

THE CAIRNGORMS NATIONAL PARK AUTHORITY

Annual Report and Accounts for the year ended 31 March 2011



AUDITED ACCOUNTS for the year ended 31 March 2011

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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 eighth year of operation of the Cairngorms National Park Authority (CNPA). The Accounts Direction is shown on page 37. The Park Authority became fully operational on 1 September 2003.

Background

National Park Aims

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

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

The Cairngorms National Park Authority

The statutory purpose of the Cairngorms National Park Authority is set out in section 9 of the National Parks (Scotland) Act 2000 (NP(S)A). This purpose is to ensure that the four aims for the National Park, highlighted above, are achieved in a way that is mutually supportive, rather than looking at each of the aims separately and in isolation. Under the legislative provisions of the NP(S)A, the Designation Order for the Park Authority was approved on 7 January 2003. The Order defined the boundaries of the National Park, confirmed the constitution of the Park Authority, the functions to be exercised by the Park Authority and identified specific dates on which the CNPA would come into existence and when it would become responsible for full function delivery viz, the establishment date of 25 March 2003 and operational date of 1 September 2003.

The boundaries of the Cairngorms National Park, and therefore the administrative boundaries of the Authority, were extended on 4 October 2010 to include areas of North Perthshire.

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

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

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

<http://www.cairngorms.co.uk/resource/docs/Register.of.Interests.of.Members.pdf>

Results and future activities

The results for the year to 31 March 2011 are set out in pages 20 to 23 together with the notes on pages 24 to 36. The accounts are prepared on a going concern basis.

The Park Authority's total expenditure for the year was £6.13 million and after receiving Grant in Aid of £5.05 million for operational activities, capital grant of £0.31 million, and third party contributions to Operational Plan expenditure and other income of £0.77 million, the accounts show recognised net income of £0.01 million (see note 13).

Further details of our expenditure breakdown are shown in the notes to the accounts, in particular at note 2, which details our expenditure by Segment and note 4, which details Operational Plan expenditure. A summary of our operational activity for the year is set out in the preceding sections of this Annual Report.

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 2010/11	£'000	£'000	£'000
Current Operating Expenditure	5,051	5,051	0
Depreciation	78	79	(1)
Operating Costs	5,129	5,130	(1)
Capital	306	306	0
Expenditure Financed by other income	Income (£000)	Expenditure (£000)	
Operating Expenditure	784	774	10
Capital Expenditure	0	0	0

Significant attention has been given to security of information and data within the public sector over the course of 2010/11. The Authority has had no instances of loss of data or personal information over the course of the year.

Changes in non-current assets

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

Key additions in the year related to £139k of Information Technology equipment.

Post balance sheet events

There are no post balance sheet date events to report for the year to 31 March 2011.

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 2011, the time taken to pay creditors achieved an average of 10.5 days against a target of 10 days with 58% of payments being made by the target date (During the period year to 31 March 2010, the time taken to pay creditors achieved an average of 11.3 days against a target of 10 days with 54% of payments being made by the target date).

Employment policies, consultation and equality

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

The Race, Gender and Disability Equality Schemes have been embedded into the work of CNPA, and progress with the associated action plans reviewed. Comprehensive equalities training 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 Times Best Places to Work" processes in 2009, confirmed the effectiveness of the Authority's employment policies, with very positive feedback on the great majority of aspects of organisational culture and policies, and 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 2010/11, the average number of days lost through sickness was 4.5 days per person (2009/10 6.1 days).

The Authority, in consultation with staff representatives, has established an action plan to address a number of areas of organisational practice reported on less favourably in the 2009 staff survey. The Authority also plans to

undertake a follow up staff survey during 2011/12 to monitor progress in staff opinion, while implementing actions aimed at improving areas

Pensions

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

Sustainability reporting

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

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

Environmental matters

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

Our Natural Heritage Supplementary Planning Guidance will provide clarity on natural heritage and how it affects planning decisions made in the National Park. It supports policies in the Cairngorms National Park Local Plan and will lead to better conservation of natural heritage.

Draft Supplementary Planning Guidance has also been produced on Wildness - a UK first. Wildness is a special quality of the Cairngorms National Park.

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

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

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

The National Park Authority has also set the reduction in its carbon footprint from its business activities as a key objective and illustration of its environmental performance and leadership. Our key performance indicator of reducing carbon emissions from vehicle based business travel reduced by 12.4 tonnes (25.6%) in 2010/11 and associated business mileage reduced by almost 15,000 miles (a 7.5% reduction against the 2009/10 total mileage of 197,000 miles).

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 2010/11, the authority has continued to provide support for the development of the Cairngorms Business Partnership and developed supplementary planning guidance on affordable housing. The Authority remains active in working with communities to support the development and delivery of community action plans. Through the Cairngorms Outdoor Access Trust, the Authority has also supported the delivery of improved path networks to support community based infrastructure.

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 to 19 and details of the auditor's remuneration are given in note 5.

Future Activities

A comprehensive presentation of the Park Authority's current and future activity plans is available in its Operational Plan for 2011/12

(<http://www.cairngorms.co.uk/resource/docs/boardpapers/18032011/CNPA.Paper.4165.Board.Paper.2.Operati.pdf>)

and Corporate Plan for 2010 to 2012

(<http://www.cairngorms.co.uk/resource/docs/boardpapers/03092010/CNPA.Paper.3762.Board.Paper.1.Corp.Pl.pdf>).

A key focus for the Authority over the course of 2011/12 will be the development and consultation on the next 5 year National Park Plan, 2012 to 2017. The 2011/12 year will also see the development of a new Corporate Plan for the Authority, setting out the organisation's own contribution to the delivery of the National Park Plan and also the Authority's contribution to the Scottish Government's national priorities. The coming year also sees the final year of delivery against our current strategic objectives.

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

24 June 2011

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	2010/11	2010/11	2009/10	
			Fees £	Expenses# £	Fees £	Expenses# £
<i>Scottish Government appointee</i>						
David Green	8 Sep 2009	7 Sep 2012	20,781	10,299	20,776	9,641
Eric Baird	24 Mar 2009	30 Sep 2010	5,235	1,938	10,390	879
Duncan Bryden	1 Oct 2010	30 Sep 2014	10,390	1,317	10,430	1,716
Angela Douglas	1 Oct 2010	30 Sep 2014	3,597	1,041		
Lucy Grant	24 Mar 2009	30 Sep 2010	4,303	555	7,889*	582
Gregor Hutcheon	1 Oct 2010	30 Sep 2014	3,597	1,052		
Robert Kinnaird	1 Apr 2010	31 Mar 2014	7,194	589	7,194	512
Anne MacLean	25 Mar 2007	30 Sep 2010	3,597	115	7,194	560
Alistair MacLennan	24 Mar 2009	30 Sep 2010	3,597	333	7,194	243
David Paterson	1 Oct 2010	31 Oct 2010	599	622		
Gordon Riddler	1 Nov 2010	30 Sep 2014	2,997	500		
Susan Walker	25 Mar 2007	30 Sep 2010	3,597	565	7,194	919
Brian Wood	1 Oct 2010	30 Sep 2014	4,130	1,208		
<i>Local Authority nominee</i>						
Peter Argyle	16 Mar 2009	31 Aug 2011	7,194	237	7,194	166
Francis (Stuart) Black	1 Sept 2007	30 Sep 2010	3,796		7,194	
Jaci Douglas	1 Sept 2007	31 Aug 2011	7,194	199	7,297*	51
Dave Fallows	1 Sept 2007	30 Sep 2010	3,796	396	7,194	916
Drew Hendry	1 Sept 2007	30 Sep 2010	3,796	619	7,194	676
Kate Howie	1 Oct 2010	30 Sep 2014	3,597	332		
Marcus Humphrey	1 Sept 2007	31 Aug 2011	7,194	493	7,194	366
Ian Mackintosh	1 Sept 2007	31 Aug 2011	7,194	1,612	7,194	1,109
Fiona Murdoch	1 Sept 2007	30 Sep 2010	3,796	234	7,194	807
Gregor Rimell	01 Jan 2009	31 Aug 2011	7,194	775	7,194	625
Richard Stroud	1 Sept 2007	30 Sep 2010	3,597	330	7,194	491
Allan Wright	1 Oct 2010	30 Sep 2014	3,597	288		
<i>Local elected</i>						
Geva Blackett	16 Mar 2007	15 Mar 2011	6,893	366	7,194	931
Dave Fallows	16 Mar 2011	15 Mar 2015				
Katrina Farquhar	16 Mar 2011	15 Mar 2015				
Eleanor Mackintosh	16 Mar 2011	15 Mar 2015	7,194	20	7,194	722
Mary McCafferty	16 Mar 2011	15 Mar 2015	7,194	363	7,194	604
William McKenna	16 Mar 2011	15 Mar 2015	7,194		7,194	
Andrew Rafferty	16 Mar 2007	15 Mar 2011	6,893		7,194	
			170,927	26,398	186,274	22,517

* Includes childcare allowances.

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

Civil Service pensions

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

Employee contributions are set at 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th 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. No performance pay or bonuses were payable to the chief executive in 2010/11 or 2009/10 as she has voluntarily waived any entitlement to them.

	2010/11		2009/10	
	Remuneration £'000	Benefits in kind £	Remuneration £'000	Benefits in kind £
Jane Hope Chief Executive Salary	75-80	0	70-75	0

In addition to the above remuneration, the Park Authority made further payments in relation to the chief executive's employment for employer's pension and national insurance contributions of £25,000-£30,000 in 2010/11 and £20,000-£25,000 in 2009/10.

Pension entitlements

	Accrued pension at age 60 as at 31 Mar 2011 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV (a) at 31 Mar 2011 £'000	CETV (a) at 31 Mar 2010 £'000	Real increase in CETV (b) £'000
Jane Hope <i>Chief Executive</i>	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 0-2.5	399	358	13

(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.

The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31.3.10 and 31.3.11 have both been calculated using the new factors for consistency. The CETV at 31.3.10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

(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

24 June 2011

NATIONAL PARK BOARD MEMBERS

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

David Green	(Convener)	(a)	(F), (S&R)
Eric Baird	(Deputy Convener), stepped down 30 Sept 2010	(a)	
Peter Argyle		(b)	
Francis (Stuart) Black	stepped down 30 Sept 2010	(b)	
Geva Blackett	stepped down 15 Mar 2011	(c)	
Duncan Bryden	(Convener, Planning Committee)	(a)	
Angela Douglas	appointed 1 October 2010	(a)	(A)
Jaci Douglas		(b)	
Dave Fallows	elected 16 Mar 2011	(c)	
Katrina Farquhar	elected 16 Mar 2011	(c)	
Lucy Grant	stepped down 30 Sept 2010	(a)	
Drew Hendry	stepped down 30 Sept 2010	(b)	
Kate Howie	appointed 1 October 2010	(b)	(S&R)
Marcus Humphrey		(b)	(F)
Gregor Hutcheon	appointed 1 October 2010	(a)	(A)
Robert Kinnaird		(a)	(S&R)
Eleanor Mackintosh	re-elected 16 Mar 2011	(c)	(F)
Ian Mackintosh		(b)	(A)
Anne MacLean	stepped down 30 Sept 2010	(a)	
Alistair MacLennan	stepped down 30 Sept 2010	(a)	
Mary McCafferty	re-elected 16 Mar 2011	(c)	(F)
William McKenna	re-elected 16 Mar 2011	(c)	
Fiona Murdoch	stepped down 30 Sept 2010	(b)	
David Paterson	app. 1 Oct, stepped down 31 Oct 2010	(a)	
Andrew Rafferty	stepped down 15 Mar 2011	(c)	
Gordon Riddler	appointed 1 November 2010	(a)	(A)
Gregor Rimell		(b)	(F)
Richard Stroud	stepped down 30 Sept 2010	(b)	
Susan Walker	stepped down 30 Sept 2010	(a)	
Brian Wood	(Deputy Convener), appointed 1 October 2010	(a)	(A), (S&R)
Allan Wright	appointed 1 October 2010	(b)	

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

Committee membership (at present):

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

Membership of committees is reviewed annually.

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

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

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.

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.

Angela Douglas is a Chartered Forester operating her own freelance forestry and environmental business. She works with private, public and voluntary (including local community trust) bodies. Prior to this Angela was Director of the Woodland Trust Scotland for 12 years and previously worked in the private and public sectors. She has served on various public land management and industry advisory boards, local community groups and is a board member of a small private forestry company. She serves on the CNPA Audit Committee.

Jacqueline (Jaci) Douglas (Highland Council) was elected to Highland Council in May 2007 as an Independent councillor. Jaci moved to Grantown on Spey in 2003, having lived and worked abroad for a number of years. 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 Highland Council's Education, Culture and Sport, Housing and Social Work and Gaelic Committees. She is Children's Champion for Inverness, Nairn, Badenoch and Strathspey as well as Transitions Champion and Alcohol and Drugs Political Champion for the whole of the Highlands.

David Fallows was elected for ward 1 having previously served on the board as a Highland Council nominee. In his previous term as a Board Member, he has been 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

Katrina Farquhar was elected for ward 5, she lives in Deeside and has worked at a butcher's shop in Ballater for the past 25 years. She also delivers training courses in Health and Hygiene, Health and Safety throughout the park area.

Kate Howie (Perth and Kinross Council) was elected at a By- Election following the sudden death of her sister, Eleanor, who was a tireless figure for the inclusion of Blair Atholl and its environs in the Cairngorm National Park. Kate returned to Scotland in 2002 after a full career in the Army. She is Convenor of the Rural Forum and Vice Convenor of the Scots Language Centre and a Governor of Pitlochry Festival Theatre. She sits on the Staffing and Recruitment 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 Member of the Council's Infrastructure Services Committee. He is also Chair of the North East Scotland Preservation Trust

Gregor Hutcheon, a resident of Strathdon on the eastern fringes of the National Park, brings nearly 20 years of experience of the environmental, heritage and voluntary sectors. A graduate of Aberdeen University, he has recently returned to Aberdeenshire after a varied career championing the countryside and wider environment and its role in underpinning our quality of life. This included stints with the Campaign to Protect Rural England (CPRE) and the National Trust. He brings knowledge of rural business development, planning and land use.

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.

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.

Gordon Riddler grew up in an Aberdeenshire farming community and lives in Ballater. He is a graduate in Geology and Business Administration and a Chartered Engineer. His international career spans both the private and public sectors. His experience covers technology research and development as well as studies concerned with balancing natural resource supply with social, environmental and economic costs. He is a Board member of Ballater (RD) Ltd, a voluntary sector development trust and registered charity. He represents CNPA on the Inclusive Cairngorms working group and is a member of the CNPA Audit Committee.

Gregor Rimell, councillor, Badenoch and Strathspey. He lives at Newtonmore and has special interests in the role of the Park in the development of local communities and encouragement of young people's involvement. He is a member of the CNPA finance committee.

Brian Wood is currently Deputy Convener of the Cairngorms National Park Authority. He is a former secondary head teacher and has taught at George Heriot's School, Mackie Academy, Mearns Academy and Hazlehead Academy. He is a Justice of the Peace and Honorary Sheriff in Grampian Highland and Islands and chairs the Justices' Appraisal and Training Committees.

Cllr Allan Wright is deputy convener of the Moray Council. He was, for 35 years, an agricultural journalist with various newspapers and, for 13 years, with BBC. He was elected to Dumfries and Galloway Council in 1999 and served two terms before moving to Moray and being elected to council in 2007. For three years he chaired the Speyside Way management committee until that was disbanded in 2010. He joined the CNPA board last October.

STATEMENT OF NATIONAL PARK AUTHORITY'S RESPONSIBILITIES

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

STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

(Per FReM: http://www.hm-treasury.gov.uk/d/2010_11_frem_full_version.pdf 2 May 11, and Management Statement and Financial Memorandum, 8 September 2004)

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

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

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

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

STATEMENT ON INTERNAL CONTROL

For the period ended 31 March 2011

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. Those personal responsibilities are set out in the Management Statement for 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 Committees in place with remits to ensure the Authority's financial and wider resource 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, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. An element of my responsibility as Accountable Officer is to ensure the Authority's internal control systems comply with the requirements of the SPFM.

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 Scottish Ministers provided in the SPFM and has been in place for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

Risk and control framework

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

The Board recognises the importance of risk management in the activities of the organisation. The Board's Audit Committee and Senior Management Team are involved in leading on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk and seek 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 exists within key control processes, including quarterly organisational performance monitoring, project initiation, and project delivery documents.

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 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 delivered an annual internal audit review plan through the Audit Committee;
- Acted on a range of internal audit recommendations for further improvements in the internal control framework;
- Continued implementation of a co-ordinated framework within which stakeholders will, along with the Authority, deliver priority actions set out in the National Park Plan agreed by Scottish Ministers.
- Continued in partnership with Loch Lomond and the Trossachs National Park Authority to identify opportunities to create greater operational efficiencies, particularly within corporate service functions, including undertaking joint procurement of support services including Legal and internal audit services;
- Continued delivery of a Best Value action plan, including making use of reviews initiated by service complaints to identify any required improvements to services and controls, to deliver prioritised ongoing improvement in service delivery;
- Consideration of the outcomes of benchmarking exercises co-ordinated by Scottish Government and identification of areas for future improvement in efficiencies.

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 organisation who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- comments made by the external auditors in their management letter and other reports.

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

The internal audit function is an integral element of the Authority's internal control systems. Deloitte LLP were appointed as the Authority's internal auditors in 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 reviewed planning services, LEADER grant administration and funding claims, governance, pensions provision, planning enforcement services, and financial controls. A follow-up review has also been undertaken on action taken in implementing previous recommendations for improvements to controls.

Appropriate action is in place to address any weaknesses identified and to ensure 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 Director of Corporate Services is particularly involved in implementing a variety of internal control processes, 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 systems of internal control were in place within the Authority over the course of 2010/11.

Jane Hope
Chief Executive
24 June 2011

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 2011 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2010/11 Government Financial Reporting Manual (the 2010/11 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 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 Accountable Officer and auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities [set out on page 13], the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and receipts. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and receipts.

Scope of the audit of the financial statements

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

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the (insert relevant Act) and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at (insert date) and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2010/11 FReM; and
- have been prepared in accordance with the requirements of the (insert relevant Act) and directions made thereunder by the Scottish Ministers.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the (insert relevant Act) and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary (and [list other elements if appropriate]) included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Statement on Internal Control does not comply with Scottish Government guidance.

I have nothing to report in respect of these matters.

Signature

Date

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

**Statement of Comprehensive
Net Expenditure**

for the year ended 31 March 2011

	Note	2011 £	2010 £
Expenditure			
Board members and staff costs	2, 3	2,263,008	2,324,054
Operational Plan expenditure	2, 4	2,930,977	2,583,248
Other operating costs	2, 5	756,099	603,386
Depreciation	7	<u>79,165</u>	<u>62,311</u>
		<u>6,029,249</u>	<u>5,572,999</u>
Income			
Operational Plan income	2, 6	827,246	666,905
Other income	2, 6	<u>34,351</u>	<u>44,092</u>
		<u>861,597</u>	<u>710,997</u>
Net Expenditure		5,167,652	4,862,002
Interest receivable		0	0
		<u>5,167,652</u>	<u>4,862,002</u>
Net Expenditure after interest		<u>5,167,652</u>	<u>4,862,002</u>

No activities were discontinued during the year.

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

Statement Of Financial Position

as at 31 March 2011

	Note	2011 £	2010 £
Non-current assets			
Property, plant and equipment	7	<u>324,384</u>	<u>223,122</u>
Total non current assets		<u>324,384</u>	<u>223,122</u>
Current assets			
Trade and other receivables due within one year	9	276,696	370,037
Cash and cash equivalents	10	<u>548,629</u>	<u>38,641</u>
Total current assets		<u>825,325</u>	<u>408,678</u>
Total assets		<u>1,149,709</u>	<u>631,800</u>
Current liabilities			
Trade and other payables due within one year	11	<u>-620,082</u>	<u>-381,074</u>
Total current liabilities		<u>-620,082</u>	<u>-381,074</u>
Non current assets less net current assets		529,627	250,726
Non-current liabilities	12	<u>-89,553</u>	<u>0</u>
Total non current liabilities		<u>-89,553</u>	<u>0</u>
Assets less liabilities		<u>440,074</u>	<u>250,726</u>
Tax Payers' Equity	13	<u>440,074</u>	<u>250,726</u>
		<u>440,074</u>	<u>250,726</u>

Signed on behalf of the Cairngorms National Park Authority

Jane Hope
Chief Executive
24 June 2011

Authorised for issue
24 June 2011

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

Statement Of Cash Flows

for the year ended 31 March 2011

	2011	2010
Note	£	£
Cash flows from operating activities		
Net Expenditure after interest	-5,167,652	-4,862,002
Adjustments for non cash transactions		
Depreciation	79,165	62,311
Gain on disposal of fixed assets	0	0
Movements in working capital		
Decrease/ (Increase) in trade and other receivables	93,341	-99,197
Increase/ (Decrease) in trade and other payables	239,008	-20,478
Increase in non-current liabilities	89,553	0
	<u>-4,666,585</u>	<u>-4,919,366</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-180,427	-60,277
Proceeds from disposal of property, plant and equipment	0	0
	<u>-180,427</u>	<u>-60,277</u>
Cash flows from financing activities		
Grant funding	<u>5,357,000</u>	<u>4,805,000</u>
Net cash flow from financing	<u>5,357,000</u>	<u>4,805,000</u>
	<u>509,988</u>	<u>-174,643</u>
Net increase in cash and cash equivalents in the year	<u>509,988</u>	<u>-174,643</u>
Cash and cash equivalents at the beginning of the year	<u>38,641</u>	<u>213,284</u>
Cash and cash equivalents at the end of the year	10 <u>548,629</u>	<u>38,641</u>

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

Statement Of Changes In Taxpayers' Equity

for the year ended 31 March 2011

	Note	General Reserve £	Total Reserves £
Balance at 31 March 2009	13	307,728	307,728
Changes in Taxpayers' Equity 2009-10			
Net Expenditure after interest		-4,862,002	-4,862,002
Grant funding		4,805,000	4,805,000
Balance at 31 March 2010	13	<u>250,726</u>	<u>250,726</u>
Changes in Taxpayers' Equity 2010-11			
Net Expenditure after interest		-5,167,652	-5,167,652
Grant funding		5,357,000	5,357,000
Balance at 31 March 2011		<u>440,074</u>	<u>440,074</u>

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

NOTES TO THE ACCOUNTS

For the Year Ended 31 March 2011

I Statement of Accounting Policies

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

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

1.1 Accounting Convention

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

1.2 IFRS

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

1.3 Accounting Period

The accounting period commenced on 1 April 2010 and ended on 31 March 2011.

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

Recognition

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

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

Capitalisation

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

Valuation

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

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

Subsequent Cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Cairngorms National Park Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the 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 Change of Accounting Policy - Cost of Capital Charge

HM Treasury, under the Clear Line of Sight (Alignment Project) removed the cost of capital charge from budgets and accounts from 1st April 2010. The cost of capital charge is therefore no longer applicable. The removal of the cost of capital charge is a change in accounting policy under IAS 8. Applying paragraph 31 of IAS 1 and, noting that the removal of the cost of capital charge has no effect on the balance sheets, a specific disclosure is not required. The impact on the prior-year net expenditure account is to reduce the nominal net expenditure charged in 2009-10 by £12,365.

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 2011 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 2011 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.

CNPA

Notes to the Accounts

for the year ended 31 March 2011

2 Analysis of Net Expenditure by Segment

	Board Member & Staff costs	Operational Plan Expenditure	Other Operating Costs	Operational Plan Income	Other Income	Net Segmental Expenditure
2011 by segment	£	£	£	£	£	£
Planning & Communications	873,275	372,486	207,659		-34,351	1,419,069
Sustainable Business & Tourism	272,679	1,050,702	123,793	-622,429		824,745
Awareness & Understanding	299,833	400,354	123,229			823,416
Outdoor Access	296,138	387,479	120,259			803,876
Biodiversity, Landscape & Deer	239,286	279,457	73,661	-95,062		497,342
Affordable, Sustainable Housing	144,288	213,841	63,170			421,299
Land Management Support	137,509	226,658	44,328	-109,755		298,740
	2,263,008	2,930,977	756,099	-827,246	-34,351	5,088,487

	Board Member & Staff costs	Operational Plan Expenditure	Other Operating Costs	Operational Plan Income	Other Income	Net Segmental Expenditure
2010 by segment	£	£	£	£	£	£
Planning and Communications	648,331	188,435	107,303		-44,092	899,977
Sustainable Business & Tourism	383,478	757,150	115,280	-355,298		900,610
Awareness & Understanding	370,310	463,380	118,478	-26,014		926,154
Outdoor Access	290,356	324,508	89,883			704,747
Biodiversity, Landscape & Deer	243,199	298,228	61,590	-110,979		492,038
Affordable, Sustainable Housing	246,323	228,337	68,583			543,243
Land Management Support	142,057	323,210	42,269	-174,614		332,922
	2,324,054	2,583,248	603,386	-666,905	-44,092	4,799,691

CNPA

Notes to the Accounts

for the year ended 31 March 2011 (continued)

3 Board members and staff costs	2011	2010
	£	£
Summary		
Board members	177,382	193,276
Staff – Core	<u>2,085,626</u>	<u>2,130,778</u>
	<u>2,263,008</u>	<u>2,324,054</u>
Board members - see Remuneration report		
Fees	170,927	186,274
Social security costs	6,455	7,002
Pension costs	<u>0</u>	<u>0</u>
	<u>177,382</u>	<u>193,276</u>
Staff – Core		
Salaries	1,653,246	1,699,682
Social security costs	122,752	121,845
Pension costs	<u>309,628</u>	<u>309,251</u>
	<u>2,085,626</u>	<u>2,130,778</u>
Average numbers employed during period		
	No.	No.
Board members	21	23
Core employees (full time equivalents - FTE)	48	51

The Core employee number includes 0 staff members seconded to the Park Authority (0 FTE) and excludes 1 staff member seconded from the Park Authority (0.5 FTE). In 2010, 1 staff member was seconded to the Park Authority (0.5 FTE) and 1 staff member was seconded from the Park Authority (0.5 FTE).

Number of staff with salaries above £50,000 (including Chief Executive)	No.	No.
£75,001 - £80,000	1	-
£70,001 - £75,000	-	1
£65,001 - £70,000	-	-
£60,001 - £65,000	-	-
£55,001 - £60,000	-	1
£50,001 - £55,000	3	2

CNPA

Notes to the Accounts

for the year ended 31 March 2011 (continued)

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

Exit package cost band	Number of voluntary departures agreed	
	2011	2010
<£10,000	2	0
£10,000 -£25,000	2	0
£25,000 -£50,000	0	0
£50,000 - £100,000	0	0
£100,000 - £150,000	1	0
Total number of exit packages	<u>5</u>	<u>0</u>
Total cost of exit packages	<u>£151,935</u>	<u>0</u>

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

for the year ended 31 March 2011 (continued)

4 Operational Plan expenditure	2011	2010
	£	£
New LEADER programme	628,212	369,024
Outdoor Access projects	387,479	263,083
Local Plan Inquiry and development costs	186,873	197,508
Visitor Information	162,158	50,219
Ranger services	157,798	139,130
Planning Enforcement and Monitoring	150,601	68,765
Land Based Business Training	118,867	192,429
National Park Authorities' shared services work	103,788	213
Strengthen Business Organisations	97,378	91,470
New LEADER Administration costs	96,120	113,545
Publications	76,287	55,253
Species and Habitat Conservation	74,798	87,499
Website	52,627	30,698
Community Needs Programme (2009 Integrated Grants)	46,958	66,536
Land Management sustainability	46,933	59,519
	<u>2,386,877</u>	<u>1,784,892</u>
Other (not previously greater than £50,000)	544,100	798,356
	<u>2,930,977</u>	<u>2,583,248</u>

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

Staff - Project

Salaries	219,126	247,726
Social security costs	15,082	15,960
Pension costs (see note 13)	40,062	43,861
	<u>274,270</u>	<u>307,547</u>

The average number of full time equivalent Project staff employees in the year was 7 (in 2010 - 9).

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Notes to the Accounts

for the year ended 31 March 2011 (continued)

5 Other operating costs	2011	2010
	£	£
Office running costs	173,200	157,804
Board and staff costs (exc. salary costs)	173,001	197,550
Employee benefits and early departure costs	161,102	-1,826
Professional support fees	81,288	87,028
Land and buildings rentals	62,335	62,946
Information technology	49,430	45,269
Vehicles and office equipment rentals	44,843	43,215
Audit fees (external)	10,900	11,400
	<u>756,099</u>	<u>603,386</u>
6 Income	2011	2010
	£	£
Operational Plan income from EU sources	627,606	377,476
Operational Plan income from other sources	199,640	289,428
Planning fees and other income	34,351	44,093
	<u>861,597</u>	<u>710,997</u>

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Notes to the Accounts

for the year ended 31 March 2011 (continued)

7 Property, plant and equipment	Park Entry Markers £	Leasehold Improvement £	Information Technology £	Office Equipment £	Motor Vehicles £	Total £
Cost						
At 31 March 2010	56,882	280,326	286,076	114,407	0	737,691
Additions			139,065	18,767	22,595	180,427
Disposals						0
At 31 March 2011	56,882	280,326	425,141	133,174	22,595	918,118
Depreciation						
At 31 March 2010	-6,826	-193,925	-227,985	-85,833	0	-514,569
Charged in the year	-2,275	-24,340	-37,109	-11,299	-4,142	-79,165
Disposals						0
At 31 March 2011	-9,101	-218,265	-265,094	-97,132	-4,142	-593,734
Net book value						
At 31 March 2011	47,781	62,061	160,047	36,042	18,453	324,384
At 31 March 2010	50,056	86,401	58,091	28,573	0	223,122
Cost						
At 31 March 2009	56,882	280,326	229,919	110,287		677,414
Additions			56,157	4,120		60,277
Disposals						
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						
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

CNPA

Notes to the Accounts

for the year ended 31 March 2011 (continued)

8 Financial Instruments

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

9 Trade Receivables and other current assets	2011	2010
	£	£
Amounts falling due within one year:		
Project income debtors	209,031	339,741
Prepayments and accrued income	<u>67,665</u>	<u>30,296</u>
Total due within one year	<u>276,696</u>	<u>370,037</u>
Included within Trade Receivables are the following inter-government balances:		
European Government Funders	202,470	315,813
Local Authorities	0	0
Local Enterprise Companies	0	1,923
Other NDPB's	<u>17,518</u>	<u>16,439</u>
	<u>219,988</u>	<u>334,175</u>
10 Cash at bank and in hand	2011	2010
	£	£
Bank accounts	548,379	38,445
Cash imprest accounts	<u>250</u>	<u>196</u>
	<u>548,629</u>	<u>38,641</u>
11 Trade payables and other current liabilities	2011	2010
	£	£
Amounts falling due within one year:		
Trade payables	242,799	163,992
Project income received in advance	179,302	116,557
Accruals and deferred income (see note 12)	<u>197,981</u>	<u>100,526</u>
Total due within one year	<u>620,082</u>	<u>381,074</u>

CNPA

Notes to the Accounts

for the year ended 31 March 2011 (continued)

11 Trade payables and other current liabilities (continued)	2011	2010
	£	£
Included within Trade Payables are the following inter-government balances:		
Central Government Bodies	0	10,000
European Government Funders	70,000	70,000
Local Authorities	0	4,400
Local Enterprise Companies	0	2,003
Other NDPB's	59,302	44,554
	<u>129,302</u>	<u>130,957</u>
12 Non-current liabilities	2011	2010
	£	£
Early departure costs arising from the Park Authority's voluntary severance scheme (see note 3.1)	151,935	0
Costs arising within one year included in accruals and deferred income (see note 11)	62,382	0
	<u>89,553</u>	<u>0</u>
Early departure costs due after one year	<u>89,553</u>	<u>0</u>
13 Tax Payers' Equity	2011	2010
	£	£
Tax Payers' Equity at 31 March 2010	250,726	307,728
Net Expenditure after interest	-5,167,652	-4,862,002
Grant in aid received	5,176,573	4,744,723
Recognised Net Income/ -Expenditure for the year	<u>8,921</u>	<u>-117,279</u>
Grant applied to capital expenditure	180,427	60,277
	<u>180,427</u>	<u>60,277</u>
Tax Payers' Equity at 31 March 2011	<u>440,074</u>	<u>250,726</u>

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Notes to the Accounts

for the year ended 31 March 2011 (continued)

14 Pensions

The Park Authority is a member of the Principal Civil Service Pension Scheme (PCSPS) which is an un-funded multi-employer defined benefit scheme. The Park Authority is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out as at 31 March 2007 details of which can be found in the Resource Accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2010/11 employer's contributions of £303,807 (2009/10 £347,205) were payable to the PCSPS. The contributions were payable at one of four rates ranging from 16.7% to 24.3% of pensionable pay, based on salary bands.

All employees have the opportunity to join the scheme. In addition, the Park Authority paid employer pension contributions of £5,821 (2009/10 £5,907) to other pension providers and we were also invoiced for employer pension contributions of seconded staff working for the Park Authority.

15 Capital commitments	2011	2010
	£	£
Contracted capital commitments at 31 March 2011 not otherwise included in these financial statements		
Property, plant and equipment	<u>0</u>	<u>24,000</u>

16 Commitments under leases

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

	Land & buildings		Motor vehicles & office equipment	
	2011	2010	2011	2010
	£	£	£	£
Obligations under operating leases comprise:				
Not later than one year	54,500	61,745	25,088	17,858
Later than one year & less than five years	62,208	134,217	22,907	20,595
Later than five years	0	0	0	0
	<u>116,708</u>	<u>195,962</u>	<u>47,995</u>	<u>38,453</u>

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

CNPA

Notes to the Accounts

for the year ended 31 March 2011 (continued)

17 Contingent liabilities

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

18 Related party transactions

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

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

19 Losses and Special Payments

There were no losses or special payments in the year to 31 March 2011, nor in the year to 31 March 2010.



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 (FReM) 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. Hooper. Head of Countryside and
Natural Heritage Division*

Dated 12 January 2006

Appendix I

Members' attendance at meetings

Board Member	Planning Committee		Board Meetings	
	Total meetings 13	Attended: %*	Total meetings 5	Attended: %*
Peter Argyle	13	100	4	80
Eric Baird	7	100	3	100
Stuart Black	7	100	3	100
Geva Blackett	12	92	3	60
Duncan Bryden	13	100	5	100
Jaci Douglas	11	85	4	80
Dave Fallows	6	86	3	100
Katrina Farquhar	0	n/a	0	n/a
Lucy Grant	6	86	3	100
David Green (Convener)	9	69	5	100
Drew Hendry	5	71	3	100
Marcus Humphrey	9	69	4	80
Bob Kinnaird	10	77	4	80
Eleanor Mackintosh	13	100	5	100
Ian Mackintosh	11	85	5	100
Anne Maclean	7	100	2	67
Alastair MacLennan	4	57	3	100
Mary McCafferty	13	100	5	100
Willie McKenna	12	92	3	60
Fiona Murdoch	3	43	0	0
Andrew Rafferty	10	77	4	80
Grigor Rimell	10	77	4	80
Richard Stroud	6	86	3	100
Susan Walker	5	71	3	100
Angela Douglas	5	83	2	100
Kate Howie	3	50	2	100
Gregor Hutcheon	6	100	2	100
David Paterson	1	100	1	100
Gordon Riddler	5	100	2	100
Brian Wood	6	100	1	50
Allan Wright	5	83	1	50

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