

THE CAIRNGORMS NATIONAL PARK AUTHORITY

Annual Report and Accounts for the year ended 31 March 2009



AUDITED ACCOUNTS for the year ended 31 March 2009

	Page
FOREWORD	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
OPERATING COST STATEMENT	18
STATEMENT OF RECOGNISED GAINS AND LOSSES	18
BALANCE SHEET	19
CASH FLOW STATEMENT	20
NOTES TO THE ACCOUNTS	21
DIRECTION BY THE SCOTTISH MINISTERS	27
APPENDIX I – Members attendance at meetings	28

FOREWORD

Introduction

This Statement of Accounts, prepared in a form directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000, reports on the sixth year of operation of the Cairngorms National Park Authority (CNPA). The Accounts Direction is shown on page 27. The Park Authority became fully operational on 1 September 2003 but prior to that date the CNPA had assumed stewardship duties for the area from the Cairngorms Partnership following the creation of the Park Authority's Board on 25 March 2003.

Background

National Park Aims

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

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

The Cairngorms National Park Authority

Under the legislative provisions of the National Parks (Scotland) Act 2000, 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 11. The Register of Members' Interest is available for public inspection during office hours at the Park Authority's offices, 14 The Square, Granttown-on-Spey, PH26 3HG.

Results and future activities

The results for the year to 31 March 2009 are set out in pages 18 to 20 together with the notes on pages 21 to 26. The accounts are prepared on a going concern basis.

The Park Authority's total expenditure was £5.1 million and after receiving Grant in Aid of £4.5 million, third party contributions to Operational Plan spend of £ 0.5 million and other income the accounts show a recognised gain of £15,749.

Further details of our expenditure breakdown are shown in the notes to the accounts and in particular note 4, which details our Operational Plan expenditure. Detail of our operational results for the year is set out in the preceding sections of this Annual Report.

The CNPA operated within its resource budgets and cash grant-in-aid funding limits approved by its sponsoring department, the Scottish Government Rural Directorate (SGRD). The out-turn for the year is shown in the table below:

	Budget	Out-turn	Variance
Resource Budget 2008/09	£'000	£'000	£'000
Operating Expenditure	4,513	4,466	47
Depreciation	76	64	12
Cost of Capital	11	15	(4)
Operating Costs	4,600	4,545	55
Capital	33	39	(6)

A comprehensive presentation of the Park Authority's current and future activity plans is available in its Operational Plan for 2009-10 and Corporate Plan for 2008 to 2011.

Significant attention has been given to security of information and data within the public sector over the course of 2008/09. 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 7.

Post balance sheet events

There are no post balance sheet date events to report for the year to 31 March 2009.

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 period to 30 November 2008, the time taken to pay creditors achieved an average of 14.7 days against a target of 30 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 (2008 full year: 14.0 days average payment achieved 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.

A comprehensive leadership development programme is in place to ensure that the managers and officers at the grade below the management team have the skills required in their role, both for line management and working with partner organisations. A wider staff development programme is available to all staff.

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 2008/09, average days lost through sickness was 6.2 days per person.

Pensions

The Park Authority's pension liabilities are detailed in the Remuneration Report and Notes 1, 3, 4 and 13 to the Accounts.

Sustainability Reporting

The 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.

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 16 and 17 and details of the auditor's remuneration are given in note 5.

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

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 and its membership and remit is 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

Board members' fees are set annually in April by the Scottish Government.

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.

Service contracts

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

This section of the Remuneration Report is subject to Audit.

	Most recent appointment	End of term or date stepped down	2008/09		2007/08	
			Fees £	Expenses £	Fees £	Expenses £
<i>Scottish Government appointee</i>						
David Green	8 Sep 2006	7 Sep 2010	20,441	11,025	20,073	10,647
Eric Baird	24 Mar 2009	30 Sept 2010	10,221	1,648	10,037	2,487
Duncan Bryden	25 Mar 2007	30 Sep 2010	10,221	1,595	7,077	1,332
Nonie Coulthard	1 Apr 2006	30 Nov 2008	4,932	998	7,054	2,055
Lucy Grant	24 Mar 2009	30 Sep 2010	7,768	821	7,831	1,114
Robert Kinnaird	1 Dec 2006	31 Mar 2010	7,076	753	6,948	831
Anne MacLean	25 Mar 2007	30 Sep 2010	7,076	469	6,948	580
Alistair MacLennan	24 Mar 2009	30 Sep 2010	7,076	360	6,948	487
Susan Walker	25 Mar 2007	30 Sep 2010	7,076	909	6,948	901
Ross Watson	1 Apr 2006	31 Oct 2008	4,134	186	6,948	194
<i>Local Authority nominee</i>						
Peter Argyle	16 Mar 2009	31 Aug 2011	591	-	-	-
Francis (Stuart) Black	1 Sept 2007	31 Aug 2011	7,076	-	6,948	-
Jaci Douglas	1 Sept 2007	31 Aug 2011	7,285	123	4,274	139
Dave Fallows	1 Sept 2007	31 Aug 2011	7,076	1,103	4,054	833
Drew Hendry	1 Sept 2007	31 Aug 2011	7,076	1,033	4,054	491
Marcus Humphrey	1 Sept 2007	31 Aug 2011	7,076	493	6,948	211
Bruce Luffman	1 Sept 2007	31 Jan 2009	5,895	1,438	6,948	1,747
Ian Mackintosh	1 Sept 2007	31 Aug 2011	7,076	1,041	4,054	941
Fiona Murdoch	1 Sept 2007	31 Aug 2011	7,076	760	4,054	790
Sandy Park	1 Sept 2007	30 Nov 2008	4,725	716	6,948	781
Richard Stroud	1 Sept 2007	31 Aug 2011	7,076	1,012	6,948	589
<i>Local elected</i>						
Geva Blackett	16 Mar 2007	15 Mar 2011	7,076	526	7,139	1,509
Eleanor Mackintosh	16 Mar 2007	15 Mar 2011	7,076	1,217	6,948	931
Mary McCafferty	16 Mar 2007	15 Mar 2011	7,076	543	7,139	648
William McKenna	16 Mar 2007	15 Mar 2011	7,076	-	6,948	-
Andrew Rafferty	16 Mar 2007	15 Mar 2011	7,076	128	6,948	348
Gregor Rimell	01 Jan 2009	31 Aug 2011	1,772	187	-	50
			191,195	29,081	191,639	31,595

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.

Salary

Salary includes gross salary, performance pay or bonuses and any other allowance to the extent that it is subject to UK taxation.

	2008/09		2007/08	
	Salary £'000	Benefits in kind £	Salary £'000	Benefits in kind £
Jane Hope <i>Chief Executive</i>	60-65	0	60-65	0

Pension entitlements

	Accrued pension at age 60 as at 31 Mar 2009 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV (a) at 31 Mar 2009 £'000	CETV (a) at 31 Mar 2008 £'000	Real increase in CETV (b) £'000
Jane Hope <i>Chief Executive</i>	10-15	0-2½	252	224	2

(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

NATIONAL PARK BOARD MEMBERS

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

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

David Green	(Convener)	(a)	(F), (S&R)
Eric Baird	(Deputy Convener)	(a)	(A), (S&R)
Peter Argyle	(from 16 March 2009)	(b)	
Francis (Stuart) Black		(b)	
Geva Blackett		(c)	(S&R)
Duncan Bryden		(a)	
Nonie Coulthard	(until 30 November 2008)	(a)	(A)
Jaci Douglas		(b)	
Dave Fallows		(b)	(F)
Lucy Grant		(a)	(A)
Drew Hendry		(b)	
Marcus Humphrey		(b)	
Robert Kinnaird		(a)	(S&R)
Bruce Luffman	(until 31 January 2009)	(b)	(F)
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)
Sandy Park	(until 30 November 2008)	(b)	(S&R)
Andrew Rafferty		(c)	
Gregor Rimell	(from 1 January 2009)	(b)	
Richard Stroud		(b)	(F)
Susan Walker		(a)	(A)
Ross Watson	(until 31 October 2008)	(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; the latest review was on 20 March 2009 and made the following changes, which have been reflected in the above list:

Planning	as changes in Board members
Finance	Bruce Luffman stepped down, Richard Stroud joined
Audit	Nonie Coulthard and Ross Watson stepped down; Ian MacKintosh and Lucy Grant joined
Staffing & Recruitment	Sandy Park stepped down; Geva Blackett joined

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.

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 a board member of North Areas Board of Scottish Natural Heritage and 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. She is passionate about the people of the Park and the wildlife & countryside that provide the economic, cultural and social backdrop to our lives. 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.

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.

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.

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 and member of LOAF. 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 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.

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.

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.

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.

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.

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.

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

STATEMENT OF INTERNAL CONTROL

for the period ended 31 March 2009

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 in the Management Statement for the Cairngorms National Park Authority. In discharging this responsibility I am held accountable by the Authority's Board, and by Scottish Ministers. In particular, the Authority's Board has Finance and Audit 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 Executive and other relevant bodies on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements; promote value for money; ensure high standards of propriety; secure effective accountability and risk management within organisations; and hence ensure good systems of internal control. 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 purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cairngorms National Park Authority for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

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

The Authority's strategic risk management is based on a schedule of key risks and risk management strategy. The strategy and schedule of key strategic risks was refreshed to reflect the Authority's new Corporate Plan at a workshop of Board members and senior managers in December 2008.

The organisation's risk management strategy guides its willingness to accept or actively manage risks inherent in its activities. This process has resulted in a revised Strategic Risk Register, setting out responses to key risks and officers responsible for their management, which was subsequently approved by the Audit Committee in April 2009. The Strategic Risk Register will continue to be reviewed and updated quarterly by the Authority's Management Team and at each Audit Committee, and maintains an audit trail of action taken.

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 is highlighted within the strategic risk register and will therefore be 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.

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:

- Acted on a range of internal audit recommendations for further improvements in the internal control framework;
- Continued delivery of a Best Value action plan, that seeks 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. 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 Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and its Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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 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 pensions administration, Best Value work, project management arrangements 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 financial controls, payment processes and procurement arrangements. 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 2008/09.

Jane Hope, Chief Executive

INDEPENDENT AUDITOR'S REPORT

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

Respective responsibilities of the Board, Chief Executive and Auditor

Basis of audit opinion

Opinion

Signature

Stephen O'Hagan CPFA

Audit Scotland
7th Floor
Plaza Tower
East Kilbride
G74 1LW

OPERATING COST STATEMENT for the year ended 31 March 2009

	Note	2009 £	2008 £
Income			
Planning fees and other income		66,342	69,351
Operational Plan income	2	457,571	755,650
		<u>523,913</u>	<u>825,001</u>
Expenditure			
Board members and staff costs	3	(2,246,512)	(2,195,669)
Operational Plan expenditure	4	(2,112,355)	(2,404,341)
Other operating costs	5	(638,468)	(689,426)
Notional costs	6	(14,819)	(11,921)
Depreciation	7	(63,793)	(74,791)
		<u>(5,075,946)</u>	<u>(5,376,148)</u>
Net operating costs of operation		(4,552,033)	(4,551,147)
Bank interest received		6,963	14,698
Net operating costs for the year		<u>(4,545,070)</u>	<u>(4,536,449)</u>
Transfer from the General Reserve	11	(4,545,070)	(4,536,449)
		<u>0</u>	<u>0</u>

As is normal for this type of organisation, there is a net cost of operations for the year that represents the cost of activities funded by the Scottish Government. Grant in aid allocated to the Park Authority to fund these activities is accounted for directly to the general reserve (see note 11 of the accounts) in line with the Scottish Government's accounts directive. Income shown in the above statement relates only to partners' contributions supporting delivery of projects, together with other income directly generated through the Park Authority's activities.

STATEMENT OF RECOGNISED GAINS for the year ended 31 March 2009

	Note	2009 £	2008 £
Grant in Aid received	11	4,546,000	4,548,000
Net operating costs for the year		(4,545,070)	(4,536,449)
Add back Notional Costs		14,819	11,921
Total recognised gains		<u>15,749</u>	<u>23,472</u>

No activities were discontinued during the year.

The accounting policies and notes on pages 21 to 26 form part of these accounts.

BALANCE SHEET

as at 31 March 2009

	Note	2009 £	2008 £
Fixed Assets			
Tangible assets	7	<u>225,155</u>	<u>256,234</u>
Current Assets			
Debtors	8	270,840	247,772
Cash at bank and in hand	9	<u>213,285</u>	<u>140,634</u>
		484,125	388,406
Creditors: amounts falling due within one year	10	<u>(337,514)</u>	<u>(288,625)</u>
Net Current Assets		<u>146,610</u>	<u>99,781</u>
		<u>371,765</u>	<u>356,015</u>
Financed by:			
General Reserve	11	371,765	356,015
		<u>371,765</u>	<u>356,015</u>

Signed on behalf of the National Park Authority

Jane Hope, Chief Executive

Authorised for Issue

The accounting policies and notes on pages 21 to 26 form part of these accounts.

CASH FLOW STATEMENT for the year ended 31 March 2009

	Note	2009 £	2008 £
Net cash flow from operating activities	12	96,482	212,092
Returns on investments			
Bank interest received		6,963	14,698
Investing activities			
Purchase of fixed assets		(38,695)	(89,299)
Receipt from disposal of fixed assets		7,900	0
Increase in cash		<u>72,651</u>	<u>137,491</u>
 Reconciliation of net cash flow to movement in net funds			
Increase in cash for the year		72,651	137,491
Net funds at start of year		<u>140,634</u>	<u>3,143</u>
Net funds at end of year		<u>213,285</u>	<u>140,634</u>

The accounting policies and notes on pages 21 to 26 form part of these accounts

NOTES TO THE ACCOUNTS

for the year ended 31 March 2009

I. Accounting Policies

(a) *Basic Accounting*

The accounts have been prepared under the historical cost convention modification in a form determined by Scottish Ministers and comply with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FRM). The particular accounting policies adopted are described below and are applied consistently within the accounts.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 2006 and accounting standards issued and adopted by the Accounting Standards Board in so far as those requirements are appropriate.

(b) *Accounting Period*

The accounting period commenced on 1 April 2008 and ended on 31 March 2009.

(c) *Fixed Assets*

Fixed assets are valued at initial cost less accumulated depreciation.

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

Park Entry Markers	25 years
Leasehold improvements	over length of lease
Office equipment	5 years
IT equipment	3 years
Motor vehicles	5 years

(d) *Value Added Tax*

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

(e) *Leases*

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

(f) *Grant in Aid*

The Park Authority receives grant in aid from the Scottish Government to finance its net expenditure. Following recent 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 reserve.

(g) *Notional Costs*

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

(h) *Pension Costs*

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

(i) *Debtors*

All material amounts due as at 31 March 2009 have been brought into the Operating Cost Statement irrespective of when actual payments were received.

(j) *Creditors*

All material amounts outstanding as at 31 March 2009 have been brought into the Operating Cost Statement irrespective of when actual payments were made.

(k) *Financial Instruments*

The Park Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables (Notes 8 and 10). Trade receivables are recognised 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.

2. Income	2009	2008
	£	£
Operational Plan income from EU sources	217,380	488,500
Operational Plan income from other sources	240,191	267,150
	<u>457,571</u>	<u>755,650</u>

3. Board members and staff costs	2009	2008
	£	£
<i>Summary</i>		
Board members	198,892	199,437
Staff - Core	2,047,620	1,996,232
	<u>2,246,512</u>	<u>2,195,669</u>

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

Board members – see Remuneration report

Fees	191,195	191,639
Social security costs	7,697	7,798
Pension costs	0	0
	<u>198,892</u>	<u>199,437</u>

Board members' expenses are included in other operating costs (see note 5).

<i>Staff - Core</i>		
Salaries	1,616,620	1,571,931
Social security costs	112,973	114,818
Pension costs (note 13)	318,027	309,483
	<u>2,047,620</u>	<u>1,996,232</u>

<i>Average numbers employed during period</i>	No.	No.
Board members	25	25
Core employees (full time equivalents – FTE)	52	51

The Core employee number includes 3 staff seconded to the Park Authority (2.8 FTE) and excludes 2 staff seconded from the Park Authority (2 FTE). In 2008, 4 staff were seconded to the Park Authority (3.5 FTE) and 2 staff were seconded from the Park Authority (1.7 FTE).

4. Operational Plan expenditure

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

		2009 £	2008 £
Outdoor Access projects		322,636	259,516
New LEADER (2008 - LEADER+)	**	247,412	357,577
Land Based Business Training	**	200,172	216,301
Publications	*	102,466	38,976
New LEADER (2008 LEADER+) administration costs	**	81,978	86,802
Green Farms and sustainability	*	79,817	27,731
Local Plan	*	71,907	22,113
Website		49,075	56,951
Park Entry Point signage		43,662	183,332
Ranger services		32,269	115,979
Integrated Grants Programme		9,807	204,962
Pylon Inquiry		0	61,091
Aviemore Masterplan		0	53,705
Park Plan		7,934	11,528
Moorlands		0	350
		<u>1,249,137</u>	<u>1,696,914</u>
Other (not previously greater than £50,000)	**	<u>863,218</u>	<u>707,427</u>
		<u>2,112,355</u>	<u>2,404,341</u>

* expenditure not shown separately in 2008 annual report.

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

<i>Staff - Project</i>			
Salaries		192,510	136,713
Social security costs		12,796	8,980
Pension costs (note 13)		35,055	26,269
		<u>240,361</u>	<u>171,962</u>

The average number of full time equivalent Project staff employees in the year was 7 (2008: 5).

5. Other operating costs

		2009 £	2008 £
Board and staff costs (excluding salary costs)		253,366	245,128
Office running costs		236,366	289,977
Information technology		57,282	78,029
Consultants' fees		91,454	76,292
		<u>638,468</u>	<u>689,426</u>
The following expenditure is included in the above costs:		£	£
Audit fees (external audit)		11,300	10,400
Operating lease rentals - land and buildings		69,649	67,461
- vehicles and office equipment		27,014	21,635
		<u>107,963</u>	<u>99,496</u>

6. Notional costs	2009	2008
	£	£
Cost of capital (calculated @ 3½%)	<u>14,819</u>	<u>11,921</u>

7. Fixed Assets

	Park Entry Markers	Leasehold Improvements	Office Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2008	56,882	280,326	301,510	29,900	668,618
Additions			38,696		38,696
Disposals				(29,900)	(29,900)
At 31 March 2009	<u>56,882</u>	<u>280,326</u>	<u>340,206</u>	<u>0</u>	<u>677,414</u>
Depreciation					
At 1 April 2008	(2,275)	(140,531)	(251,140)	(18,438)	(412,384)
Provided in year	(2,276)	(29,054)	(26,983)	(5,480)	(63,793)
Disposals				23,918	23,918
At 31 March 2009	<u>(4,551)</u>	<u>(169,585)</u>	<u>(278,123)</u>	<u>0</u>	<u>(452,259)</u>
Net book value					
At 31 March 2009	<u>52,331</u>	<u>110,741</u>	<u>62,083</u>	<u>0</u>	<u>225,155</u>
At 31 March 2008	<u>54,607</u>	<u>139,795</u>	<u>50,370</u>	<u>11,462</u>	<u>256,234</u>

8. Debtors	2009	2008
	£	£
Project income debtors	229,326	187,103
Other debtors	<u>41,514</u>	<u>60,669</u>
	<u>270,840</u>	<u>247,772</u>

Project income debtors includes a doubtful debt provision of £nil (2008: £52,835). The previous doubtful debt provision related to claims for LEADER+ funding covered by advances made to the programme at its inception in 2003.

Included within Debtors are the following inter-government balances:	2009	2008
	£	£
European Government Funders	201,880	172,015
Local Authorities	2,350	2,000
Local Enterprise Companies	19,107	0
Other NDPB's	5,989	25,629
	<u>229,326</u>	<u>199,643</u>

9. Cash at bank and in hand	2009	2008
	£	£
Bank accounts	213,035	140,384
Cash imprest accounts	250	250

	<u>213,285</u>	<u>140,634</u>
10. Creditors	<i>2009</i>	<i>2008</i>
	£	£
Trade creditors	104,917	232,977
Project income received in advance	190,799	0
Accruals	41,798	55,648
	<u>337,514</u>	<u>288,625</u>
Included within Creditors are the following inter-government balances:	<i>2009</i>	<i>2008</i>
	£	£
Central Government Bodies	651	0
European Government Funders	140,000	0
Local Authorities	0	0
Local Enterprise Companies	2,003	71
Other NDPB's	52,843	9,934
	<u>195,497</u>	<u>10,005</u>
11. Reserves	<i>2009</i>	<i>2008</i>
	£	£
<i>General Reserve</i>		
Opening balance	356,015	332,543
Grant in Aid - current	4,513,000	4,514,000
- capital	33,000	34,000
	<u>4,902,015</u>	<u>4,880,543</u>
Transfer from Operating Cost Statement	(4,545,070)	(4,536,449)
Add back: Notional cost	14,819	11,921
	<u>371,765</u>	<u>356,015</u>
12. Reconciliation of net operating costs of operation to net cash flow from operating activities	<i>2009</i>	<i>2008</i>
	£	£
Net operating costs of operation	(4,552,033)	(4,551,147)
Grant in aid funding received	4,546,000	4,548,000
Depreciation charge	63,793	74,791
Notional costs	14,819	11,921
Gain on fixed asset disposal	(1,918)	-
(Increase)/decrease in debtors	(23,068)	81,996
Increase in creditors	48,889	46,531
	<u>96,482</u>	<u>212,092</u>
13. 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 2008/09 employer's contributions of £345,253 (2007/08 £335,752) 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. The Scheme's Actuary reviews employer contributions every four years following a full scheme revaluation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred and reflect past experience of the scheme.

All employees have the opportunity to join the scheme. In addition, the Park Authority paid employer pension contributions of £7,829 (2007/08 £nil) to other pension providers and we were also invoiced for employer pension contributions of seconded staff working for the Park Authority.

14. 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.

15. Capital commitments, contingent liabilities and operating leases

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

Commitments under non-cancellable operating leases are as follows:

	<i>Land & buildings 2009 £</i>	<i>Motor vehicles & office equipment 2009 £</i>	<i>Land & buildings 2008 £</i>	<i>Motor vehicles & office equipment 2008 £</i>
<i>Operating leases which expire:</i>				
Within one year	7,245	5,674	8,018	703
Within two to five years	54,500	13,527	-	19,609
After five years	-	-	40,000	-
	<u>61,745</u>	<u>19,201</u>	<u>48,018</u>	<u>20,312</u>

16. Financial Instruments

The Park Authority's resources are met from the Scottish Government through Grant-in-Aid, from Operational Plan income and from Planning fees and other income. The Authority has no powers to borrow money or to invest surplus funds. Other than financial assets and liabilities which are generated by day-to-day operational activities, the Authority holds no financial instruments.

Liquidity Risk

The Park Authority's net revenue resource requirements are financed by Scottish Government, as is its capital expenditure. The Authority is not therefore exposed to material liquidity risks.

Credit Risk

The Park Authority's funders are mainly Scottish Government or European Union departments, executive agencies or other public bodies. The Authority is therefore not exposed to any material credit risk.

Foreign Currency Risk

The Park Authority is not exposed to foreign currency risk.



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

Board Member	Planning Committee Total meetings 26		Board Meetings Total meetings 7	
	Attended:	%*	Attended:	%*
Peter Argyle	0	n/a	0	0
Eric Baird (Deputy Convener)	23	88	6	86
Stuart Black	22	85	6	86
Geva Blackett	12	46	4	57
Duncan Bryden	24	92	6	86
Nonie Coulthard	13	68	5	100
Jaci Douglas	20	77	6	86
Dave Fallows	22	85	6	86
Lucy Grant	22	85	7	100
David Green (Convener)	21	81	7	100
Drew Hendry	15	58	4	57
Marcus Humphrey	20	77	6	86
Bob Kinnaird	18	69	5	71
Bruce Luffman	15	65	5	83
Eleanor Mackintosh	23	88	7	100
Ian Mackintosh	21	81	6	86
Anne Maclean	21	81	6	86
Alastair MacLennan	19	73	5	71
Mary McCafferty	18	69	7	100
Willie McKenna	22	85	5	71
Fiona Murdoch	14	54	5	71
Sandy Park	13	68	4	80
Andrew Rafferty	18	69	5	71
Grigor Rimell	2	100	4	80
Richard Stroud	20	77	6	86
Susan Walker	19	73	6	86
Ross Watson	10	59	3	60

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

Grigor Rimell and Peter Argyle were appointed during the year.

Nonie Coulthard, Ross Watson, Bruce Luffman and Sandy Park stepped down during the year.