you if, in my opinion, the body has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the body's compliance with the Scottish Government's guidance, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all

risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only National Park Board Members and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and receipts included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and receipts shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

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 affairs of Cairngorms National Park Authority as at 31 March 2010 and of its net expenditure, recognised gains and losses and cash flows for the year then ended
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers
- information which comprises the Management Commentary included in the Annual Report is consistent with the financial statements.

Regularity

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

Signature

Stephen O'Hagan CPFA
Senior Audit Manager
Audit Scotland
7th Floor
Plaza Tower
East Kilbride
G74 1LW

Date

Net Expenditure Account

for the year ended 31 March 2010

		2010	2009
	Note	£	£
Expenditure			
Board members and staff costs	3, 4	2,324,054	2,246,512
Operational Plan expenditure	3, 5	2,583,248	2,112,355
Other operating costs	3, 6	603,386	656,588
Depreciation	9	<u>62,311</u>	<u>63,793</u>
		<u>5,572,999</u>	<u>5,079,248</u>
Income			
Operational Plan income	3, 8	666,905	457,571
Other income	3, 8	<u>44,092</u>	<u>66,343</u>
		<u>710,997</u>	<u>523,914</u>
Net Expenditure		4,862,002	4,555,334
Cost of Capital	7	12,365	13,211
Interest receivable		0	-6,963
Net Expenditure after cost of capital and interest		<u>4,874,367</u>	<u>4,561,582</u>

No activities were discontinued during the year.

The notes on pages 22 to 32 form part of these accounts.

Statement Of Financial Position

as at 31 March 2010

	Note	2010 £	2009 £	1 April 2008 £
Non-current assets				
Property, plant and equipment	9	223,122	225,155	256,234
Total non current assets		<u>223,122</u>	<u>225,155</u>	<u>256,234</u>
Current assets				
Trade and other receivables due within one year	11	370,037	270,840	247,772
Cash and cash equivalents	12	38,641	213,285	140,634
Total current assets		<u>408,678</u>	<u>484,125</u>	<u>388,406</u>
Total assets		<u>631,800</u>	<u>709,279</u>	<u>644,640</u>
Current liabilities				
Trade and other payables due within one year	13	-381,074	-401,552	-334,542
Total current liabilities		<u>-381,074</u>	<u>-401,552</u>	<u>-334,542</u>
Non current assets less net current assets		250,726	307,727	310,098
Non-current liabilities				
Total non current liabilities		<u>0</u>	<u>0</u>	<u>0</u>
Assets less liabilities		<u>250,726</u>	<u>307,727</u>	<u>310,098</u>
Reserves				
General reserve	14	250,726	307,727	310,098
		<u>250,726</u>	<u>307,727</u>	<u>310,098</u>

Signed on behalf of the Cairngorms National Park Authority

Jane Hope
Chief Executive
 25 June 2010

Authorised for issue
 25 June 2010

The notes on pages 22 to 32 form part of these accounts

Statement Of Cash Flows

for the year ended 31 March 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Net Expenditure after cost of capital and interest		-4,874,367	-4,561,582
Adjustments for non cash transactions			
Depreciation		62,311	63,793
Gain on disposal of fixed assets		0	-1,918
Cost of capital		12,365	13,211
Movements in working capital			
(Increase) in trade and other receivables		-99,197	-23,068
(Decrease)/ Increase in staff benefits provision		-1,826	18,120
(Decrease)/ Increase in trade and other payables		-18,652	48,889
		<hr/>	<hr/>
Net cash outflow from operating activities		-4,919,366	-4,442,555
Cash flows from investing activities			
Purchase of property, plant and equipment		-60,277	-38,695
Proceeds from disposal of property, plant and equipment		0	7,900
		<hr/>	<hr/>
Net cash outflow from investing activities		-60,277	-30,795
Cash flows from financing activities			
Grant funding		4,805,000	4,546,000
Net cash flow from financing		4,805,000	4,546,000
		<hr/>	<hr/>
Net increase in cash and cash equivalents in the year		-174,644	72,651
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		213,285	140,634
Cash and cash equivalents at the end of the year	12	38,641	213,285

The notes on pages 22 to 32 form part of these accounts

Statement Of Changes In Taxpayers' Equity

for the year ended 31 March 2010

	Note	General Reserve £	Total Reserves £
Balance at 31 March 2008		356,015	356,015
Changes in accounting policy		<u>-45,917</u>	<u>-45,917</u>
Restated balance at 1 April 2008	14	<u>310,098</u>	<u>310,098</u>
Changes in Taxpayers' Equity 2008-09			
Non cash charges - cost of capital		13,211	13,211
Net Expenditure after cost of capital and interest		-4,561,582	-4,561,582
Grant funding		4,546,000	4,546,000
Balance at 31 March 2009	14	<u>307,727</u>	<u>307,727</u>
Changes in accounting policy		<u>0</u>	<u>0</u>
Restated balance at 1 April 2009		<u>307,727</u>	<u>307,727</u>
Changes in Taxpayers' Equity 2009-10			
Non cash charges - cost of capital		12,365	12,365
Net Expenditure after cost of capital and interest		-4,874,367	-4,877,822
Grant funding		4,805,000	4,805,000
Balance at 31 March 2010	14	<u>250,726</u>	<u>247,271</u>

The notes on pages 22 to 32 form part of these accounts

NOTES TO THE ACCOUNTS

For the Year Ended 31 March 2010

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 Change of Accounting Policy – IFRS First Time Adoption

These financial statements have been prepared under International Financial Reporting Standards for the first time and the comparatives have been restated from UK Generally Accepted Accounting Policy (UK GAAP) where required. The reconciliation to IFRS from the previously published UK GAAP accounts is summarised at Note 2.

New Financial Instruments Standards FRS 25, FRS 26 and FRS 29 as interpreted and adapted by the Government Financial Reporting Manual (FReM) were adopted under UK GAAP in 2008-09. Prior year comparatives were restated to reflect these standards. These standards are identical to their equivalent IFRS standards, IAS 32, IAS 39 and IFRS 7. Therefore the financial statements have not been restated for financial instruments.

1.3 Accounting Period

The accounting period commenced on 1 April 2009 and ended on 31 March 2010.

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 probably 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 operation cost statement during the financial period to 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 Operating Cost Statement.

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 Fund and net expenditure on activities funded by grant in aid is charged to this fund.

1.10 Cost of Capital Charge

A charge, reflecting the cost of capital utilised by Cairngorms National Park Authority is included in outturn expenditure. The charge for each item in the balance sheet is calculated on the basis of the average net book value of that item over the year. For 2009-10 the charge is calculated at the Government's standard rate of 3.5% (2008-09: 3.5%) in real terms on all assets less liabilities.

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 15.) 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 2010 have been brought into the Operating Cost Statement 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 2010 have been brought into the Operating Cost Statement 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.

Notes to the Accounts

for the year ended 31 March 2010 (continued)

2 First-time adoption of IFRS

	General Reserve	Total Reserve
	£	£
Balance at 31 March 2009 under UK GAAP	371,765	371,765
Adjustment for IAS 19 Employee benefits	<u>-64,038</u>	<u>-64,038</u>
Restated balance at 1 April 2009 under IFRS	<u>307,727</u>	<u>307,727</u>
Net Expenditure for 2008-09 under UK GAAP		4,545,070
Adjustment for IAS 19 Employee benefits		<u>18,120</u>
Net Expenditure for 2008-09 under IFRS		<u>4,563,190</u>
Balance at 31 March 2008 under UK GAAP	356,015	356,015
Adjustment for IAS 19 Employee benefits	<u>-45,917</u>	<u>-45,917</u>
Restated balance at 1 April 2008 under IFRS	<u>310,098</u>	<u>310,098</u>
Net Expenditure for 2007-08 under UK GAAP		4,536,449
Adjustment for IAS 19 Employee benefits		<u>45,917</u>
Net Expenditure for 2007-08 under IFRS		<u>4,582,366</u>

3 Analysis of Net Expenditure by Segment

	Board Member & Staff costs	Operational Plan Expenditure	Other Operating Costs	Operational Plan Income	Other Income	Net Segmental Expenditure
2010 by segment	£	£	£	£	£	£
Awareness & Understanding	370,310	463,380	118,478	-26,014		926,154
Sustainable Business & Tourism	383,478	757,150	115,280	-355,298		900,610
Planning and Communications	648,332	188,435	107,303		-44,092	899,977
Outdoor Access	290,356	324,509	89,882			704,747
Affordable, Sustainable Housing	246,323	228,337	68,583			543,243
Biodiversity, Landscape & Deer	243,199	298,228	61,590	-110,979		492,038
Land Management Support	142,056	323,210	42,269	-174,614		332,922
	<u>2,324,054</u>	<u>2,583,248</u>	<u>603,386</u>	<u>-666,905</u>	<u>-44,092</u>	<u>4,799,691</u>

Notes to the Accounts

for the year ended 31 March 2010 (continued)

3 Analysis of Net Expenditure by Segment (continued)

	Board Member & Staff costs	Operational Plan Expenditure	Other Operating Costs	Operational Plan Income	Other Income	Net Segmental Expenditure
2009 by segment	£	£	£	£	£	£
Awareness & Understanding	397,034	446,173	116,041	-62,570		896,679
Planning and Communications	572,518	177,064	167,330	-2,507	-66,343	848,062
Sustainable Business & Tourism	370,784	503,025	108,369	-200,196		781,982
Outdoor Access	335,169	322,636	97,960			755,765
Land Management Support	179,124	384,546	52,353	-159,939		456,084
Biodiversity, Landscape & Deer	238,703	163,590	69,766	-32,360		439,699
Affordable, Sustainable Housing	153,179	115,322	44,770			313,270
	<u>2,246,512</u>	<u>2,112,355</u>	<u>656,588</u>	<u>-457,571</u>	<u>-66,343</u>	<u>4,491,541</u>

4 Board members and staff costs

	2010	2009
	£	£
Summary		
Board members	193,276	198,892
Staff - Core	<u>2,130,778</u>	<u>2,047,620</u>
	<u>2,324,054</u>	<u>2,246,512</u>
Board members - see Remuneration report		
Fees	186,274	191,195
Social security costs	7,002	7,697
Pension costs	<u>0</u>	<u>0</u>
	<u>193,276</u>	<u>198,892</u>
Staff - Core		
Salaries	1,699,682	1,616,620
Social security costs	121,845	112,973
Pension costs	<u>309,251</u>	<u>318,027</u>
	<u>2,130,778</u>	<u>2,047,620</u>
Average numbers employed during period	No.	No.
Board members	23	25
Core employees (full time equivalents - FTE)	51	51

Notes to the Accounts

for the year ended 31 March 2010 (continued)

4 Board members and staff costs (continued)

The Core employee number includes 1 staff seconded to the Park Authority (0.5 FTE) and excludes 1 Staff seconded from the Park Authority (0.5 FTE). In 2009, 3 staff were seconded to the Park Authority (2.8 FTE) and 2 staff were seconded from the Park Authority (2.0 FTE).

5 Operational Plan expenditure	2010	2009
	£	£
New LEADER programme	369,024	247,412
Outdoor Access projects	263,083	322,636
Local Plan Inquiry and other costs	197,508	71,907
Land Based Business Training	192,429	200,172
Ranger services	139,130	32,269
New LEADER Administration costs	113,545	81,978
Strengthen Business Organisations	a) 91,470	0
Species and Habitat Conservation	a) 87,499	0
Planning Enforcement and Monitoring	a) 68,765	0
Community Needs Programme (2009 Integrated Grants)	66,536	9,807
Land Management sustainability	59,519	79,817
Publications	55,253	102,466
Visitor Information (2009 Park Entry signage)	50,219	43,662
Website	b) 30,698	49,075
Park Plan	b) <u>6,345</u>	<u>7,934</u>
	1,791,024	1,249,137
Other (not previously greater than £50,000)	<u>792,224</u>	<u>863,218</u>
	c) <u>2,583,248</u>	<u>2,112,355</u>

a) expenditure not greater than £50,000 in 2009.

b) expenditure greater than £50,000 in 2008.

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

Staff - Project

Salaries	247,726	192,510
Social security costs	15,960	12,796
Pension costs (see note 13)	<u>43,861</u>	<u>35,055</u>
	<u>307,547</u>	<u>240,361</u>

The average number of full time equivalent Project staff employees in the year was 9 (in 2009 - 7).

Notes to the Accounts

for the year ended 31 March 2010 (continued)

6 Other operating costs	2010	2009
	£	£
Board and staff costs (exc. salary costs)	197,550	253,366
Office running costs	157,804	139,703
Professional support fees	87,028	80,155
Land and buildings rentals	62,946	69,649
Information technology	45,269	57,282
Vehicles and office equipment rentals	43,215	27,014
Audit fees (external)	11,400	11,299
Employee benefits provision	-1,826	18,120
	<u>603,386</u>	<u>656,588</u>
7 Notional costs	2010	2009
	£	£
Cost of capital for the year under UK GAAP		14,819
Adjustment for IAS 19 Employee benefits		-1,608
Cost of capital for the year under IFRS (calculated at 3.5%)	<u>12,365</u>	<u>13,211</u>
8 Income	2010	2009
	£	£
Operational Plan income from EU sources	377,476	217,380
Operational Plan income from other sources	289,429	240,191
Planning fees and other income	<u>44,092</u>	<u>66,343</u>
	<u>710,997</u>	<u>523,914</u>

Notes to the Accounts

for the year ended 31 March 2010 (continued)

9 Property, plant and equipment	Park Entry Markers	Leasehold Improvement	Information Technology	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 31 March 2009	56,882	280,326	229,919	110,287		677,414
Additions			56,157	4,120		60,277
Disposals						0
At 31 March 2010	56,882	280,326	286,076	114,407	0	737,691
Depreciation						
At 31 March 2009	-4,551	-169,585	-204,273	-73,849		-452,259
Charged in the year	-2,275	-24,340	-23,712	-11,984		-62,311
Disposals						0
At 31 March 2010	-6,826	-193,925	-227,985	-85,833	0	-514,569
Net book value						
At 31 March 2010	50,056	86,401	58,091	28,574	0	223,122
At 31 March 2009	52,331	110,741	25,646	36,437	0	225,155
Cost						
At 31 March 2008	56,882	280,326	204,540	96,970	29,900	668,618
Additions			25,379	13,317		38,696
Disposals					-29,900	-29,900
At 31 March 2009	56,882	280,326	229,919	110,287	0	677,414
Depreciation						
At 31 March 2008	-2,275	-140,531	-195,121	-56,019	-18,438	-412,384
Charged in the year	-2,276	-29,054	-9,152	-17,831	-5,480	-63,793
Disposals					23,918	23,918
At 31 March 2009	-4,551	-169,585	-204,273	-73,850	0	-452,259
Net book value						
At 31 March 2009	52,331	110,741	25,646	36,437	0	225,155
At 31 March 2008	54,607	139,795	9,419	40,951	11,462	256,234

10 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.

Notes to the Accounts

for the year ended 31 March 2010 (continued)

I I Trade Receivables and other current assets	2010	2009
	£	£
Amounts falling due within one year:		
Project income debtors	339,741	229,326
Prepayments and accrued income	<u>30,296</u>	<u>41,514</u>
Total due within one year	<u>370,037</u>	<u>270,840</u>
Included within Trade Receivables are the following inter-government balances:		
European Government Funders	315,813	201,880
Local Authorities	0	2,350
Local Enterprise Companies	1,923	19,107
Other NDPB's	<u>16,439</u>	<u>5,989</u>
	<u>334,175</u>	<u>229,326</u>
I 2 Cash at bank and in hand	2010	2009
	£	£
Bank accounts	38,445	213,035
Cash imprest accounts	<u>196</u>	<u>250</u>
	<u>38,641</u>	<u>213,285</u>
I 3 Trade payables and other current liabilities	2010	2009
	£	£
Amounts falling due within one year:		
Trade payables	163,992	104,917
Project income received in advance	116,557	190,799
Accruals and deferred income	<u>100,526</u>	<u>105,836</u>
Total due within one year	<u>381,074</u>	<u>401,552</u>
Included within Trade Payables are the following inter-government balances:		
Central Government Bodies	10,000	651
European Government Funders	70,000	140,000
Local Authorities	4,400	0
Local Enterprise Companies	2,003	2,003
Other NDPB's	<u>44,554</u>	<u>52,843</u>
	<u>130,957</u>	<u>195,497</u>

Notes to the Accounts

for the year ended 31 March 2010 (continued)

14 Reserves	2010	2009
	£	£
General Reserve		
Opening balance	307,727	310,098
Net Expenditure after cost of capital and interest	-4,874,367	-4,561,582
Grant in aid received	4,805,000	4,546,000
Add back Notional Costs	<u>12,365</u>	<u>13,211</u>
Recognised Net Expenditure for the year	<u>-57,002</u>	<u>-2,371</u>
	<u>250,726</u>	<u>307,727</u>

15 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).

For 2009/10 employer's contributions of £347,205 (2008/09 £345,253) were payable to the PCSPS. The contributions were payable at one of four rates ranging from 17.1% to 25.5% 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 £5,907 (2008/09 £7,829) to other pension providers and we were also invoiced for employer pension contributions of seconded staff working for the Park Authority.

16 Capital commitments	2010	2009
	£	£
Contracted capital commitments at 31 March 2010 not otherwise included in these financial statements		
Property, plant and equipment	<u>24,000</u>	<u>0</u>

Notes to the Accounts

for the year ended 31 March 2010 (continued)

17 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	
	2010	2009	2010	2009
	£	£	£	£
Obligations under operating leases comprise:				
Not later than one year	61,745	61,745	17,858	19,201
Later than one year & less than five years	134,217	170,071	20,595	17,625
Later than five years	0	0	0	0
	<u>195,962</u>	<u>231,816</u>	<u>38,453</u>	<u>36,826</u>

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

18 Contingent liabilities

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

19 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.

20 Losses and Special Payments

There were no losses or special payments in the year to 31 March 2010, nor in the year to 31 March 2009.



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

*I.R. Ramsay, Home of Cairngorms and
National Heritage Division*

Dated 12 January 2006

Appendix I

Members' attendance at meetings

Board Member	Planning Committee		Board Meetings	
	Total meetings 25		Total meetings 6	
	Attended:	%*	Attended:	%*
Peter Argyle	19	76	5	83
Eric Baird (Deputy Convener)	23	92	6	100
Stuart Black	22	88	6	100
Geva Blackett	16	64	5	83
Duncan Bryden	24	96	6	100
Jaci Douglas	20	80	3	50
Dave Fallows	22	88	6	100
Lucy Grant	22	88	6	100
David Green (Convener)	20	80	6	100
Drew Hendry	17	68	5	83
Marcus Humphrey	19	76	4	67
Bob Kinnaird	17	68	6	100
Eleanor Mackintosh	25	100	6	100
Ian Mackintosh	18	72	5	83
Anne Maclean	23	92	6	100
Alastair MacLennan	23	92	6	100
Mary McCafferty	23	92	5	83
Willie McKenna	25	100	6	100
Fiona Murdoch	17	68	5	83
Andrew Rafferty	16	64	5	83
Grigor Rimell	18	72	5	83
Richard Stroud	22	88	5	83
Susan Walker	21	84	5	83

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