

---

<b>Content</b>	<b>Page</b>
1. Performance Report	2
1.1 Overview	2
1.2 Performance Analysis	4
2. Accountability Report	10
2.1 Corporate Governance Report	10
2.1.1. Directors' Report	10
2.1.2. Statement of Accountable Officer's Responsibilities	12
2.1.3. Governance Statement	13
2.2 Remuneration and Staff Report	16
2.2.1 Remuneration Report	16
2.2.2 Staff Report	19
2.3 Parliamentary Accountability Report	21
2.4 Independent Auditor's Report	23
3. Annual Accounts	
3.1 Statement of Comprehensive Net Expenditure	26
3.2 Statement of Financial Position	27
3.3 Statement of Cash Flows	28
3.4 Statement of Changes in Taxpayers' Equity	29
3.5 Notes to the Accounts	30
Appendix 1 Accounts Direction	49

# 1. PERFORMANCE REPORT

## 1.1. OVERVIEW

Loch Lomond & The Trossachs National Park Authority (“the Authority”) presents this Statement of Accounts for the year from 1 April 2016 to 31 March 2017 in a format directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000. A copy of the Accounts Direction is reproduced at page 49.

The accounts of the Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000. The auditor appointed for 2016/17 is Grant Thornton UK LLP and this is the first year of a five year appointment. The Independent Auditor’s Report is on page 23 and details of the auditors’ remuneration are given in Note 8.

The accounts have been prepared on a going concern basis as the Board and Accountable Officer believe that future liabilities will be met from a combination of cash budget allocation from the Scottish Government, future grants from partner agencies, and income from chargeable activities.

### **Statement of Purpose and Activities**

Loch Lomond & The Trossachs National Park was created in July 2002 under the National Parks (Scotland) Act 2000 to safeguard an area of outstanding and diverse landscapes, habitats and communities, parts of which were coming under severe visitor and recreational pressures. This Act also created a non-departmental public body, the Authority, to ensure the National Park aims are achieved in a coordinated way.

The National Parks (Scotland) Act 2000 sets out four National Park aims to:

- Conserve and enhance the natural and cultural heritage of the area.
- Promote sustainable use of the natural resources of the area.
- Promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public.
- Promote sustainable social and economic development of the area’s communities.

### **Chief Executive’s Statement on Performance**

Good progress has been made to deliver against our 2016/17 Annual Operational Plan objectives. As part of the formulation of the Annual Operational Plan we revised our performance reporting mechanism to report against “measurements of success” rather than objectives. Of the 111 measurements of success 85 were completed during the year, 15 were behind schedule and 11 were cancelled.

Four significant projects were driven forward during the year:

- Our Local Development Plan, LIVE Park, was formally adopted and is already encouraging quality development proposals across the National Park.
- One of the biggest projects in the Authority’s history, Your Park, reached a significant milestone with new camping management byelaws coming into effect on 1 March 2017. Extensive preparations took place to ensure a wide range of camping opportunities were available including the development of a campsite at Loch Chon in partnership with Forest Enterprise.
- Following a tender process, and working in partnership with Scottish Enterprise, we have secured a tenant for the former Gateway Centre at Loch Lomond Shores. The Shore Loch Lomond is expected to open in 2017 and will offer a wedding venue, restaurant and spa.
- The draft National Park Partnership Plan 2018-2023 was approved by the Board in March 2017 before going out to consultation. The new Plan seeks to build on the achievements of the current plan and investments to date by finding ways to broaden the benefits the National Park can offer to a wider range of people across the country.

## **Key Issues and Risks**

A strategic risk register is in place, overseen by the Executive Team and Audit Committee and approved by the Board, to manage any risks in the delivery of the Authority's Corporate Plan and National Park Partnership Plan objectives. Using categorisations of impact and likelihood, risks have been categorised as "high" which include:

- Organisation resilience, if operational and project plans do not recognise and reflect the impact of reducing resources.
- Meeting expectations in relation to operational delivery of the Your Park project including maintenance of partner engagement and delivery of the Camping Development Strategy.
- Non-delivery of high profile projects in line with project plans.
- Non-achievement of Scottish Government policy aspirations and expectations.
- Non-achievement of increased income / reduced costs thereby limiting capacity to deliver the aims of the Authority.
- Changes and uncertainty in the Scottish, UK and European political landscape.

All of these risks have an action plan in place to transfer, tolerate, treat and/or terminate the risk as appropriate.

## **Performance Summary**

The budget for the year and the Annual Operational Plan set out the detailed resource plans for the Authority, showing the allocation of financial and staff resources against the key priority areas. This includes the specific projects which will be delivered on an annual basis. The budget is prepared based on the Scottish Government's budget allocation to the Authority and also takes account of additional income anticipated throughout the year, for example funding from other public bodies for joint projects and commercial income sources.

The annual budget and operational plans are guided by The National Park Partnership Plan (NPPP) and the Corporate Plan for the five years from 2012-2017. The NPPP sets out the strategy for the National Park and provides guidance and focus for our partners operating within the National Park and outlines the significant outcomes which can be achieved for the National Park area through the collaboration of the public, private and voluntary sectors as well as communities and local businesses. The Corporate Plan describes the objectives which the Authority aims to achieve in order to deliver the broader National Park outcomes.

The Strategy Group meets quarterly to ensure that there is effective corporate planning within the Authority, to provide guidance on emerging issues and strategic development, to oversee the design and implementation of significant change and to advise the Board of strategic risk. The Delivery Group monitors performance against budget and operational plans on a quarterly basis.

The annual NPPP update on progress against key priorities forms part of the Annual Report and the latter is presented along with these accounts. The Annual Report highlights the progress and key achievements in delivery against the Corporate Plan and the NPPP. The Authority has enjoyed another successful year despite the challenging economic situation and has delivered considerable outputs directly and through extensive partnership working with a wide range of public, private and non-governmental organisations, and local communities.

2016/17 has seen a focus on partnership working to deliver 'better for less' with other public sector partners such as Local Authorities and other organisations within the Rural Affairs, Food & The Environment (RAFE) portfolio within Government.

The organisational structure delivers against the key operational themes of Conservation, Visitor Experience and Rural Development, supported by enabling service areas, all of which align closely with the Government's strategic objectives of: Wealthier and Fairer, Healthier, Safer & Stronger, Smarter, and Greener Scotland.

During 2017/18 we will continue our commitments to the Mountains & The People, Your Park and Gateway projects as well as moving into the delivery phase of the Callander Landscape Partnership.

## **1.2. PERFORMANCE ANALYSIS**

### **Performance Measurement**

The Authority sets its delivery targets on an annual basis by reference to the strategy outlined in the NPPP and Corporate Plan. These targets align with the National Outcome Targets set by the Scottish Government National Performance Framework for all public agencies.

The delivery targets for 2016/17 were expressed in an annual budget and operational plan and performance against these targets was monitored by the Executive Team and reported to the Delivery Group quarterly.

The performance reporting provided to the Delivery Group includes summaries of high risk projects, progress reports on all operational plan targets, financial performance reporting and a statutory compliance report. This reporting includes a status update and risk rating for each delivery target. Details of the achievements under each of the Authority's three areas of activities and Scottish Government Strategic Outcomes are highlighted in the Annual Report published at the same time as these accounts.

### **Detailed Analysis**

#### Financial Budget Performance

The results for the year to 31 March 2017 are set out on pages 26 to 48.

The Authority receives a budget from the Scottish Government (known as Departmental Expenditure Limit or DEL) to cover the cash costs of capital and operating expenditure, net of other income sources and funding from partner agencies to jointly fund projects. Key contributions during the year were £372k from Sustrans to directly fund accessible recreation and the development of paths across the National Park and £185k from Scottish Enterprise towards the capital upgrade of the Gateway building, £168k of which relates to expenditure to be incurred early in 2017/18.

The DEL cash allocation for 2016/17 was £7.365m, which was split as £6.27m for operational cash costs and £1.095m for capital cash costs.

The non-cash budget allocated was £2.1m: £0.6m for DEL to cover our depreciation charge for the year and £1.5m for Annually Managed Expenditure (AME) to cover pension provisions and impairments during the year.

The Authority is expected to manage its budget in accordance with its Financial Memorandum and the Scottish Public Finance Manual and to deliver an outturn for the year within the Scottish Government budget limits.

The table below shows how the budgets available to the Authority have been utilised during the year and how the results have been reported, in accordance with the relevant reporting guidelines, to our sponsoring department of Scottish Government, The Scottish Government Rural Directorate.

	<b>Outturn</b> (£000)	<b>Budget</b> (£000)	<b>Under / (Over)Spend</b> (£000)
Net expenditure per accounts	7,524		
Adjustments for budget purposes:			
- Depreciation and amortisation	(490)		
- Pension adjustments (non-cash)	(247)		
- Capital grants (net of associated grant income)	(178)		
- Capital expenditure on others land	(202)		
- Impairment of assets	(268)		
- Profit on disposal of asset	7		
<b>Operating Cash Costs</b>	<b>6,146</b>	<b>6,270</b>	<b>124</b>
Operating non-cash costs – depreciation and amortisation	490	600	110
<b>Resource DEL costs</b>	<b>6,636</b>	<b>6,870</b>	<b>234</b>
Capital additions per accounts	770		
Investments	20		
Adjustments for budget purposes:			
- Capital grants (net of associated grant income)	178		
- Capital income taken to general reserve	(47)		
- Capital expenditure on others land	202		
- Net book value of asset disposals	(4)		
- Profit on disposal of asset	(7)		
<b>Capital DEL</b>	<b>1,112</b>	<b>1,095</b>	<b>(17)</b>
<b>DEL Budget</b>	<b>7,748</b>	<b>7,965</b>	<b>217</b>
Asset impairments	268	1,000	732
Pension liability	244	500	256
<b>AME Budget</b>	<b>512</b>	<b>1,500</b>	<b>988</b>

Capital asset additions of £770k during the year included investment in the following:

- Loch Chon Campsite (external costs) £241k
- Loch Chon Campsite (staff costs) £69k
- Gateway Centre building £140k
- Vehicle replacements £132k
- Your Park development of future sites £95k
- IT replacements £64k
- Other £29k

In addition, the Authority invested £20k in National Park Partnerships LLP, a partnership established to enable the UK National Parks to pursue and enter into commercial arrangements. For further details refer to Note 12. There was an impairment of £20k in relation to this investment.

In line with accounting policies, detailed on page 30, a professional valuation was carried out on the initial recognition of the Loch Chon Campsite and an interim valuation was carried out on all land and buildings as at 31 March 2017. This has resulted in a net increase in land and buildings valuations of £936k analysed as:

- Net impairment charges of £350k in relation to Loch Chon Campsite (£143k), Carrochan Headquarters Balloch (£150k) and Loch Venacher Car Parks (£57k)
- Net reversal of impairments of £102k on previously impaired assets (Loch Lubnaig £38k and Drumkinnon Bay Pontoon £64k)
- Net revaluation increase of £1,184k

The Revaluation Reserve has increased by £1,005k in relation to the increase in valuations offset by the annual depreciation charge transfer from General Reserves. The Donated Asset Reserve increased by £1.5k.

### Supplier Payment Performance

The Authority observes the Better Payment Practice Code and seeks to pay suppliers within 10 days of receipt of a valid invoice in accordance with Scottish Government targets set for measurement from December 2008. During the year ended 31 March 2017, the Authority paid 81% (2015/16 – 80%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 97% (2015/16 – 98%) against this target. The Authority will continue to work towards maintaining and improving this strong payment performance.

### Staff Engagement

We carry out employee engagement surveys biennially and the next one takes place in September 2017. Although we have not undertaken a survey in 2016/17, staff engagement remains high on our agenda and we continue to focus on making this a great place to work in order to attract and retain the best in people for our roles.

### Sustainable Development

The Authority is engaging with the actions and new reporting duties linked to the Climate Change (Scotland) Act 2009 and the mandatory Public Bodies Climate Change Duties Reporting was completed and submitted to the Scottish Government in November 2016. The report covered the following areas: Governance, Management and Strategy; Emissions, Targets and Project; Adaptation; Procurement and Wider Influence; and Other Notable Activities. The report can be accessed [here](#).

The duties require us to monitor CO<sub>2</sub> levels generated by our buildings and vehicles. During the year, following a trial of a fully electric car, we acquired two electric vehicles and invested in LED lighting to replace older, less energy efficient lighting in our headquarters building.

The Climate Change Group carried out a workshop during the year to develop a draft Climate Change Action Plan which will help us identify our achievements to date as well as future aspirations, tasks and opportunities. The aim is for the draft Climate Change Action Plan to be adopted during 2017/18 and to be aligned with the Public Bodies Climate Change Duties Reporting allowing more efficient reporting.

Carbon audit surveys and reports have been completed on three of our buildings during the year (Headquarters, Balmaha Visitor Centre and the Duncan Mills Memorial Slipway). This work was carried out by students from Strathclyde University in association with The Carbon Trust. The reports identify proposed carbon saving improvements to our processes, facilities and behaviours and actions identified have been included in our draft Climate Change Action Plan.

### Complaints and Information Request Performance

The Authority complies with the Complaints Handling Procedure (CHP) as defined by the Scottish Public Services Ombudsman (SPSO). The majority of complaints are resolved at the initial stage of the procedure (frontline complaints) and these have a target response time of five working days. Some complaints are immediately escalated to the second stage of the CHP and handled as investigations, with a 20 working day response time, because they are more complex in nature and cannot reasonably be answered within five days. Complaints performance is reported quarterly to the Executive Team and the Delivery Group.

The table below shows a breakdown of the number of complaints and information requests received. We achieved 93% compliance with response time limits for complaints during 2016/17 (2015/16 – 96%) and 98% compliance in responding to requests and reviews within statutory deadlines in 2016/17 (2015/16 – 100%).

	<b>Number received 2016/17</b>	<b>Responded to within time limit 2016/17</b>	<b>Number received 2015/16</b>	<b>Responded to within time limit 2015/16</b>
Frontline complaints	160	147	57	55
Investigation complaints	36	35	37	35
<b>Total complaints</b>	<b>196</b>	<b>182</b>	<b>94</b>	<b>90</b>
Data Protection Subject Access Requests	2	1	2	2
Environmental Information Requests / Freedom of Information Requests	116	116	82	82
Environmental Information Requests / Freedom of Information Requests Reviews	9	8	7	7
<b>Total requests and reviews</b>	<b>127</b>	<b>125</b>	<b>91</b>	<b>91</b>
<b>Total complaints, requests and reviews</b>	<b>323</b>	<b>307</b>	<b>185</b>	<b>181</b>

There has been a noticeable increase in the number of complaints during the year and of the 196 complaints received, 40 did not relate to responsibilities of the Authority (2015/16 – 24). Litter and toilet issues were the most common subject of frontline complaints, together with complaints related to the introduction of the new byelaws and camping management zones, and the closure of the slipway at Milarrochy Bay.

Information requests were received from 34 different requesters during 2016/17. One requester sent in 45 requests (39% of the total received) and a second requester sent in 16 requests (14% of the total received). In total, 53% of all requests received, were sent from only two individuals. The same two individuals sent in 6 information request reviews (67% of the total) and 11 complaints during the year (6% of the total). In 2015/16 information requests were received from 44 different requesters. One requester sent in 24 of the requests (29% of the total received), 7 information review requests (100% of the total) and 4 complaints (4% of the total).

### Community Engagement

The Authority actively engages with local communities on issues that are important to them and to the places they live and work. Throughout the year engagement took place through a series of initiatives with partners including Community Development Trusts, Community Councils and other local and specialist interest groups. This includes the Authority being represented at Board level on various groups such as Loch Lomond & The Trossachs Countryside Trust and Loch Lomond & The Trossachs Community Partnership.

The Authority provides core funding to the Loch Lomond & The Trossachs Community Partnership which supports community organisations in the National Park. During 2016/17 work included delivery of:

- New Community Action Plans for Callander and Strathard communities.
- Direct support, advice and training to Community Development Trusts.
- Networking between communities (and agencies where appropriate) through quarterly Area Network meetings, regular newsletters and annual Community Gathering.

The Community Empowerment (Scotland) Bill was enacted in 2015 with different parts of the Act coming into force during 2016 and early 2017. The Authority has set up internal arrangements and external information on our website to ensure the requirements are met. This has focused on how we handle Asset Transfers, Participation Requests and engage with our Community Planning Partnerships.

#### Partnership Working

The Authority has continued to be proactive in developing partnership working and new arrangements during the year were the sharing of Health & Safety resource between the Authority and SEPA and the provision of Internal Audit Services and Property Repair Services by West Dunbartonshire Council. We continue to work in collaboration with Cairngorms National Park Authority in relation to a number of back office and procured services and systems and in sharing and learning from good practice in policy and initiatives development. Other partnership arrangements are being developed including discussions around the running of car parks within the National Park. In addition, the Authority and the other 14 UK National Park Authorities have established National Park Partnerships LLP, which allows the UK National Parks to pursue and enter into joint commercial arrangements. For further details refer to Note 12.

#### Health & Safety Performance

The Authority continues to ensure a proactive Health & Safety culture within the organisation and the Health & Safety Committee met regularly throughout the year.

Key achievements during 2016/17 include:

- SEPA Health & Safety Advisers providing 'competent person' advice as part of a joint working initiative covering maternity leave, together with the appointment of a Health & Safety Intern working across both organisations to support this.
- An audit of Health & Safety procedures by Internal Audit.
- Additional Health & Safety e-learning modules rolled out to staff.
- First Aid contact number introduced for Headquarters.
- Policy developments reflecting changes in legislation and good practice.
- Health & Safety workshops attended by Managers.
- Areas identified as higher risk audited internally, in accordance with Health & Safety procedures.

These achievements continue to ensure a safe working environment for all employees and have increased employee and manager awareness of Health & Safety obligations and therefore there has been an increase in safe working practices resulting in an overall reduction in accident, incident and near miss statistics.

There was one RIDDOR reportable accident where a member of staff sustained minor injuries as a result of a fall and was subsequently incapacitated for over a 7 day period (which meets the criteria under Regulation 4 reportable criteria of RIDDOR 2013).

Details accident, incident and near miss statistics are shown below.



<b>Accident / Incident / Near Miss</b>	<b>Total 2016/17</b>	<b>RIDDOR Reportable 2016/17</b>	<b>Total 2015/16</b>	<b>RIDDOR Reportable 2015/16</b>
Near Misses	5	-	8	-
Injury/Accidents	9	1	21	-
Incidents	11	-	5	-
<b>Total</b>	<b>25</b>	<b>1</b>	<b>34</b>	<b>-</b>

### **Post Balance Sheet Events**

There have been no events to report since the balance sheet date.

Signed on behalf of Loch Lomond & The Trossachs National Park Authority

**Gordon Watson**  
**Chief Executive and Accountable Officer**  
**[XX] September 2017**

## **ACCOUNTABILITY REPORT**

### **2.1 CORPORATE GOVERNANCE REPORT**

#### **2.1.1 DIRECTORS' REPORT**

##### **Board Members and Executive Management Team**

Board Members are listed on page 11.

The executive management of the Authority was undertaken by the Executive Team comprising:

- Chief Executive – Gordon Watson
- Director of Conservation & Visitor Operations – Simon Jones
- Director of Corporate Services – Jaki Carnegie
- Director of Estates & Commercial Development – Markus Kroner (until 31 March 2017)
- Head of Communications – Anna MacLean
- Head of Rural Development & Planning – Stuart Mearns.

##### **Notification of Interests**

The Authority has detailed policies in place governing situations where personal or business interests may arise in the activities and decisions of the organisation. In such situations, Board Members and staff are required to disclose the nature of the interest and, if appropriate, exclude themselves from any part of the discussion or decisions relating to that matter. Registers of Interest are held for the Executive Team and Board Members. Board Members' interests are a matter of public record and are published on the Authority's website.

##### **Information & Data Security**

The Authority has had no instances of loss of data or personal information over the course of the year (2015/16 – nil). However, during the year a fraud was attempted against the Authority by a hacker infecting a PC with malware. The fraud was unsuccessful and there was no loss to the Authority. An investigation was carried out by Internal Audit at the Authority's request and all controls observations have been reviewed and reported to the Audit Committee. The Governance Statement included in these Annual Accounts sets out more information on the Authority's range of internal controls and the review mechanisms to ensure data security.

##### **Whistleblowing Policy**

In May 2016, the Authority received a communication under the organisation's whistleblowing policy. The complaint was investigated fully in line with the policy and there was no impact on any financial transactions. The complaint was fully resolved in July 2017.

##### **National Park Authority Members 2016/17**

Loch Lomond & The Trossachs National Park Authority's Board comprised up to 17 Members in the year. Five Members are elected locally, the Scottish Government appoints six Members directly and appoints a further six following nominations by the four Councils in the Park area (Argyll & Bute, West Dunbartonshire, Stirling, and Perth & Kinross). The Members serve between four and five years. The Members' periods of office and attendance at Board and Committee meetings is noted below. The membership of all committees/groups is kept under review and amendments made as required.

Full details of the Members are listed on our [website](#).

Following the Local Authority Elections in May 2017 it is anticipated that all six Members nominated by the Councils in the National Park area will change. These Members retain their position on the Board until 30 September 2017 so that new nominations for Members can be appointed by Scottish Government.

Linda McKay completed her second term on the Authority's Board on 28 February 2017 therefore there is a vacancy at present awaiting the appointment of a replacement by Scottish Ministers. James Stuart was elected as Convener by the Board in December 2016, to replace Linda McKay, with his term as Convener commencing on 1 March 2017.

Configuration of Board					Statutory committee attendance		
Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board attendance	Planning & Access Committee attendance	Audit Committee attendance
David McCowan	(a)	03/07/2014	03/07/2018	A, PI	4/4	8/8	4/4
David McKenzie	(a)	03/07/2014	03/07/2018	A, PI	3/4	5/8	3/4
Willie Nisbet	(a)	03/07/2014	03/07/2018	D, PI, S, R	4/4	6/8	-*
Billy Ronald	(a)	29/10/2015	03/07/2018	PI	4/4	5/8	-*
David Warnock	(a)	03/07/2014	03/07/2018	D, PI	3/4	8/8	-*
Angus Allan	(b)	01/10/2014	30/09/2018	PI	4/4	5/8	-*
Colin Bayes	(b)	01/10/2014	30/09/2018	D, PI, S, R	4/4	7/8	-*
Petra Biberbach	(b)	01/10/2014	30/09/2018	PI, S, R	4/4	6/8	-*
Linda McKay	(b)	01/10/2014	28/02/2017	S, R	3/3	-*	-*
Lindsay Morrison	(b)	01/10/2014	30/09/2018	A, S, R	4/4	-*	3/4
James Stuart	(b)	01/02/2015	29/02/2020	D, A	4/4	-*	3/4
Martin Earl	(c)	01/10/2012	30/09/2017	D	4/4	-*	-*
Bob Ellis	(c)	01/10/2012	30/09/2017	D	4/4	-*	-*
George Freeman	(c)	01/10/2012	30/09/2017	PI	4/4	6/8	-*
James Robb	(c)	01/10/2012	30/09/2017	D	3/4	-*	-*
Hazel Sorrell	(c)	01/10/2012	30/09/2017	A, PI	2/4	5/8	0/4
Fergus Wood	(c)	01/10/2012	30/09/2017	PI	4/4	8/8	-*

\* Attendance is not applicable as Board member is not a member of the specified Committee

**Nature of appointment:** (a) Locally elected / (b) Appointed by Scottish Government / (c) Local Authority nominee

**Committee/Group membership:**

- (A) Audit Committee
- (D) Delivery Group
- (PI) Planning and Access Committee
- (R) Remuneration Committee
- (S) Strategy Group

**Board and Committee attendance is stated as:**

Number of meetings attended ÷ Total Number of meetings held whilst being member of Board/Committee

## 2.1.2 STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Section 25(1) of the National Parks (Scotland) Act 2000, Loch Lomond & The Trossachs National Park Authority ("the Authority") is required to prepare financial statements for each financial year in the form and on the basis determined by the Scottish Minister, with the consent of the Treasury.

The financial statements are prepared on an accruals basis and must show a true and fair view of the state of the affairs as at the end of the financial year and of the income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

The Authority's Management Statement and Financial Memorandum, sets out the roles and responsibilities of Scottish Ministers, the sponsoring team in the department, the Board, the Convener and the Chief Executive as Accountable Officer. It includes the following:

### **The Board**

Board Members have corporate responsibility for ensuring that the Authority complies with any statutory or administrative requirements for the use of public funds and the aims and objectives set by Scottish Ministers.

### **The Convener**

The Convener of the Authority is personally responsible to the Scottish Ministers for ensuring that the Authority's policies are compatible with those of the Scottish Ministers and that there is probity in the conduct of the Authority's affairs.

### **The Accountable Officer / Chief Executive**

In accordance with section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Permanent Secretary as the Principal Accountable Officer for the Scottish Administration, has designated me, as Chief Executive of Loch Lomond & The Trossachs National Park Authority, Accountable Officer for the Authority.

My responsibilities as Accountable Officer for the Authority, including responsibility for propriety and regularity of the finances and for keeping proper records are set out in my Memorandum of Accountable Officer responsibilities issued by the Principal Accountable Officer on my appointment. This includes requirement to comply with the guidance set out in the Scottish Public Finance Manual.

In preparing those financial statements, I am required to:

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

In addition, I have a general responsibility for taking such steps as are reasonably open to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities.

### **Disclosure**

As Accountable Officer, as far as I am aware there is no relevant audit information of which the Authority's

auditors are unaware and 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 Authority's auditors are aware of the information.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

### **2.1.3 GOVERNANCE STATEMENT**

#### **Governance Framework**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Loch Lomond & The Trossachs 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 Loch Lomond & The Trossachs 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 Committees in place to manage strategy, delivery and for audit, each of which has remits to ensure elements of the Authority's corporate governance, financial management, and internal control systems, including risk management systems, are in place and function effectively.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

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

The Board and Committees met on the following basis during the year:

- The full Board held four formal meetings which were open to the public. These meetings were supplemented by a number of business sessions to deliver training to Board members and to brief members on matters of policy and organisational development.
- The Delivery Group met four times to conduct a detailed review of performance against Annual Operational Plan targets and budget and to consider the Annual Operational Plan and budget for the following year.
- The Audit Committee met four times to review the work of Internal and External Auditors.
- The Strategy Group met six times to consider guidance on emerging issues, development of appropriate policies and strategies of the organisation.
- The Remuneration Committee met twice in the year to consider Scottish Government Pay Policy as it affects the CEO and Board members.

Full papers are issued in advance of these meetings to allow members to fully consider the matters for discussion.

Recommendations from independent Internal and External Auditors form 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 overseeing the development of internal audit plans, reviewing the scope,

efficiency and effectiveness of the work of Internal Audit, confirming the adequacy of internal control systems, promoting best practice 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 remit of the Audit Committee also includes receiving reports and advising the Board of any fraud, bribery or corruption, successful or attempted. Over the course of the year a fraud was attempted against the Authority by a hacker infecting a PC with malware. The fraud was unsuccessful and there was no loss to the Authority. An investigation was carried out by Internal Audit at the Authority's request and all controls observations have been reviewed and reported to the Audit Committee.

The Internal Audit function is an integral element of the Authority's internal control systems. The Authority entered into a Memorandum of Understanding with West Dunbartonshire Council for the provision of Internal Audit Services.

Over the course of the year to 31 March 2017, the Internal Auditors have reported to the Audit Committee on their independent reviews on Absence Management, ICT Healthcheck, Business Continuity/Disaster Recovery, Health and Safety, and Controls Risk Self-Assessment. An internal audit on Employee Licences/Vehicle Checks was undertaken in March 2017 and was reported to the June 2017 Audit Committee. As advised above, Internal Audit also completed a review of the attempted fraud arising from hacking.

In addition, the External Auditors have reviewed key controls around areas of significant audit risk, and have furthermore completed a review of the Internal Auditor's reports, to form a view on the effectiveness of control arrangements and support their audit opinion on the financial statements. Recommendations made as part of this process have been taken on board and actions taken where appropriate.

The Scottish Government appoints the Authority's External Auditor. In 2016/17 Grant Thornton UK LLP replaced Audit Scotland as the Authority's External Auditor for a 5 year term until 2020/21.

### **Risk Management**

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

The Board recognises the importance of risk management in the activities of the organisation. The Board has provided leadership on the importance of risk management at the highest level within 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 also participated in a Risk Workshop in June 2016.

The Audit Committee and Executive Team lead 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. The Delivery Group oversees the progress of high risk projects at their quarterly meetings.

The Executive prepare a Corporate Risk Register annually, which is considered by the Audit Committee and approved by the Board. In the event of any risk being increased to a "high" status, this is escalated to the Committee at the earliest opportunity.

The Authority has also adopted a risk based approach to the management and monitoring of its Operational and Corporate Plan delivery, and key aspects of organisational performance. Any increased risk to achievement of targets is assessed, reported to the Executive Team, and, where required, remedial action determined and implemented. Risk management is also a core element of project appraisal and approval processes.

### **Data Security**

Measures are in place to ensure that information is managed in accordance with relevant legislation. The Authority's policy is to maintain the highest level possible of data security in its operations. During the year the Authority maintained its systems including:

- Maintenance of Cisco ASA 5500 Adaptive Security appliance (Firewall).
- Off site data back up by Commvault.
- Password protected laptops and desktop computers.
- Designated remote access routes through Cisco VPN.

### **Conclusion**

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

- The Executive Managers within the organisation who have responsibility for the development and maintenance of the internal control framework, feedback from whom is obtained through regular meetings of the Executive team, Project Board meetings and discussed, as appropriate, at Operational Managers meetings.
- The work of the Internal Auditors, who submit regular reports to the organisation's Audit Committee which include independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement.
- Comments made by the External Auditors in their management letter and other reports.

I have been advised on the implications of the result of my review by both the Board and its Audit Committee and a plan is in place to address recommendations made and ensure continuous improvement of the systems.

The Internal Auditors review concluded that: the assurance framework in place is founded on a systematic risk management process and provides overall assurance to the Board; and that the assurance framework reflects the organisation's key objectives and risks.

The Internal Auditor's annual report for 2016/17 states that based on the work undertaken over the course of the year, very effective arrangements are in place in relation to the systems of governance, risk management and internal control.

## 2.2 REMUNERATION AND STAFF REPORT

### 2.2.1 REMUNERATION REPORT

The remuneration report contains both audited information and information which is not subject to audit. The two areas which are not subject to audit are highlighted with a ‘\*’ next to the heading and these are the Remuneration Policy and Board Members’ Expenses.

#### Remuneration Policy \*

The Chief Executive’s remuneration and Board Members’ fees are directed by the Scottish Government’s Public Sector Pay Policy for Senior Appointments. This body also sets, each year, the award for the Chief Executive and Board Members. The annual pay remit for staff is also subject to Scottish Government approval and negotiation with our recognised Trade Union. In 2016/17, Board Members voted against the implementation of the 1% pay award available to Board Members. The Chief Executive’s contract is on a permanent basis with a three month period of notice.

#### Disclosure of Remuneration – Chief Executive and Executive Team

Year ended 31 March 2017	Basic salary band (paid during year) £’000	Basic salary band (full year) £’000	Accrued Pension Benefits* £’000	Total £’000
<b>Chief Executive</b> Gordon Watson	80-85	80-85	36	115-120
<b>Directors</b>				
Jaki Carnegie	55-60	55-60	19	75-80
Simon Jones	55-60	55-60	19	75-80
Markus Kroner	55-60	55-60	17	70-75
<b>Heads of Service</b>				
Anna MacLean	40-45	40-45	15	55-60
Stuart Mearns	40-45	40-45	17	60-65

Year ended 31 March 2016	Basic salary band (paid during year) £’000	Basic salary band (full year) £’000	Accrued Pension Benefits* £’000	Total £’000
<b>Chief Executive</b> Gordon Watson	75-80	75-80	129	205-210
<b>Directors</b>				
Jaki Carnegie	55-60	55-60	24	80-85
Simon Jones	25-30	55-60	12	65-70
Markus Kroner	20-25	55-60	8	60-65
<b>Heads of Service</b>				
Anna MacLean	40-45	40-45	20	60-65
Stuart Mearns	40-45	40-45	20	60-65

\*The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual).

There were no other emoluments paid to the Chief Executive and the Executive Team in the year ended 31 March 2017 (2015/16 – nil).



Year ended 31 March 2017	Real increase (decrease) in pension value and related lump sum		Total accrued pension and related lump sum at 31 March 2017		Cash equivalent transfer value at 31 March 2017	Real increase in cash equivalent transfer value
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b> Gordon Watson	0-2.5	0-2.5	35-40	70-75	517	48
<b>Directors and Heads of Service</b>						
Jaki Carnegie	0-2.5	0-2.5	0-5	0-5	51	11
Simon Jones	0-2.5	0-2.5	0-5	0-5	19	8
Markus Kroner	0-2.5	0-2.5	0-5	0-5	11	4
Anna MacLean	0-2.5	0-2.5	0-5	0-5	29	7
Stuart Mearns	0-2.5	0-2.5	5-10	0-5	56	9

Year ended 31 March 2016	Real increase (decrease) in pension value and related lump sum		Total accrued pension and related lump sum at 31 March 2016		Cash equivalent transfer value at 31 March 2016	Real increase in cash equivalent transfer value
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b> Gordon Watson	5-7.5	7.5-10	35-40	65-70	452	76
<b>Directors and Heads of Service</b>						
Jaki Carnegie	0-2.5	0-2.5	0-5	0-5	34	10
Simon Jones	0-2.5	0-2.5	0-5	0-5	6	4
Markus Kroner	0-2.5	0-2.5	0-5	0-5	3	1
Anna MacLean	0-2.5	0-2.5	0-5	0-5	19	5
Stuart Mearns	0-2.5	0-2.5	0-5	0-5	43	5

Gordon Watson, Jaki Carnegie, Simon Jones, Markus Kroner, Anna MacLean and Stuart Mearns are ordinary members of the Strathclyde Pension Fund. Markus Kroner left the organisation on 31 March 2017.

### 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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The real increase in the value of the CETV 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.

### Compensation on Early Retirement / Loss of Office

There were no exit packages in the year ended 31 March 2017 (2015/16 – nil). Exit costs are accounted for in full in the year of departure. Where the Authority has agreed early retirements, the additional costs are met by the Authority and not by the Strathclyde Pension Fund.

### Payments to Past Directors

There were no payments to past directors in the year ended 31 March 2017 (2015/16 – nil).

## Fair Pay

The median total remuneration of all staff was £26,273 (2015/16 - £27,914). The pay multiple between the mid-point of the highest paid director's banding (£77,000-£87,500) and the median total remuneration of all staff was 3.1 (2015/16 – 2.8). The lowest paid salary in organisation has decreased during the year as a result of the recruitment of a number of Modern Apprentices and Interns, which has had a corresponding impact on the median and pay multiple.

## Local Government Pension Scheme

The Authority is a member of the Strathclyde Pension Fund, details of the contributions to and movements in the fund in the year are stated in Notes 21 to 24.

## Analysis of Board Members' Fees and Expenses\*

Board member	Nature of appointment	2016/17 Fees £	2016/17 Expenses* £	2015/16 Fees £	2015/16 Expenses* £
David McCowan	(a)	7,177	-	7,177	-
Owen McKee (until 4 August 2015)	(a)	-	-	2,481	514
David McKenzie	(a)	7,177	1,102	7,177	1,704
Willie Nisbet	(a)	14,353	1,196	14,353	1,214
Billy Ronald	(a)	7,177	1,072	3,356	451
David Warnock	(a)	7,177	-	7,177	409
Angus Allan	(b)	7,177	197	7,177	133
Colin Bayes	(b)	9,568	622	9,568	862
Petra Biberbach	(b)	14,353	992	14,353	2,252
Linda McKay	(b)	17,515	579	19,137	3,067
Lindsay Morrison	(b)	7,177	-	8,867	-
James Stuart	(b)	8,188	544	7,177	100
Martin Earl	(c)	7,177	-	7,177	-
Bob Ellis	(c)	7,177	1,003	7,177	100
George Freeman	(c)	7,177	-	7,177	-
James Robb	(c)	7,177	-	7,177	777
Hazel Sorrell	(c)	7,177	34	7,177	-
Fergus Wood	(c)	7,177	-	7,177	-
		<b>150,101</b>	<b>7,341</b>	<b>151,062</b>	<b>11,583</b>

Nature of appointment: (a) Locally elected / (b) Appointed by Scottish Government / (c) Local Authority nominee.

Some Board Members choose not to claim reimbursement of expenses from the Authority and in some cases Board Members are eligible to claim reimbursement of expenses from other sources.

## 2.2.2. STAFF REPORT

### Employment Policies/ Consultation

The Authority has a Joint Negotiating and Partnership Forum (JNPF) in place, through which it ensures effective two-way communications with UNISON Trade Union representatives in resolving any issues arising and consulting on new initiatives.

During 2016/17 key matters on which employees were consulted through the JNPF were:

- Your Park resource management
- Staff wellbeing action plan
- Implementation of policies and procedures
- Recruitment
- Equality and Diversity
- Winter shutdown
- Pay negotiations.

### Equality and Diversity

We are committed to supporting and promoting diversity on our Board, Executive Team and within our workforce. The Authority is an equal opportunities employer. We are also committed to meeting our duties under the Equality Act 2010 and our new [Mainstreaming report](#) was published in April 2017. The Mainstreaming report sets out how we are mainstreaming equality, the progress we have made and the new outcomes we have set ourselves.

Our policies ensure that all staff are treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, work pattern, employment status, gender identity (transgender), caring responsibility or trade union membership. Employment and promotion are on merit on the basis of fair and open competition.

We are committed to the Scottish Government People Strategy to mainstream equality and diversity in every aspect. We have a ParkForAll working group where representatives from throughout the organisation, chaired by a Director, aim to inspire the organisation to deliver against our equality duties, constructively challenge prejudices, raise awareness of the economic and social benefits of inclusion and identify and facilitate actions that support equality and diversity. Together our policies, strategies and approaches will support us in changing behaviours and culture to create a fully inclusive organisation, confident in its diversity; promoting strong leadership and clear accountability for delivering diversity; attracting, keeping and developing talent from all areas of society; and becoming representative of the society we serve, at all levels.

### Staff Composition

The Authority's gender split of staffing at the end of the financial year was:

Headcount	31 March 2017			31 March 2016		
	Female	Male	Total	Female	Male	Total
Executive Team	2	4	6	2	4	6
Operational Managers	11	5	16	12	7	19
Employees	85	67	152	64	46	110
<b>Total</b>	<b>98</b>	<b>76</b>	<b>174</b>	<b>78</b>	<b>57</b>	<b>135</b>

The increase in headcount at 31 March 2017 reflects the higher number of seasonal rangers recruited on a variety of work patterns to support the new camping byelaws which came into effect on 1 March 2017.

<b>Staff Numbers</b>	<b>2017</b>	<b>2016</b>
Average Number of Board Members during the Year	17	17
Average Number of Full Time Equivalent Employees during the Year	127	133
<b>Analysis of Average Number of Full Time Equivalent Employees</b>		
Permanent	107.0	113.0
Fixed Term	13.0	13.0
Seasonal	6.5	7.0
Agency	0.5	-
<b>Total</b>	<b>127.0</b>	<b>133.0</b>

<b>Numbers of staff with salaries above £50,000 (including Chief Executive)</b>	<b>2017</b>	<b>2016</b>
£80,001 - £85,000	1	-
£75,001 - £80,000	-	1
£55,001 - £60,000	3	3

<b>Board Member and Staff Costs</b>	<b>Note</b>	<b>2017</b>	<b>2016</b>
		£	£
Board Members Fees		150,101	151,062
Social Security Costs		3,392	3,760
<b>Total Board Members</b>		<b>153,493</b>	<b>154,822</b>
Permanent Staff Salaries		3,218,902	3,217,704
Social Security Costs		311,460	233,808
Pension Costs		616,258	602,868
<b>Total Permanent Staff</b>		<b>4,146,620</b>	<b>4,054,380</b>
Other Staff Salaries		584,228	548,380
Social Security Costs		43,982	31,843
Pension Costs		82,267	73,489
<b>Total Other Staff</b>		<b>710,477</b>	<b>653,712</b>
Deduct: Included in Programme and Project figures		(70,450)	(60,586)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(102,960)	(85,770)
<b>Total Permanent and Other Staff costs before adjustments for pensions reporting</b>		<b>4,683,687</b>	<b>4,561,736</b>
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	21	848,000	1,049,000
Less: Employer's Contribution	21	(685,000)	(672,000)
<b>Total Permanent and Other Staff costs after adjustments for pensions reporting</b>		<b>4,846,687</b>	<b>4,938,736</b>
<b>Total Board Member and Staff Costs</b>		<b>5,000,180</b>	<b>5,093,558</b>

## Wellbeing

The Delivery Group continued to provide input and support to the Authority in monitoring performance in all areas, including human resources. During the year, the Authority recorded an average loss of 9.4 days per employee for sickness absence (2015/16 – 7.18 days). We continue to monitor sickness absence closely and during the year we adopted a more proactive process to assist with the management of absence. We continue to provide support through our Occupational Health providers and Employee Assistance programme.

## Expenditure on Consultancy and Off Payroll Arrangements

The Authority had no consultancy remuneration or off payroll arrangements in the year ended 31 March 2017 (2015/16 – nil).

## 2.3 PARLIAMENTARY ACCOUNTABILITY REPORT

### Regularity of Expenditure

#### Gifts and Charitable Donations

Gifts totalling £1,125 were made in the year (2015/16 - £764). There were no charitable donations made in the year (2015/16 - nil).

#### Losses, Special Payments and Write-offs

There were bad debt provisions of £417 in the year and no stock write-offs or other losses (2015/16 - £1,081 stock write-off and £6,818 loss as a result of the theft of an engine from one of the Authority's boats). There were no special payments made in the year (2015/16 – nil).

#### Remote Contingent Assets and Liabilities

The Authority is involved in two legal disputes which may result in contingent assets or contingent liabilities, depending on the outcome of the cases. Refer to Note 17 for further details.

#### Fees and Charges

Details of all fees charged by the Authority are available on our [website](#). A brief explanation of the areas for which we charge for services is shown below.

#### Boat Registration and Launch Fees

It is a requirement of the Loch Lomond Byelaws 2013 that all motorised vessels are registered with the Authority before using the Loch and display an annual mark, registration letters and numbers. Registration is free if users are providing their own letters and numbers, otherwise a charge applies. Vinyl backing boards can be purchased for the display of registration letters and annual marks if users do not want to place them directly on the vessel.

Launch fees apply to all motorised vessels who wish to launch from our facilities. A day launch or annual launch ticket can be purchased. A single launch or recovery can also be arranged. The monies generated make a contribution to the facility running and staffing costs and also to the operational costs of providing a ranger presence on the Loch to ensure compliance with the byelaws.

The Authority works closely with and contributes financially towards the Loch Lomond Rescue Boat charity. The rescue boat provides 24 hour safety cover on the Loch and when required the Authority's Ranger Service assists with rescues and searches.

#### Inchcailloch Camping Income

There is a small informal campsite on Inchcailloch island, which is part of the Loch Lomond National Nature Reserve. Visitors are required to book in order to receive a permit to stay and charges apply, which contribute to the costs of the booking system and administration.

#### Camping Management Income

As part of the Your Park project, the Authority introduced fees associated with the purchase of seasonal camping permits from 1 March 2017, which apply to four Camping Management Zones across the National Park. Permit charges are £3 per permit per night. The charge for campsite pitches at the Your Park informal campsites is £7 per adult per night, with no charge for children.

### Litter and Fly-tipping Fixed Penalty Notices

The Authority introduced charges for litter and fly-tipping fixed penalty notices during 2016/17 which was required by legislation, with the level of the fees assigned to the notices determined by Scottish Government: a minimum of £80 for littering and £200 for fly-tipping.

### Planning Fees

The Authority charges a fee for most planning applications submitted. These fees are set by the Scottish Government and help to cover the costs associated with processing an application. They do not cover the full cost, although the level of fee depends on the type of application and the scale of the proposed development. Further information is available on our [website](#).

The Scottish Government has amended the planning regulations and provided for increased planning fees for major applications and permission in principle which came into effect on 1 June 2017. This may have a positive impact on the level of planning fee income received in 2017/18.

Signed on behalf of Loch Lomond & The Trossachs National Park Authority

**Gordon Watson**  
**Chief Executive and Accountable Officer**  
**[XX] September 2017**

## **2.4 INDEPENDENT AUDITOR'S REPORT**

### **Independent auditor's report to Loch Lomond & The Trossachs National Park Authority, the Auditor General for Scotland and the Scottish Parliament**

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 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Report on the audit of the financial statements**

##### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Loch Lomond & The Trossachs National Park Authority for the year ended 31 March 2017 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. 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 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure 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 2016/17 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

##### **Basis of opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of the Accountable Officer for the financial statements**

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures 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.

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Report on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.



## **Report on other requirements**

### **Opinions on other prescribed matters**

We are required by the Auditor General for Scotland to express an opinion on the following matters.

In our opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

[Signature]

**Gareth Kelly, (for and on behalf of Grant Thornton UK LLP)**

**110 Queen Street  
Glasgow  
G1 3BX**

**[XX] September 2017**

## 2. ANNUAL ACCOUNTS

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Year ended 31 March 2017

	Note	2017 £	2016 £
<b>Expenditure</b>			
Board Members and Staff Costs	7	5,000,180	5,093,558
Other Operating Costs	8	1,540,575	1,784,041
Programme Expenditure	4	28,595	34,217
Project Expenditure	5	1,214,638	1,284,799
Depreciation	10/11	490,379	458,228
Provision for Impairment of Assets	10/12	267,588	19,000
		<u>8,541,955</u>	<u>8,673,843</u>
<b>Income</b>			
Planning Fees		194,236	167,098
Programme Income	4	28,595	34,217
Project Income		474,457	548,343
Other Income	6	312,911	365,437
Profit (Loss) on Disposal of Fixed Assets		7,038	(6,818)
Total Income		<u>1,017,237</u>	<u>1,108,277</u>
<b>Net Expenditure</b>		7,524,718	7,565,566
Less: Interest Receivable		<u>(386)</u>	<u>(716)</u>
<b>Net Expenditure for Year</b>		<u>7,524,332</u>	<u>7,564,850</u>
<b>Other Comprehensive Net Expenditure</b>			
Net (Gain) on Revaluation of Property		(1,183,646)	-
Actuarial Loss (Gain) on Pension Scheme		<u>3,895,000</u>	<u>(3,235,000)</u>

No activities were discontinued during the year.

The notes on pages 30 to 48 form part of these Accounts.

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2017

	Note	2017 £	Restated Note 2 2016 £	Restated Note 2 2015 £
<b>Non-current Assets</b>				
Property, plant and equipment	10	11,231,283	10,053,138	9,613,512
Intangible assets	11	51,612	18,138	28,798
Investments	12	-	-	-
Trade and other receivables	13	15,602	11,153	-
<b>Total Non-current Assets</b>		<b>11,298,497</b>	<b>10,082,429</b>	<b>9,642,310</b>
<b>Current Assets</b>				
Inventories		7,796	6,600	8,801
Trade and other receivables	13	363,127	256,871	347,763
Cash and cash equivalents	14	886,421	307,830	644,562
<b>Total Current Assets</b>		<b>1,257,344</b>	<b>571,301</b>	<b>1,001,126</b>
<b>Total Assets</b>		<b>12,555,841</b>	<b>10,653,730</b>	<b>10,643,436</b>
<b>Current Liabilities</b>				
Trade and other payables	15	1,257,875	1,015,852	1,425,238
<b>Total Current Liabilities</b>		<b>1,257,875</b>	<b>1,015,852</b>	<b>1,425,238</b>
<b>Non-current Assets less Net Current Liabilities</b>		<b>11,297,966</b>	<b>9,637,878</b>	<b>9,218,198</b>
<b>Non-current Liabilities</b>				
Trade and other payables	15	173,684	-	-
Pension fund liability	22	6,399,000	2,260,000	4,952,000
<b>Total Non-current Liabilities</b>		<b>6,572,684</b>	<b>2,260,000</b>	<b>4,952,000</b>
<b>Total Liabilities</b>		<b>7,830,559</b>	<b>3,275,852</b>	<b>6,377,238</b>
<b>Assets less Liabilities</b>		<b>4,725,282</b>	<b>7,377,878</b>	<b>4,266,198</b>
<b>Taxpayers' Equity</b>				
General Reserve		3,908,747	3,428,514	2,854,608
Revaluation Reserve		7,208,035	6,203,364	6,357,590
Donated Asset Reserve		7,500	6,000	6,000
Pension Reserve	22	(6,399,000)	(2,260,000)	(4,952,000)
<b>Total Taxpayers' Equity</b>		<b>4,725,282</b>	<b>7,377,878</b>	<b>4,266,198</b>

Signed on behalf of Loch Lomond &amp; The Trossachs National Park Authority

**Gordon Watson****Chief Executive & Accountable Officer**

The Accountable Officer authorised these financial statements for issue on [XX] September 2017

The notes on pages 30 to 48 form part of these Accounts.

**STATEMENT OF CASH FLOWS**  
**For the Year ended 31 March 2017**

	Note	2017 £	2016 £
<b>Cash Flows from Operating Activities</b>			
<b>Net Expenditure before Interest</b>		(7,524,718)	(7,565,566)
<b>Adjustments for items not involving the Movement of Cash</b>			
Depreciation	10/11	490,379	458,228
Provision for impairment of assets	10/12	267,588	19,000
(Gain) loss on sale of property, plant & equipment		(7,038)	6,818
Loss on transfer of donated assets		-	(187,000)
Pension adjustments in Other Income	6	84,000	169,000
Pension adjustments in Staff Costs	7	163,000	377,000
<b>Movements in Working Capital</b>			
(Increase) decrease in trade and other receivables		(106,256)	89,020
Increase (decrease) in trade and other payables		242,023	(409,386)
(Increase) decrease in inventories		(1,196)	2,201
<b>Movement in Non-current Assets and Liabilities</b>			
Increase in trade and other receivables > 1 year		(4,449)	(9,281)
Increase in trade and other payables > 1 year		173,684	-
<b>Net Cash Outflow from Operating Activities</b>		<u>(6,222,983)</u>	<u>(7,049,966)</u>
<b>Cash Flows from Investing Activities</b>			
Bank interest received		386	716
Purchase of property, plant and equipment and intangible assets	10/11	(769,873)	(726,012)
Proceeds from property, plant and equipment		10,971	-
Investment	12	<u>(20,000)</u>	<u>-</u>
<b>Net Cash Outflow before Financing</b>		(7,001,499)	(7,775,262)
<b>Cash flows from Financing Activities</b>			
Cash allocation applied to Operating Costs	3	6,270,000	6,402,000
Cash allocation applied to Capital Expenditure	3	1,095,000	1,026,000
Grants and other funding for Capital Expenditure		47,205	10,530
Grants for future Capital Expenditure <sup>1</sup>		<u>167,885</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		578,591	(336,732)
Cash and cash equivalents at the beginning of the period	14	<u>307,830</u>	<u>644,562</u>
<b>Cash and Cash Equivalents at the End of the Period</b>	14	<u><b>886,421</b></u>	<u><b>307,830</b></u>

The notes on pages 30 to 48 form part of these Accounts.

<sup>1</sup> Refer to Financial Budget Performance on page 4

**STATEMENT OF CHANGES IN TAXPAYERS'S EQUITY**  
for the year ended 31 March 2017

	Restated Note 2 <b>General Fund £</b>	Restated Note 2 <b>Revaluation Reserve £</b>	<b>Donated Asset £</b>	<b>Pension Fund £</b>	<b>Total £</b>
<b>Balance at 1 April 2014</b>	<b>2,171,315</b>	<b>6,661,500</b>	<b>6,000</b>	<b>(2,868,000)</b>	<b>5,970,815</b>
Cash Allocation*	7,896,138				7,896,138
Other grants	106,712				106,712
Net Expenditure after interest	(7,865,859)				(7,865,859)
Gain / (loss) on revaluation of property		(160,608)			(160,608)
Transfer of annual depreciation charge on assets with revaluation reserve	143,302	(143,302)			-
Pension fund actuarial gain / (loss)				(1,684,000)	(1,684,000)
Other pension fund gains				3,000	3,000
Net return on pension assets	129,000			(129,000)	-
Transfer to net fund pension liabilities	274,000			(274,000)	-
<b>Balance at 31 March 2015</b>	<b>2,854,608</b>	<b>6,357,590</b>	<b>6,000</b>	<b>(4,952,000)</b>	<b>4,266,198</b>
<b>Balance at 1 April 2015</b>	<b>2,854,608</b>	<b>6,357,590</b>	<b>6,000</b>	<b>(4,952,000)</b>	<b>4,266,198</b>
Cash Allocation*	7,428,000				7,428,000
Other grants	10,530				10,530
Net Expenditure after interest	(7,564,850)				(7,564,850)
Transfer of annual depreciation charge on assets with revaluation reserve	154,226	(154,226)			-
Pension fund actuarial gain / (loss)				3,235,000	3,235,000
Other pension fund gains				3,000	3,000
Net return on pension assets	169,000			(169,000)	-
Transfer to net fund pension liabilities	377,000			(377,000)	-
<b>Balance at 31 March 2016</b>	<b>3,428,514</b>	<b>6,203,364</b>	<b>6,000</b>	<b>(2,260,000)</b>	<b>7,377,878</b>
<b>Balance at 1 April 2016</b>	<b>3,428,514</b>	<b>6,203,364</b>	<b>6,000</b>	<b>(2,260,000)</b>	<b>7,377,878</b>
Cash Allocation*	7,365,000				7,365,000
Other grants	215,090				215,090
Net Expenditure after interest	(7,524,332)				(7,524,332)
Gain / (loss) on revaluation of property		707,143	1,500		708,643
Write back of depreciation on revaluation	14,236	460,767			475,003
Transfer of annual depreciation charge on assets with revaluation reserve	163,239	(163,239)			-
Pension fund actuarial gain / (loss)				(3,895,000)	(3,895,000)
Other pension fund gains				3,000	3,000
Net return on pension assets	84,000			(84,000)	-
Transfer to net fund pension liabilities	163,000			(163,000)	-
<b>Balance at 31 March 2017</b>	<b>3,908,747</b>	<b>7,208,035</b>	<b>7,500</b>	<b>(6,399,000)</b>	<b>4,725,282</b>

\* The Authority receives a budget from the Scottish Government (known as Departmental Expenditure Limit or DEL) to cover the cash costs of capital and operating expenditure, net of other income sources and funding from partner agencies to jointly fund projects.

## NOTES TO THE ACCOUNTS

### For the Year Ended 31 March 2017

#### 1. 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 HM Treasury Financial Reporting Manual (FReM), 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 Loch Lomond & The Trossachs 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 (IAS) 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, investments and inventories to fair value as determined by the relevant accounting standard.

##### 1.2 Accounting Period

The accounting period commenced on 1 April 2016 and ended on 31 March 2017.

##### 1.3 Non-current Assets – Property, Plant and Equipment

###### **Recognition**

All land and buildings are accounted for as non-current assets unless they are deemed to be held-for-sale.

###### **Valuation**

All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years. Valuations are also carried out on initial recognition of new land and buildings. The last quinquennial valuation was carried out in March 2014.

In line with the FReM, the quinquennial valuation has been supplemented by an interim valuation of all land and buildings as at 31st March 2017.

The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as those terms are consistent with the agreed requirements of HM Treasury. The valuations were carried out by Ryden LLP. The relevant valuations have been incorporated into these Financial Statements.

All other non-current assets in this category are stated at depreciated historical cost. Non-property

assets values are not subject to indexation adjustments because their individual values and/or useful economic life are considered to be below the level at which the application of indexation is relevant.

Losses in value reflected in valuations are accounted for in accordance with IAS 36 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 Statement of Comprehensive Net Expenditure.

### **Capitalisation**

The minimum level for capitalisation of individual non-current assets within the Authority is £600.

### **Leased Assets**

Leases in terms of which the Authority assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

There are two leased assets being held under a finance lease. Given the non-material nature of the finance lease creditor, this has not been recognised. Refer to Note 16 for more details.

Other leases are operating leases and are not recognised in the Statement of Financial Position.

## **1.4 Depreciation**

Depreciation is provided on all fixed assets, other than land, on a straight line basis at rates calculated to write down the cost or valuation of each asset to its estimated residual value, as follows:

Freehold Buildings	50 Years or expected life as determined by valuer, if shorter.
Leasehold Buildings	50 Years or period of lease whichever is shorter
IT Hardware and Infrastructure	3 - 5 Years
Vehicles	5 Years
Vessels	5 - 25 Years
Machinery, Equipment, Furniture & Fittings	3 - 5 Years

## **1.5 Non-current Assets - Intangible Assets**

Copyrights, website, IT systems and software licences are disclosed as intangible assets with finite useful lives in accordance with FReM guidance.

They are amortised on a straight line basis over their expected useful lives as follows:

Copyright	5 years
Website, IT systems and software	3 years

The amortisation of intangible assets is included within depreciation on the Statement of Comprehensive Net Expenditure.

## 1.6 Investments

Investments are recognised at cost on acquisition. In line with IAS36, Impairment of Assets, at the end of each reporting period the Authority is required to assess whether there is any indication that an asset may be impaired. An impairment loss is recognised whenever recoverable amount is below carrying amount.

## 1.7 Inventories

Inventories are stated at the lower of Cost and Net Realisable Value.

## 1.8 Corporation Tax

Any tax liability is recognised in accordance with IAS 12 Income Taxes.

## 1.9 Value Added Tax (VAT)

Irrecoverable VAT is included with the relevant cost and charged to the Statement of Comprehensive Net Expenditure in the period in which it is incurred.

## 1.10 Leases

### **Operating Leases**

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure over the term of the lease.

### **Finance Leases**

#### (i) Lease payments

The annual finance expense that would be allocated to the two assets held under a finance lease is immaterial (£1). Given the non-material value of this creditor and the finance expense, the minimum lease payments have not been apportioned between the finance expense and the reduction of the outstanding liability. Refer to Note 16.

#### (ii) Determining whether an arrangement contains a lease

At inception of an arrangement, the Authority determines whether such an arrangement is or contains finance lease in accordance with IAS 17.

## 1.11 Scottish Government Departmental Expenditure Limit

The Authority receives a budget from the Scottish Government, known as Departmental Expenditure Limit or DEL, to finance depreciation and the cash costs of capital and operating expenditure. In accordance with financial reporting guidance, the DEL cash allocation is credited to the General Fund in the Statement of Changes on Taxpayers' Equity and net expenditure on activities funded by the DEL cash allocation is charged to the General Fund in the Statement of Changes on Taxpayers' Equity.

## 1.12 Income and Expenditure Recognition

Income from activities and expenditure is accounted for in the year to which it related and not to when cash payments are made or received.

Where income or expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position.

Where cash has been received or paid in advance of the activity or expenditure, no income or



expense is recognised and a payable or receivable for the corresponding amount is recorded in the Statement of Financial Position.

#### **1.13 Other Grants and Income**

The Authority receives other grants to finance its net expenditure. Other grants used to purchase fixed assets are credited to the General Reserve.

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

#### **1.14 Pension Costs**

The Authority is a member of Strathclyde Pension Fund (administered by Glasgow City Council) which is a defined benefit scheme. The expected cost of providing staff pensions is recognised on a systematic basis over the expected average remaining life of members of the pension fund. Fund disclosures as required by IAS 19 are given in Notes 21 to 24 of the Financial Statements.

#### **1.15 Short-term Employee Benefits**

A liability and expense are recognised for accrued but unused annual leave and flexitime as at 31 March 2017.

#### **1.16 Cash and Cash Equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand.

#### **1.17 Trade Receivables**

All material amounts due as at 31 March 2017 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

#### **1.18 Trade Payables**

All material amounts due as at 31 March 2017 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

#### **1.19 Financial Instruments**

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are financial assets in the form of investments in other entities, 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 Authority will be unable to collect an amount due in accordance with agreed terms.

#### **1.20 Segmental Reporting**

IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports about components of the Authority that are regularly used by the chief operating decision makers in order to allocate resources and assess their performance. The Authority reports on three segments of Visitor Experience, Conservation and Rural Development. Refer to Note 5 for further details.

### 1.21 Interest in Other Entities

IFRS12 requires disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Authority is a Designated Member of National Park Partnerships LLP, which was incorporated on 11 June 2016. Along with the other 14 UK National Parks, the Authority holds an equal share in the Partnership. Refer to Note 12 for further details. This investment does not meet the criteria of a subsidiary, joint venture or associate and has been recognised as an investment, in line with the investment policy. Refer to Note 1.6 for further details.

### 1.22 Critical Judgements and Estimates

In application of the accounting policies outlined above, there are limited areas where judgement has to be made. The following are the critical judgements and estimates that have the most significant effect on the amounts recognised in the financial statements.

- Valuation of Land and Buildings

As detailed in Note 1.3, all land and buildings are valued using professional valuations in accordance with IAS 16 every five years. Valuations are also carried out on initial recognition of new land and buildings. The last quinquennial valuation was carried out in March 2014 and an interim valuation was carried out as at 31 March 2017 on the property assets. Ryden LLP have provided the property valuations for the Authority.

Ryden LLP is a RICS Regulated firm and must ensure that all processes and valuations are fully compliant with the RICS Valuation – Professional Standards (The Red Book). Assets are valued on the basis of either Existing Use Value or Depreciated Replacement Cost.

- Actuarial Assumptions used in Pension Valuations

The Authority is a member of Strathclyde Pension Fund (administered by Glasgow City Council) which is a defined benefit scheme. The pension valuations are provided by the Authority's actuaries, Hymans Robertson. The 2016/17 disclosure is based on the formal funding valuation as at 31 March 2014, projected forward for three years. The next valuation will be carried out in 2017/18 based on the data as at 31 March 2017. The current disclosure is adjusted to allow for known changes in assets, changes in salary roll and the IAS 19 financial assumptions.

The assets are valued at bid value as required by IAS 19. The pension liabilities are valued on an actuarial basis, using the actuary's standard assumptions, appropriate for the Authority's liability profile. For more detailed information, refer to Notes 21 to 24.

## 2. Prior period adjustment

During 2014/15 and 2015/16 the adjustments to transfer the annual depreciation charge on assets with a revaluation reserve from General Reserves to the Revaluation Reserve were not made. This resulted in General Reserves being understated and the Revaluation Reserve overstated by £143k in 2014/15 and £154k in 2015/16. The Statement of Financial Position and Statement of Changes in Taxpayers' Equity have been restated according.

3. Scottish Government Departmental Expenditure Limit (DEL)	2017	2016
	£	£
Cash DEL allocated to meet operational expenditure	6,286,000	6,418,000
Cash DEL allocated to meet capital expenditure	1,095,000	1,026,000
	<u>7,381,000</u>	<u>7,444,000</u>
Deduct amounts earmarked for specific operational projects	(16,000)	(16,000)
<b>Total cash DEL received (resource and capital DEL)</b>	<u><u>7,365,000</u></u>	<u><u>7,428,000</u></u>

4. Programme Income & Expenditure	Income	Expenditure	Net
	£	£	£
West Highland Way	28,595	28,595	0
<b>Total 2016/17</b>	<u><u>28,595</u></u>	<u><u>28,595</u></u>	<u><u>0</u></u>
<b>Total 2015/16</b>	<u><u>34,217</u></u>	<u><u>34,217</u></u>	<u><u>0</u></u>

The Authority is a member of the West Highland Way Management Group and manages the programme income and expenditure which is 'ring-fenced' by the Authority and only used for this specific purpose.

#### 5. Analysis of Net Expenditure by Segment

	Board members and staff costs	Other operating & programme costs	Project Expenditure	Income	Net Segmental Expenditure
	£	£	£	£	£
Visitor Experience	3,065,577	1,098,140	929,368	(684,890)	4,408,195
Conservation	673,246	20,493	122,313	(65,333)	750,719
Rural Development	1,261,357	450,537	162,957	(343,976)	1,530,875
<b>Total 2016/17</b>	<u><u>5,000,180</u></u>	<u><u>1,569,170</u></u>	<u><u>1,214,638</u></u>	<u><u>(1,094,199)</u></u>	<u><u>6,689,789</u></u>

  

	Board members and staff costs	Other operating & programme costs	Project Expenditure	Income	Net Segmental Expenditure
	£	£	£	£	£
Visitor Experience	3,034,822	1,524,428	823,399	(645,104)	4,737,545
Conservation	747,561	30,421	317,607	(219,923)	875,666
Rural Development	1,311,175	263,409	143,793	(232,068)	1,486,309
<b>Total 2015/16</b>	<u><u>5,093,558</u></u>	<u><u>1,818,258</u></u>	<u><u>1,284,799</u></u>	<u><u>(1,097,095)</u></u>	<u><u>7,099,520</u></u>

#### Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

	£
<b>Net Segmental Expenditure as above</b>	6,689,789
<b>Items not attributable to segmental activity:</b>	
Deficit of return on pension assets over interest	84,000
Depreciation	490,379
Provision for impairment of assets	247,588
Provision for impairment of investments	20,000
Gain on disposal of fixed assets	(7,038)
Interest receivable	(386)
<b>Net Expenditure for Year</b>	<b>7,524,332</b>

6. Other Income		2017	2016
		£	£
Shared Services recharge		44,032	42,000
Modern Apprenticeship programme contribution		7,000	-
Boat registration and launch fees		58,603	54,768
Sale of goods		5,625	5,054
Property rental and recharges		152,103	160,086
Gain on transfer of donated assets		-	187,000
Deficit of return on pension assets over interest		(84,000)	(169,000)
Miscellaneous		129,548	85,529
		<u>312,911</u>	<u>365,437</u>
7. Board Members and Staff Costs	Note	2017	2016
		£	£
<u>Board Members</u>			
Fees*		150,101	151,062
Social Security Costs		3,392	3,760
		<u>153,493</u>	<u>154,822</u>
 <u>Permanent Staff</u>			
Salaries		3,218,902	3,217,704
Social Security Costs		311,460	233,808
Pension Costs		616,258	602,868
		<u>4,146,620</u>	<u>4,054,380</u>
 <u>Other Staff</u>			
Salaries		584,228	548,380
Social Security Costs		43,982	31,843
Pension Costs		82,267	73,489
		<u>710,477</u>	<u>653,712</u>
Deduct: Included in Programme and Project figures		(70,450)	(60,586)
Deduct: Included in Fixed Asset additions (capitalised salaries)		(102,960)	(85,770)
Total Permanent and Other Staff Costs before adjustments for pensions reporting		<u>4,683,687</u>	<u>4,561,736</u>
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	21	848,000	1,049,000
Less: Employer's Contribution	21	(685,000)	(672,000)
Total Permanent and Other Staff Costs after adjustments for pensions reporting		<u>4,846,687</u>	<u>4,938,736</u>
<b>Total Board Member and Staff Costs</b>		<u>5,000,180</u>	<u>5,093,558</u>

\* Refer to Remuneration Report on page 18

<b>8. Other Operating Costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Travel & Subsistence	32,553	38,379
Conferences, Courses & Training	26,827	69,678
Other Staff Costs	42,134	63,227
Property Rent & Rates	299,392	272,064
Energy Costs	77,089	84,115
Property Repairs & Development	48,290	101,456
Other Property Costs	201,313	232,138
Grounds Maintenance	142,170	236,211
Tools & Equipment Consumables	16,393	21,215
Transport Costs	96,788	97,654
Uniforms & Clothing	9,236	43,775
Catering & Hospitality	16,727	20,053
Printing & Stationery	14,507	17,255
Published Materials	36,720	36,933
Telecommunications & Data	94,759	96,209
Legal & Professional Fees	175,511	100,948
Software & IT Supplies	129,005	164,190
Goods for Resale	1,814	2,221
Advertising - Statutory	26,951	27,574
- Other Advertising	252	482
Other Administration Costs	13,488	23,645
Contributions to Other Bodies	12,459	7,614
Audit Fee - Internal	15,000	15,793
- External	10,780	10,200
Bad Debt	417	-
Stock Write-Off	-	1,012
	<u>1,540,575</u>	<u>1,784,041</u>

### **9. Corporation Tax**

The Authority has commercial activities which generate taxable income and from 1 April 2015 is obliged to submit a corporation tax computation to HMRC. There is no taxable profit arising from these activities (2015/16 – loss carried forward of £230,033).

## 10. Property, Plant and Equipment

	Freehold Land & Buildings	Leasehold Buildings	Vehicles & Marine Vessels	Equipment Plant & Machinery	Office Furniture & Fittings	IT Hardware & Infrastructure	Assets under Construction	Total Tangible Assets
<b>Cost or Valuation</b>								
At 1 April 2016	5,133,378	4,294,663	1,042,312	288,048	796,356	1,618,173	558,549	<b>13,731,479</b>
Disposals at Cost	-	-	(47,979)	-	-	-	-	<b>(47,979)</b>
Additions at Cost	-	-	132,304	17,916	4,618	63,914	547,760	<b>766,512</b>
Transfer Asset into Use	252,873	436,665	10,800	-	-	-	(764,705)	<b>(64,367)</b>
Impairment Charge <sup>1</sup>	(276,751)	(142,960)	-	-	-	-	-	<b>(419,711)</b>
Impairment Reversal <sup>2</sup>	-	14,194	-	-	-	-	-	<b>14,194</b>
Revaluation Increase <sup>3</sup>	459,500	249,143	-	-	-	-	-	<b>708,643</b>
<b>At 31 March 2017</b>	<b>5,569,000</b>	<b>4,851,705</b>	<b>1,137,437</b>	<b>305,964</b>	<b>800,974</b>	<b>1,682,087</b>	<b>341,604</b>	<b>14,688,771</b>
<b>Accumulated Depreciation</b>								
At 1 April 2016	169,705	231,425	725,301	261,654	723,298	1,566,958	-	<b>3,678,341</b>
Disposals	-	-	(44,046)	-	-	-	-	<b>(44,046)</b>
Charge for Year	103,014	128,788	111,022	23,403	30,583	59,315	-	<b>456,125</b>
Written back on revaluation:								
- Impairment Charge <sup>1</sup>	(69,635)	-	-	-	-	-	-	<b>(69,635)</b>
- Impairment Reversal <sup>2</sup>	-	(88,294)	-	-	-	-	-	<b>(88,294)</b>
- Revaluation <sup>3</sup>	(203,084)	(271,919)	-	-	-	-	-	<b>(475,003)</b>
<b>At 31 March 2017</b>	<b>-</b>	<b>-</b>	<b>792,277</b>	<b>285,057</b>	<b>753,881</b>	<b>1,626,273</b>	<b>-</b>	<b>3,457,488</b>
<b>Net Book Values</b>								
31 March 2017	<b>5,569,000</b>	<b>4,851,705</b>	<b>345,160</b>	<b>20,907</b>	<b>47,093</b>	<b>55,814</b>	<b>341,604</b>	<b>11,231,283</b>
31 March 2016	<b>4,963,673</b>	<b>4,063,238</b>	<b>317,011</b>	<b>26,394</b>	<b>73,058</b>	<b>51,215</b>	<b>558,549</b>	<b>10,053,138</b>

The interim revaluation of assets resulted in impairments<sup>1</sup> on Carrochan Headquarters (£150k), Loch Chon Campsite (£143k) and Loch Venacher car parks (£57k); a write back<sup>2</sup> on previous impairments on Loch Lubnaig (£38k) and Drumkinnon Bay Pontoon (£64k); and revaluation increases<sup>3</sup> of £1,184k. Overall, the revaluation of assets resulted in a net increase in the carrying value of property assets of £936k. Freehold Land and Buildings contain one piece of land at Kenmore Wood that was donated to the Authority and is valued at £7.5k on an existing use value.

## 11. Intangible Assets

	IT Systems & Software	Website	Copyright	Total Intangible Assets
<b>Cost or Valuation</b>				
At 1 April 2016	434,466	-	26,875	<b>461,341</b>
Additions at Cost	3,361	-	-	<b>3,361</b>
Transfer Asset into Use	-	64,367	-	<b>64,367</b>
	<hr/>			
<b>At 31 March 2017</b>	<b>437,827</b>	<b>64,367</b>	<b>26,875</b>	<b>529,069</b>
<b>Accumulated Depreciation</b>				
At 1 April 2016	421,878	-	21,325	<b>443,203</b>
Charge for Year	10,948	21,456	1,850	<b>34,254</b>
	<hr/>			
<b>At 31 March 2017</b>	<b>432,826</b>	<b>21,456</b>	<b>23,175</b>	<b>477,457</b>
<b>Net Book Values</b>				
31 March 2017	5,001	42,911	3,700	<b>51,612</b>
31 March 2016	12,588	-	5,550	<b>18,138</b>

<b>12. Investments in Other Entities</b>	<b>£</b>
<b>As at 31 March 2016</b>	-
Additions at Cost	20,000
Impairment	<u>(20,000)</u>
<b>As at 31 March 2017</b>	<u><u>-</u></u>

This investment represents the Authority's interest in National Park Partnerships LLP. National Park Partnerships LLP was incorporated on 11 June 2016 for the purpose of enabling the UK National Parks to pursue and enter into commercial arrangements. At incorporation Loch Lomond & The Trossachs National Park Authority and the other 14 UK National Park Authorities contributed £10,000 for an equal share in the entity with a further capital call of £10,000 in March 2017.

Profits of the Partnership will be divided equally between all of the members following approval of the annual accounts. The first accounting period ends on 30 June 2017 and no income has been received during 2016/17.

The Authority is a Designated Member of the Partnership and is jointly responsible for ensuring compliance with the Limited Liability Partnership Act 2000. Gordon Watson is a Board Member of the Management Board of the Partnership. Decisions require a simple majority vote, with certain exceptions that require approval by at least three quarters of the members.

The investment has been fully impaired as the capital contributions cannot be withdrawn or paid back. On leaving the Partnership a partner is only entitled to the undrawn balance of its profit share and on liquidation a partner would only receive a share after all creditors' and liquidators' expenses have been met.

<b>13. Trade Receivables and Other Assets</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade receivables	165,573	136,174
Other receivables	4,747	4,810
VAT receivable	27,143	24,280
Prepayments and accrued income	<u>165,664</u>	<u>91,607</u>
	<u><u>363,127</u></u>	<u><u>256,871</u></u>
Amounts falling due after one year:		
Prepayments	<u><u>15,602</u></u>	<u><u>11,153</u></u>
<b>14. Cash and Cash Equivalents</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank Accounts	885,703	306,800
Imprest Accounts	<u>718</u>	<u>1,030</u>
	<u><u>886,421</u></u>	<u><u>307,830</u></u>

All balances were held at commercial banks and cash in hand (2015/2016 - all).



<b>15. Trade Payables and Other Liabilities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts payable within one year:		
Trade payables	728,343	360,683
Accruals and deferred income	524,660	652,539
Funds held for third parties	4,872	2,630
	<u>1,257,875</u>	<u>1,015,852</u>
Amounts falling due after more than one year:		
Deferred Income	<u>173,684</u>	<u>-</u>

During the year the Authority varied the terms of a lease and received a reverse lease premium payment of £175k which will be released over the life of the lease (133 years).

#### **16. Finance Leases**

Two assets are identified as being held under a finance lease. The minimum rent on these assets is £1 and £5 per year and the value of the corresponding finance lease creditor is £143 (2015/16- £149). Given the non-material value, this has not been recognised as a finance lease creditor and the revaluation reserve has not been reduced by the corresponding amount.

There are no contingent rent provisions or renewal or purchase options on these leases. As at 31 March 2017, the net carrying amount of buildings leased under a finance lease was £1,633,276 (2015/16- £1,687,674), which is included within total leasehold buildings in Note 10.

#### **17. Capital Commitments, Contingent Assets and Contingent Liabilities**

There was £519k committed but unspent capital expenditure at 31 March 2017 (31 March 2016 – £49k). In addition, there was £210k of committed capital grant expenditure as at 31 March 2017 (31 March 2016 – £315k).

The Authority will hold contingent assets in respect of three financial bonds totalling £1.332m as a planning condition for the development of a gold and silver mine in Cononish Glen. Scotgold Resources Limited will be required to lodge the bonds as soon as development of the site begins. The bonds will only become receivable by the Authority if Scotgold Resources Limited fails to fully reinstate the site at the end of the mining operating period of 10 years. The bonds shall be sufficient to meet any costs incurred by the Authority in implementing the Operator's Obligations should the Operator fail to fulfil them. This includes the Decommissioning and Restoration Obligations, obligations in relation to the Greater Cononish Glen Management Plan and in relation to the Management of Extractive Waste Regulations and the Waste Management Plan.

There is a contingent asset in respect of the operating lease with Forest Enterprise for the campsite at Loch Chon. The lease provides that in the event that the Landlord exercises their right to terminate the lease with effect from the third anniversary from the date of entry, then the Landlord shall be obliged to pay compensation of £160,529 to the Authority. If the right to terminate the lease is exercised with effect from the sixth anniversary from the date of entry, the Landlord shall be obliged to pay compensation of £91,731 to the Authority.

The Authority is involved in two legal disputes which may result in contingent assets or contingent liabilities, depending on the outcome of the cases. There is a legal dispute with the landowner of Drumlean Estate over access rights. The Authority won the appeal in the Sheriff Appeal Court this year however the landowner has now been granted permission to appeal to the Court of Session and the Authority intends to defend the appeal. The Authority has also raised an action to remove the tenants from Luss Visitor Centre, following a breach of the lease terms. The former tenants are defending the action to remove them and are counterclaiming for the costs of cleaning and maintaining the toilets in the Visitor Centre.

Holding assets results in repair and maintenance obligations, which are addressed based on priority of risk and need. Although no contingent liabilities have been identified, there is an inherent risk of liability, however remote, through ownership of assets.

## 18. Operating Lease Obligations

Obligations under non-cancellable Operating Leases are:

	<b>Land &amp; Buildings</b>	
	<b>Restated*</b>	
	<b>2017</b>	<b>2016</b>
	£	£
Within One Year	76,900	79,607
Two to Five Years	149,895	170,042
After Five Years	132,780	150,436

Rents receivable under non-cancellable Operating Leases are:

	<b>Land &amp; Buildings</b>	
	<b>Restated*</b>	
	<b>2017</b>	<b>2016</b>
	£	£
Within One Year	132,599	134,669
Two to Five Years	218,408	213,900
After Five Years	168,368	176,750

\*As part of the 2016/17 year end review process, the rental lease obligations for the Authority as both a landlord and a tenant were clarified and as a result the prior year operating lease balances have been restated.

## 19. Related Party Transactions

The Authority is a non-departmental public body of the Scottish Government. The Authority's sponsoring body is the Scottish Government Rural Directorate.

The Scottish Government and Scottish Government Rural Directorate are regarded as related parties with whom there have been various material transactions during the year in the normal course of business. In addition, the Authority has had a number of material transactions with other Government departments and other non-departmental public bodies.

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

## 20. Financial Instruments - Exposure to Risks

The Authority's resources are met from the DEL cash budget allocation from the Scottish Government, from project 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 and the investment in National Park Partnerships LLP (see Note 12), the Authority holds no financial instruments.

### *Liquidity Risk*

The 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 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 Authority is not exposed to foreign currency risk.

## 21. Pensions - Revenue Account

In accordance with International Accounting Standard 19 (IAS19), the Authority is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. This is provided in Notes 21 to 24.

In 2016/17, the Authority paid an employer's contribution of £698,525 (2015/16 - £676,357) representing 19.3% (2015/16 - 19.3%) of employees' pensionable pay into the Strathclyde Pension Fund, which is administered by Glasgow City Council. This fund provides members with defined benefits related to pay and service.

The employer's contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations which determine whether employers are contributing sufficiently to maintain the Fund's solvency.

	<b>2017</b>	<b>2016</b>
	£000	£000
<b>Amount Charged to Operating Profit:</b>		
Current Service Cost	848	1,049
Actuarial Loss (Gain)	3,895	(3,235)
Curtailments and Settlements	-	-
<b>Total Operating Charge (Gain): (A)</b>	<u>4,743</u>	<u>(2,186)</u>

<b>Amount Credited to Other Finance Income:</b>	£000	£000
Expected Return on Employer Assets	638	548
Interest Cost	<u>(722)</u>	<u>(717)</u>
<b>Net Deficit: (B)</b>	<u>(84)</u>	<u>(169)</u>
Net Revenue Account Cost (Gain): (A) - (B)	<u><u>4,827</u></u>	<u><u>(2,017)</u></u>

## 22. Pensions - Balance Sheet

The Authority's assets and liabilities amounted to:	<b>2017</b>	<b>2016</b>
	£000	£000
Fair Value of share of assets in the Strathclyde Pension Fund	22,191	17,370
Present Value of funded liabilities	(28,518)	(19,567)
Present Value of unfunded liabilities	(72)	(63)
Net Pension Liability	<u><u>(6,399)</u></u>	<u><u>(2,260)</u></u>

## Fair value of employer assets

The asset values below are at bid value as required under IAS19.

Asset Category	31 March 2017				31 March 2016			
	Quoted Prices in Active Markets £'000	Prices not Quoted in Active Markets £'000	Total £'000	%	Quoted Prices in Active Markets £'000	Prices not Quoted in Active Markets £'000	Total £'000	%
<b>Equity Securities</b>								
Consumer	2,099	-	2,099	9%	1,629	-	1,629	9%
Manufacturing	1,662	4	1,666	8%	1,290	11	1,301	8%
Energy & Utilities	660	-	660	3%	512	-	512	3%
Financial Institutions	1,545	-	1,545	7%	1,199	-	1,199	7%
Health & Care	903	-	903	4%	700	-	700	4%
Information Technology	1,276	-	1,276	6%	990	2	992	6%
<b>Private Equity</b>								
All	-	1,830	1,830	8%	-	1,689	1,689	10%
<b>Real Estate</b>								
UK Property	-	2,677	2,677	12%	-	1,866	1,866	11%
<b>Investment Funds and Unit Trusts</b>								
Equities	215	6,921	7,136	32%	151	4,358	4,509	26%
Bonds	-	1,246	1,246	6%	-	2,120	2,120	12%
Commodities	15	-	15	0%	6	-	6	0%
Other	28	273	301	1%	-	244	244	1%
<b>Derivatives</b>								
Foreign Exchange	-	3	3	0%	-	-	-	0%
Other	(2)	-	(2)	0%	4	-	4	0%
<b>Cash and Cash Equivalents</b>								
All	799	37	836	4%	580	19	599	3%
<b>Totals</b>	<b>9,200</b>	<b>12,991</b>	<b>22,191</b>	<b>100%</b>	<b>7,061</b>	<b>10,309</b>	<b>17,370</b>	<b>100%</b>

Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. They are based on a valuation as at 31 March 2014 updated for the remaining period to the end of the financial year, by the independent actuaries to the Strathclyde Pension Fund. The main assumptions used in the calculations are:

	<b>2017</b>	<b>2016</b>
	% pa	% pa
Inflation/ Pension Increase Rate	2.4%	2.2%
Salary Increase Rate	4.4%	4.2%
Discount Rate	2.7%	3.6%
Life Expectancy at age 65 :		
Current Pensioners Male	22.1 Yrs	22.1 Yrs
Current Pensioners Female	23.6 Yrs	23.6 Yrs
Future Pensioners Male	24.8 Yrs	24.8 Yrs
Future Pensioners Female	26.2 Yrs	26.2 Yrs

#### **Movement in the Net Pension Deficit during the Year**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Deficit at Beginning of the Year	(2,260)	(4,952)
Adjusted by:		
Current Service Cost	(848)	(1,049)
Employer's Contributions	685	672
Contributions in respect of Unfunded Benefit	3	3
Net Return on Assets	(84)	(169)
	<u>(244)</u>	<u>(543)</u>
Actuarial (Losses) Gains	<u>(3,895)</u>	<u>3,235</u>
<b>Deficit at End of Year</b>	<u><u>(6,399)</u></u>	<u><u>(2,260)</u></u>

It should be noted that the pension deficit figure has been specifically produced for the purpose of meeting IAS 19 disclosure requirements. The actuarial valuations will take into account the appropriate employers rates and this together with revenues generated from the investments will be utilised to meet the Fund's commitments.

#### **The Actuarial (Losses) Gains can be further analysed as follows:**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Experience Gains on Fund Assets	3,472	75
Defined Benefit (Losses) Gains	<u>(7,367)</u>	<u>3,160</u>
	<u><u>(3,895)</u></u>	<u><u>3,235</u></u>

## 23. Pensions – Additional Disclosures

### Sensitivity Analysis

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below.

Change in assumptions as at 31 March 2017	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	15%	4,210
0.5% increase in the Salary Increase Rate	6%	1,726
0.5% increase in the Pension Increase Rate	8%	2,343

### Information about the Defined Benefit Obligation

	Liability split		Weighted Average Duration
	£'000	Percentage %	
Active members	20,116	70.5%	29.7
Deferred members	4,183	14.7%	26.1
Pensioner members	4,219	14.8%	14.0
<b>Total</b>	<b>28,518</b>	<b>100.0%</b>	<b>24.8</b>

The figures above are for funded obligations only and do not include any unfunded pensioner liabilities. The durations are as they stood at the previous formal valuation (31 March 2014).

### Projected defined benefit cost for the period to 31 March 2018

The table below shows an analysis of the projected amount to be charged to the Statement of Comprehensive Net Expenditure for the period to 31 March 2018.

Period ended 31 March 2018	Assets £'000	Obligations £'000	Net (liability) / asset	
			£'000	% of pay
Current service cost *	-	1,277	(1,277)	(36.0%)
<b>Total Service Cost</b>	-	<b>1,277</b>	<b>(1,277)</b>	<b>(36.0%)</b>
Interest income on plan assets	608	-	608	17.1%
Interest cost on defined benefit obligations	-	789	(789)	(22.2%)
<b>Total Net Interest Cost</b>	<b>608</b>	<b>789</b>	<b>(181)</b>	<b>(5.1%)</b>
<b>Total included in Statement of Comprehensive Net Expenditure</b>	<b>608</b>	<b>2,066</b>	<b>(1,458)</b>	<b>(41.1%)</b>

\* The service cost figures include an allowance for administrative expenses of 0.2% of payroll.

The contributions paid by the Employer are set by the Fund Actuary at each triennial actuarial valuation (the most recent being 31 March 2014) or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2018 are set out in the Rates and Adjustments certificate. For further details on the approach adopted to set contribution rates for the Employer please refer to the 2014 actuarial valuation report dated 31 March 2015. The estimate of Employer's contribution for the period to 31 March 2018 will be approximately £685,000.

**24. Actuarial (Loss) Gain Recognised in the Statement of Changes in Taxpayers' Equity**

	<b>2017</b>	<b>2016</b>
	£000	£000
Experience Gains on Assets	3,472	75
Other Actuarial (Losses) Gains	(7,367)	3,160
<b>Actuarial (Losses) and Gains</b>	<b>(3,895)</b>	<b>3,235</b>
<b>Cumulative Actuarial Losses</b>	<b>(5,885)</b>	<b>(1,990)</b>

The valuation of the Scheme Assets at 31 March 2017 is based on estimated bid values.





## **APPENDIX 1**

### **LOCH LOMOND AND THE TROSSACHS 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 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 27 June 2003 is hereby revoked.

**IR HOOPER**

**Head of Countryside and Natural Heritage Division**

Signed by the authority of the Scottish Ministers

Dated: 12 January 2006