

Annual Accounts 2014 / 15

Agenda Item 7, Appendix 2

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Contents	Page
Strategic Report	2
Directors' Report	10
National Park Authority Members	11
Remuneration Report	16
Statement of Accountable Officer's Responsibilities	19
Governance Statement	21
Independent Auditor's Report	24
Annual Accounts	
Statement of Comprehensive Net Expenditure	26
Statement of Financial Position	27
Statement of Cash Flows	28
Statement of Changes in Taxpayers' Equity	29
Notes to the Accounts	30
Accounts Direction	46

STRATEGIC REPORT

Introduction

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.

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.

Loch Lomond & The Trossachs National Park Authority ("the Authority") presents this Statement of Accounts for the year from 1 April 2014 to 31 March 2015 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 46.

Board Members and Management Team

Full details of the Board Members are noted on pages 11 to 15. During the financial year 2014/15, day-to-day management of the Authority was undertaken by the Executive Team comprising:

- Chief Executive – Gordon Watson (from 17 January 2015)
- Chief Executive – Fiona Logan (until 16 January 2015)
- Director of Operations – Gordon Watson (until 16 January 2015)
- Director of Corporate Services – Jaki Carnegie

Notification of interests

The Authority has detailed policies 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 exclude themselves from any part of the discussion or decisions relating to that matter. Board Members interests are a matter of public record and are published on the Authority's website.

Financial performance

The results for the year to 31 March 2015 are set out on pages 26 to 45.

The Authority receives the majority of its funding through its Grant in Aid (GIA) award from the Scottish Government with additional funding being received from partner agencies and other sources, mainly to jointly fund projects. The Authority is expected to manage its budget in accordance with its Financial Memorandum and the Scottish Public Finance Manual.

The Authority is expected to ensure that, taking one year with another, income from Grant in Aid and other income equals expenditure.

The Scottish Government provides a total resource budget and cash allocation for each financial year, which originates from the spending review and its subsequent approval in the Budget Bill. During the year revisions are agreed with Scottish Government in the Spring and Autumn budget.

In 2014/15 the Park Authority received capital funding which enabled investment in key infrastructure such as the work at Loch Venacher as part of the 5 Lochs Management Plan, Scenic Routes installations at Falls of Falloch and Inveruglas, completion of the pontoon at Drumkinnon Bay, Balloch, and a new ranger patrol boat.

The Authority's gross expenditure for 2014/15 was £8,492k (2013/14 - £10,471k). The 2014/15 expenditure includes an impairment in relation to new assets of £80k (2013/14 impairment in relation to quinquennial asset revaluation of £1,930k).

After £7,896k of total Grant in Aid received, other income of £628k and interest received of £1k, the 2014/15 financial statements show a surplus of £33k (2013/14 - £1,218k deficit).

Summary of Surplus for the Year	£'000
Gross Expenditure	8,492
Grant in Aid	(7,896)
Other Income	(628)
Interest Receivable	(1)
Surplus	(33)

Included within the surplus figure above are some significant non-cash items and Grant in Aid that is attributable to the addition of non-current assets. After excluding these items, see below, the financial result for 2014/15 is a net expenditure position of £124k (2013/14 - £49k net expenditure position).

	£'000
Surplus	(33)
Exclude Grant in Aid transferred for capital expenditure	1,083
Exclude non-cash items	
Depreciation	(443)
Impairment of non-current assets	(80)
Deficit on pension assets	(129)
Other pensions costs	(274)
Net book value of asset disposal	0
Net Expenditure	124

The table below shows how the resources 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.

Expenditure financed by GIA	GIA award (£000)	Outturn (£000)	Variance (£000)
Resource Departmental Expenditure Limit (DEL)	6,404	6,530	(126)
Capital DEL	1,492	1,492	0
Total Grant in Aid	7,896	8,022	(126)
Non-cash DEL (depreciation)	500	443	57
Expenditure classed as Annually Managed Expenditure (AME)	1,050	1,416	(366)

Expenditure financed by other income	Income (£000)	Expenditure (£000)	Variance (£000)
Operating expenditure	865	865	0

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 Grant in Aid from the Scottish Government, future grants from partner agencies, and income from chargeable activities.

Performance against targets

The Authority achieved its efficiency plan target for 2014/15 as defined in the Grant in Aid award letter. The Authority sets its targets on an annual basis by reference to the overriding strategy set out in the Corporate Plan. The delivery targets for 2014/15 were expressed in an annual budget and operational plan which was finalised and agreed in March 2014. Performance against these targets was monitored by the Executive Team and reported to Board Members at the end of each calendar quarter. Details of the achievements under each of the Authority's themes and Scottish Government Strategic Outcomes are highlighted in the annual report published at the same time as these accounts. For 2014/15, the targets were aligned with the following ten National Outcome Targets set by the Scottish Government National Performance Framework for all public agencies:

- We realise our full economic potential with more and better employment opportunities for our people
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens
- We live longer, healthier lives
- We live our lives safe from crime, disorder and danger
- We live in well designed, sustainable places where we are able to access the amenities and services we need
- We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others
- We value and enjoy our natural and built environment and protect it and enhance it for future generations
- We take pride in a strong, fair and inclusive national identity
- We reduce the local and global environmental impact of our consumption and production
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

Environmental management

The Authority has a comprehensive approach to monitoring our environmental performance. During the year we continued to monitor the levels of CO₂ generated by buildings and vehicles. Fleet replacement decisions were based on the purchase of more efficient models which will have an on-going impact on reducing our overall CO₂.

We have seen a significant drop in the waste generated at our Headquarters building being sent to landfill with the majority of our waste, including food waste, being recycled.

The Authority continues to focus on improving the availability and quality of data to support management and scrutiny of our environmental performance by working closely with Resource Efficient Scotland.

Projects identified within the Carbon Management Plan continue to be monitored and during the year we realised the benefits of more efficient heating systems being installed at the Duncan Mills Memorial Slipway and Balmaha Visitor Centre.

In addition, we continued to implement our sustainable procurement strategy throughout the year.

Changes in non-current assets

Movements in non-current assets are shown in note 9 to the accounts.

The Authority actively manages its non-current assets, covering estates owned by the Authority and leasehold properties. During the year, the Authority continued with its agreed strategy of delivery through fewer but more focussed locations, with a number of properties owned by the Authority now subject to lease in the open market.

Two significant construction projects completed during 2014/15 and were transferred from Assets under Construction to Land and Buildings. The values transferred were £490k in relation to the Pontoon at Drumkinnon Bay and £129k in relation to the Scenic Routes installation at Falls of Falloch. These assets were valued as at 31 March 2015, after initial recognition, and there was a gain on revaluation of the Falls of Falloch Viewpoint of £49k and a loss on revaluation of the Pontoon of £81k shown in the Statement of Comprehensive Net Expenditure.

As part of the year end process we reviewed all leased assets and concluded that two assets are technically held under a finance lease and therefore a corresponding creditor should be recognised. The value of the creditor is not material for 2014/15 (minimum rents of £1 and £5 per year). Therefore we will adjust the 2015/16 accounts to reflect the finance lease creditor balance. We also completed a desk-top review of the value of leasehold assets and as a result have recognised an impairment of £209k which only impacts the revaluation reserve balance because there had been a previous gain on revaluation associated with these assets. The net revaluation loss on property, plant and equipment during the year is £161k.

Gifts and charitable donations

Gifts totalling £867 were made in the year (2013/14 £154). There were charitable donations totalling £190 made in the year (2013/14 £54).

Losses, special payments and write offs

There were write offs in the year of £22,291 relating to rental of the Gateway Centre (2013/14 £nil). There were no losses or special payments made in the year.

Post balance sheet events

A new Executive Team management structure was announced in May 2015. The day-to-day executive management of the Authority will be undertaken in future by:

- Chief Executive – Gordon Watson
- Director of Corporate Services – Jaki Carnegie
- Director of Estates & Commercial Development – Vacant Post
- Director of Conservation & Visitor Management – Vacant Post
- Head of Planning & Rural Development – Stuart Mearns
- Head of Communications – Anna MacLean

The pension scheme provided by the Authority for staff changed from a final salary defined benefit scheme to a career average defined benefit scheme from April 2015.

A further two significant construction projects completed early in 2015/16, the Scenic Routes Installation at Inveruglas was officially opened in May 2015 and the works at Loch Venacher as part of the 5 Lochs Management plan completed in Summer 2015. These assets will be valued after initial recognition, during the year ended 31 March 2016, and this may result in impairments on initial valuation of the assets.

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 2015, the Authority paid 89% (2013/14 – 99%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 99% (2013/14 – 100%) against this target.

The Authority will continue to work towards maintaining this strong payment performance.

Complaints and information request performance

The organisation handles a number of complaints and information requests each year and aims to reply to all requests within the relevant time limits. The table below shows more information on the types of request received and that we achieved 100% compliance with response time limits during 2014/15.

	Number received 2014/15	Responded to within time limit	Number received 2013/14
Complaints	39	39	35
Data Protection Subject Access Requests	2	2	5
Environmental Information Requests	11	11	26
Freedom of Information Requests	39	39	30

Collaboration with Cairngorms National Park Authority

During the year the Authority continued to work in collaboration with Cairngorms National Park Authority as recommended by the strategic review of the two National Park Authorities in Scotland, published in November 2008. Shared services are in place for a number of back office and procured services and systems. Both Authorities also take advantage of sharing and learning from good practice in policy and initiatives development.

Delivery Group

The Delivery Group, a sub group of the Board, continued to provide input and support to the Authority on monitoring performance in all areas, including human resources. During the year, the Authority recorded an average loss of 10.8 days per employee due to sickness absence (2013/14 – 7.17 days). The Authority continues to closely monitor sickness absence and provides support through our Occupational Health providers and Employee Assistance programme. There were no reported losses of personal data in the year (2013/14 – nil).

Health & Safety

The Health & Safety Committee met regularly throughout the year. The Authority is continuing to focus on creating a Health & Safety culture and significant progress was made in 2014/15 including:

- regular Health & Safety Audits
- regular Health & Safety refresher training for all staff including the development of a Health & Safety training matrix
- a full review of all organisational risk assessments
- the review and update of Health & Safety policies
- the development of an interactive Health & Safety page with links to e-learning tools
- the development of a robust programme of health surveillance for all staff working in higher risk areas
- continual review and update of existing processes and forms
- fire and legionella risk assessments

This progress has improved the awareness of Health & Safety throughout the organisation and continues to ensure a safe working environment for all employees.

Pension

The Park 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 17 to 20.

Auditors

The accounts of the Park Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000. His audit report is on page 24 and details of the auditors' remuneration are given in note 8.

Strategy and business model

The National Park Partnership Plan (NPPP) sets out the strategy for the National Park for the five years from 2012-2017. It provides guidance and focus for all public bodies 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 Park communities and local businesses.

The Corporate Plan for 2012-17 describes the objectives which the Authority aims to achieve in order to deliver the broader National Park outcomes. 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 grant funding to the Authority and also takes account of additional income anticipated throughout the year, for example funding from other public bodies for joint projects.

The NPPP is updated annually and is published so that progress against key priorities can be reviewed. This year the NPPP update has been combined with the Annual Report and the combined document is

presented along with these accounts. The report highlights the progress and key achievements in delivery against the Corporate Plan and the NPPP.

The Strategy Group meets quarterly to ensure that there is effective corporate planning within the Authority, to advise the Board on 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.

Risk

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: reductions in funding, inadequate engagement with stakeholders, staff and Board members, non-delivery of high profile projects, changes to the political landscape, national policies and priorities.

Social, community and human rights

The Authority actively engages with local communities and interested individuals as part of its work on issues that are close to their heart and in the places they live and work. Throughout the year engagement took place through a series of initiatives with partners including Local Development Trusts, Community Councils and other local or specialist interest groups. This includes Board representation on various groups such as the Loch Lomond & The Trossachs National Park Community Partnership and Loch Lomond & The Trossachs Countryside Trust.

These groups take part in a series of initiatives which include Area Network Meetings, an annual Gathering and project-specific engagement. In addition, the Authority is a member of all Community Planning Partnership groups covered by the Park.

During 2014/15, specific and extensive community consultation exercises were undertaken as part of two strategic projects:

- The Main Issues Report stage of LIVE Park, the next Local Development Plan for the National Park where a multi-media campaign was used to encourage broader and deeper engagement in this key 11-week consultation phase of the planning policy development process. From geo-targeted social media, to direct mail to promote local consultation events and the opportunity to get involved, every effort was made to make the process accessible, engaging and non-intimidating. The approach included developing a bespoke website (www.ourlivepark.com) and dedicated social media channels aimed at breaking down barriers to engaging in planning, particularly amongst the harder to reach groups of younger people and working age families. A targeted programme of engagement with local primary and secondary schools offered innovative and age appropriate ways to encourage young people in the National Park's communities to have their say. This approach is being hailed as a model of good practice amongst other Planning Authorities and by the Scottish Government's own Planning team.
- A 12-week public consultation was undertaken for the Your Park proposals aimed at tackling excessive pressure and antisocial camping on the National Park's busiest and most accessible lochshores. Views were sought from interested individuals and organisations with strong support for the proposals coming from the communities most affected by the current situation.

In addition to local representation brought by the Local Authority Members, the Board of the National Park Authority has five directly elected Members representing specific geographic areas of the Park. During 2014/15 the Authority developed a campaign to raise awareness of the opportunity to stand as a directly-elected member on the National Park Authority Board and to encourage votes for those who chose to stand as candidates. Using a bespoke direct mail shot sent to all households in the Park, communities were reminded of the opportunity to and benefits of standing as a candidate or taking this opportunity to vote for their preferred directly elected member.

The Directors' Report sets out detail of the ongoing work in relation to developing equalities within the National Park and within the Authority. In terms of the internal staffing structure, the Authority's gender split of staffing at the end of the financial year was:

Headcount at 31 March 2015	Female	Male
Directors	1	1
Senior Managers	2	3
Operational Managers	7	5
Employees	68	45

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.

Looking ahead

Loch Lomond & The Trossachs National Park Authority has enjoyed another successful year despite the challenging economic situation and delivered considerable outputs directly and through extensive partnership working with a wide range of public, private and non-governmental organisations, and local communities. The Authority's structure delivers its business through the key operational themes of Conservation, Visitor Experience and Rural Development, supported by Corporate Services all of which align closely with the Government's strategic objectives of: Wealthier and Fairer, Healthier, Safer & Stronger, Smarter, and Greener Scotland.

The Authority continued to contribute to the delivery of the National Park Partnership Plan 2012/17 priorities as set out in our Corporate Plan for 2012/17.

These plans directly link to both specific outcomes set out in the plans and ten of the key Scottish Government Strategic Outcome Targets and include significant planned investments in a number of visitor infrastructure projects following the award of capital resources to 31 March 2016.

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

Gordon Watson
Chief Executive and Accountable Officer
23 June 2015

DIRECTORS' REPORT

The directors' report sets out the key aspects of the internal organisational change and development within the Authority during the year to 31 March 2015.

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 2014/15 key matters on which employees were consulted through the JNPF were:

- 2 year pay remit process for 2014/15 and 2015/16, with the 2014/15 pay remit awarded to staff in July 2014
- Implementation of organisational values and behaviours
- Implementation of policies and procedures
- Implementation of a revised Performance Review process.

Best Companies carried out a staff engagement survey during 2014, and the response rate was 80% (2013, 80%). The results for 2014 revealed the excellent news that we are listed as one of the top 100 not for profit companies to work for. There was an overall increase of 7% in employee satisfaction as compared with 2013. Staff engagement will continue to be a high priority throughout 2015/16 and we are aiming to build on the success of the last two years.

Equality & Diversity

In April 2013 the Authority published a report demonstrating how work on equalities has been embedded into standard, day to day operations. This report included a set of five equalities outcomes which provide a framework to promote equality within the work of the Authority, and in the work it undertakes to deliver the National Park Partnership Plan.

The Authority has worked towards these outcomes from 2013 - 2015 and the first progress report was published in April 2015 demonstrating the commitment as an employer and as a provider of public services to an extensive range of stakeholders and customers. This report can be found on our main web-site [Mainstreaming Report](#).

Information & Data Security

Significant attention has been given to security of information and data within the public sector over the course of 2014/15. The Authority has had no instances of loss of data or personal information over the course of the year. 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.

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

Gordon Watson
Chief Executive and Accountable Officer
23 June 2015

NATIONAL PARK AUTHORITY MEMBERS 2014-15

Loch Lomond & The Trossachs National Park Authority's Board comprised up to 17 Members in the year. The Scottish Government appoints six Members directly, appoints a further six following Council nominations by the four councils in the Park area (Argyll & Bute, West Dunbartonshire, Stirling, and Perth & Kinross) and five are elected locally. The Members serve between four and five years. The Members' periods of office and attendance at Board and Committee meetings is noted below.

Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board attendance	Statutory committee attendance (Planning & Access and Audit)
David McCowan	(a)	03/07/2014	03/07/2018	A, PI	3/5	9/11
Owen McKee	(a)	03/07/2014	03/07/2018	PI, S	4/5	7/8
David McKenzie	(a)	03/07/2014	03/07/2018	A, PI	5/5	10/11
Willie Nisbet	(a)	03/07/2014	03/07/2018	D, PI	5/5	5/8
David Warnock	(a)	03/07/2014	03/07/2018	D, PI	3/5	7/8
Angus Allan	(b)	01/10/2014	30/09/2018	A	5/5	3/3
Colin Bayes	(b)	01/10/2014	30/09/2018	D, PI, S	5/5	7/8
Petra Biberbach	(b)	01/10/2014	30/09/2018	D, PI	5/5	5/8
Linda McKay	(b)	01/10/2014	30/09/2018	S	4/5	n/a
Lindsay Morrison	(b)	01/10/2014	30/09/2018	A, S	5/5	3/3
Kate Sankey	(b)	02/10/2010	30/09/2014	PI	1/1	2/4
James Stuart	(b)	01/02/2015	31/01/2019	D	1/1	n/a
Fergus Wood	(c)	01/10/2012	30/09/2017	PI	5/5	4/8
Bob Ellis	(c)	01/10/2012	30/09/2017	D	4/5	n/a
Martin Earl	(c)	01/10/2012	30/09/2017	D	5/5	n/a
James Robb	(c)	01/10/2012	30/09/2017	A	5/5	2/3
George Freeman	(c)	01/10/2012	30/09/2017	PI	5/5	7/8
Hazel Sorrell	(c)	01/10/2012	30/09/2017	A	4/5	2/3

Notes

Nature of appointment:

(a) Locally elected (b) Appointed by Scottish Government (c) Local Authority nominee

Committee membership:

(PI) - Planning and Access, (A) – Audit, (D) – Delivery, (S) – Strategy

The membership of all committees is kept under review and amendments made as required.

Board and Committee attendance:

Board and Committee attendance is stated as:

Number of meetings that Members attended /
Number of meetings that they could attend whilst being Members of each group.

Summary of Board Members 2014-15

Elected by local residents through postal ballot

David McCowan was re-elected to Ward 5 (West Loch Lomond and Balloch) on 3 July 2014 for four years to July 2018. He was born in Arden and has lived most of his life there. He is director of a financial services company based in the National Park and also has interests in self catering property. David is a member of Helensburgh tennis and golf clubs.

Owen McKee was re-elected to Ward 2 (Breadalbane and the Trossachs) in July 2014 for a further four year term to 3 July 2018. Formerly a specialist in taxation he now runs the Village Shop in Lochearnhead. He is Vice Chair of Rural Stirling Housing Association and Chair of the Rural and Islands Housing Forum. His community involvements include acting as an Independent Examiner to a number of local charities, directorships with Loch Lomond & The Trossachs Community Partnership, Balquhidder, Lochearnhead and Strathyre Community Development Trust and Venachar Ltd.

David McKenzie was re-elected to Ward 1 (Cowal and North Loch Lomond) in July 2014 for a further four year term to 3 July 2018. David is a resident of Blairmore where, until recently, he ran his own consultancy in renewable energy. David is a native of Glasgow and spent the first part of his business life working in the ICT industry, living for extended periods in Europe, England and the USA. Having reached a senior executive position in the ICT business, David took early retirement and he and his wife Patricia decided to move to Argyll in 2006. David is passionately interested in local history and heritage. David is Secretary and Director of the Benmore & Kilmun Community Development Trust and Secretary and Trustee of Historic Kilmun / Argyll Mausoleum Limited, a community initiative to restore the historic site and Mausoleum at Kilmun Church. David is also a Director of the Blairmore Village Trust. As part of his work within the Authority, David is a member of both the Audit Committee and the Planning & Access Committee.

Willie Nisbet was re-elected to Ward 4 (East Loch Lomond and Port of Menteith) on 3 July 2014 for a further period of four years to July 2018. He has farmed on the banks of Loch Lomond for the last 30 years, and has worked to bring together the competing demands of farming, the environment and public access. He is a Director of RHET (Royal Highland Education Trust) and a past Chair of Central Scotland's branch of FWAG (Farming Wildlife Advisory Group). He has also been treasurer of Kilmarnock Community Trust and Chair of the Community Paths Group.

David Warnock was re-elected to Ward 3 (Callander) on 3 July 2014 for a period of four years to July 2018. He has lived in Callander since 1986 and operates a small consultancy business working mainly in rural development, recreation, outdoor access and cultural and natural interpretation. He previously worked as Development Officer on the award winning Trossachs Trail Tourism Management Programme and as Senior Countryside Ranger with Stirling District Council. He has a degree in Business Studies with Environmental Education. David has been involved in numerous conservation schemes including 'Operation Osprey' at Loch Garten and is an active member of various local and national conservation groups. He also has over 25 years' mountain rescue experience.

Appointed by Scottish Ministers

Angus Allan was appointed on 15 March 2011. He holds an Honours degree in Agriculture and a Masters degree in Business Management. He is Depute Principal at South Lanarkshire College, East Kilbride. Angus brings to the Board a background in agriculture and conservation, strong ICT skills, experience of delivering challenging projects on time and within budget, sector-leading experience in low energy, low-carbon initiatives and strong business management skills from his work with partners in industry and overseas. Angus is serving his second term as a Board Member of the Park Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term.

Colin Bayes is a Chartered Environmentalist with an extensive career dealing with environmental issues, latterly as Director of Environmental Protection and Improvement for the Scottish Environment Protection Agency, a post he retired from in May 2010. He is former chair of the National Advisory Group for river basin management planning, the Sustainable Urban Drainage Scottish Working Party and the Pollution Prevention and Control industrials' forum. He was a member of the Metropolitan Glasgow Strategic Drainage Partnership Board and is now a Board Member of Keep Scotland Beautiful. Colin lives in Stirling and is serving his second term as a Board Member of the Park Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term.

Petra Biberbach is Chief Executive of PAS, a post which she has held since June 2005. With a career spanning the public, private and third sector, Petra brings a wealth of expertise to the post in the fields of planning, sustainable development, renewable energy, and community engagement. Petra is a Board Member of the ACOSVO (Association of Chief Officers of Scottish Voluntary Organisations) and has recently been appointed to the Historic Environment Strategic Board for Scotland. Petra has lived and worked in continental Europe (Germany & Switzerland) and most recently helped to develop a sustainable tourism business in the Harz National Park in rural Germany. While working for the Campaign to Protect Rural England (CPRE) she gained considerable experience of land use management and an in-depth understanding of the uniqueness of National Parks. Petra is serving her second term as a Board Member of the Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term.

Linda McKay (Convener) has recently been elected for a second term as Convener of Loch Lomond & The Trossachs National Park. She lives in the Trossachs and has a long association with the National Park through her professional role as Principal of Forth Valley College and her role as Board Member with the Enterprise Network. Linda's other governance roles have been in the education sector as Chair of the SQA's Qualifications Committee and Advisory Council and with the Scottish Police as a member of the Police Advisory Board for Scotland and a Governor of the Scottish Police College. She was awarded an MBE for services to the Police in 2000. Linda is currently vice chair of the Wood Commission looking at the development and support of Scotland's young workforce. She has also recently been appointed as a Non-Executive Director with the Scottish Government where she serves on the Strategy Board. Linda is serving her second term as a Board Member of the Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term.

Lindsay Morrison has extensive business experience with 25 years in the aerospace and telecommunications industries, in engineering, operations and human resources, and is currently responsible for international employee benefits. During this time Lindsay has managed a large UK pension scheme, and served as a trustee for over eight years, which has provided experience in the design, operation and management of formal committee structures. Lindsay's skills are in business management, recognising the critical importance of strong leadership, clear direction and measurable progress and

achievement. Lindsay is serving his second term as a Board Member of the Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term.

Kate Sankey has a background in environmental and conservation science, education and community-based learning. She lives in Stirlingshire where she runs an organic farm and learning centre on the edge of Flanders Moss National Nature Reserve. She is Vice Chair of Loch Lomond and the Trossachs Community Partnership, an elected member of the Scottish Sustainable Development Forum steering group, and Chair of Forth Environment Link. Kate was a member of the board since 2002 and her term of office ran until 30 September 2014.

James Stuart has had an interest in the National Park for many years. In a personal capacity he has sailed and raced on the lochs in the Park and has also enjoyed walking and running within the hills and mountains. In a professional context he has worked with the Authority whilst leading two sports governing bodies over recent years (Royal Yachting Association Scotland and Scottish Equestrian Association) and also through being a member of the National Tourism Strategy (Tourism Scotland 2020) Strategic Leadership Group. He hopes that his contemporary understanding of sport, recreation, outdoor sports governance and his strategic engagement with the National Tourism Strategy equip him suitably to support the board. He is currently the Managing Director of Edinburgh Pharmaceutical Processes, a family owned Contract Research Organisation. James was appointed to the Board commencing 1 February 2015 for a four year term.

Appointed by Scottish Ministers on the Nomination by the Local Authorities

Councillor Martin Earl was elected to Stirling Council in May 2012, representing the Trossachs and Teith Ward. At the Council Martin sits on the Education, Community Planning and Environment & Housing Committees and is Convener of the Public Safety Committee. Martin has lived and worked in the National Park since its creation. Effective communication with and involvement of the communities within the Park is one of his main priorities. He was appointed to the Board on 1 October 2012 for a period of five years. Martin also sits on the Boards of Active Stirling and Rural Stirling Housing Association.

Councillor Fergus Wood is a member of Stirling Council for Trossachs and Teith ward and was Provost of Stirling 2008 - 2012. He is a farmer and tourism operator in the Trossachs. He has had a long association with the military and was awarded the Territorial Decoration (TD) in 1978. His hobby, which is now a profession, is Celtic music. Fergus was re-appointed to the Board on 1 October 2012 for a further five years.

Councillor James Robb is a Chartered Engineer and Investment Professional with a career that has spanned project management in the North Sea oil construction industry to investment banking in the Far East. First elected a councillor in 2007 he is a former Leader of Argyll & Bute Council. He was appointed to the Board on 1 October 2012 for a period of five years and hopes his skills and wide experience can contribute to delivering a successful future for the National Park.

Councillor George Freeman is originally from South Queensferry, just outside Edinburgh, although he has now lived in Garelochhead for over 33 years. He has served as an elected councillor within Argyll & Bute since 1999 where he has held a number of senior positions. He represents the National Park on the Argyll & Bute Strategic Housing Forum. A large section of his Lomond North ward is within the National Park boundary. He was a civil servant having worked in the logistics field for 30 years prior to taking early retirement in 1999. George is also a former Chairman of Garelochhead Community Council. George was appointed to the Board on 1 October 2012 for a period of five years.

Councillor Hazel Sorrell is an elected councillor for West Dunbartonshire Council (Lomond Ward) and prior to this she worked with disabled adults. Hazel decided to stand for election to better represent vulnerable people. She has lived her entire life on the doorstep of the National Park and has good local knowledge of the surrounding area. Hazel has two grown up children and lives with her husband Alan in Haldane. One of Hazel's main areas of focus will be to make sure local people in Balloch, Alexandria and Haldane have a better understanding of the work of the Authority and find ways to maximise the economic benefits National Park status can bring to the area. She was appointed to the Board on 1 October 2012 for a period of five years.

Councillor Bob Ellis has been a councillor for 19 years and is a member of Perth and Kinross Council, where he sits on their Environment Committee. He is a Trustee of Perth and Kinross Countryside Trust, is Convener of Sport & Active Recreation, represents Perth & Kinross Council on the CoSLA Culture & Sport Working Group and is Chairman of the Scottish Association of Local Sports Councils (SALSC). He is the Chairman of Blairgowrie & East Perthshire Tourist Association, the Chairman of Blairgowrie & Rattray Highland Games and the founder of the Catevan Trail. He is also Vice Convener of Loch Lomond & The Trossachs National Park Access Forum along with sitting on the Perth & Kinross Outdoor Access Forum.

REMUNERATION REPORT PART 1 UNAUDITED

Introduction

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 2014/15, Board Members unanimously voted against the implementation of the 1% pay award available to Board Members.

Service Contracts

The Chief Executive's contract is on a permanent basis with a three month period of notice.

PART 2 AUDITED

Disclosure of Remuneration – Chief Executive and Directors

Year ended 31 March 2015	Basic salary band (paid during year)	Basic salary band (full year)	Other emoluments	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000
Chief Executive Fiona Logan	65-70	80-85	0	18	95-100
Chief Executive Gordon Watson	65-70	75-80	0	76	150-155
Directors					
Jaki Carnegie	50-55	50-55	0	14	65-70

Year ended 31 March 2014	Basic salary band	Other emoluments	Pension Benefits	Total
	£'000	£'000	£'000	£'000
Chief Executive Fiona Logan	75-80	0	15	90-100
Directors Gordon Watson	60-65	0	7	70-80
Jaki Carnegie	45-50	0	12	50-60
David Cameron	Note	Note	Note	Note

The median total remuneration of all staff was £27,638. The pay multiple between the mid-point of the highest paid director's banding and the median total remuneration of all staff was 2.79.

Year ended 31 March 2015	Real increase (decrease) in pension value and related lump sum		Total accrued pension at age 60 and related lump sum at 31 March 2015		Cash equivalent transfer value at 31 March 2015	Real increase in cash equivalent transfer value
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive Fiona Logan	0-2.5	0-2.5	5-10	0-5	88	8
Directors Gordon Watson	0-2.5	3.0-3.5	25-30	55-60	365	51
Jaki Carnegie	0-2.5	0-2.5	0-5	0-5	20	6

Year ended 31 March 2014	Real increase (decrease) in pension value and related lump sum		Total accrued pension at age 60 and related lump sum at 31 March 2014		Cash equivalent transfer value at 31 March 2014	Real increase in cash equivalent transfer value
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive Fiona Logan	0-2.5	(0-2.5)	5-10	0-5	72	22
Directors Gordon Watson	0-2.5	(0-2.5)	20-25	50-55	300	12
Jaki Carnegie	0-2.5	0-2.5	0-5	0-5	9	16
David Cameron	Note	Note	Note	Note	Note	Note

Note: David Cameron is an employee of Cairngorms National Park Authority (CNPA) and is a member of the Civil Service Pension Scheme. The details of his remuneration are noted in the CNPA's Annual report. Fiona Logan, Gordon Watson and Jaki Carnegie are ordinary members of the Strathclyde Pension Fund. David Cameron left the organisation in May 2013, Fiona Logan left the organisation on 16 January 2015 and Gordon Watson was appointed as Chief Executive on 17 January 2015 (formerly Director of Operations).

Local Government Pension Scheme

Pension benefits are provided through the Strathclyde Pension Fund which provided final salary defined benefit schemes to all staff until March 2015. From April 2015 the pension scheme has changed to a career average defined benefit scheme.

Further details about the pension scheme are contained within notes 17 to 20.

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.

Analysis of Board Members' Fees and Expenses

Board member	2014/15 Fees £	2014/15 Expenses* £	2013/14 Fees £	2013/14 Expenses* £
Convener - Linda McKay	19,137	74	19,137	1,187
Owen McKee	12,250	3,027	14,352	1,959
Angus Allan	7,177	236	7,177	153
Colin Bayes	9,568	597	9,568	664
Petra Biberbach	7,485	1,483	7,177	559
Robert Ellis	7,177	606	7,177	307
David McCowan	7,177	0	7,177	0
David McKenzie	7,177	1,353	7,177	1,094
James Stuart	607	0	0	0
Lindsay Morrison	9,568	0	9,568	0
Willie Nisbet	7,485	872	7,177	624
Kate Sankey	3,579	178	7,177	311
David Warnock	7,177	0	7,177	0
Fergus Wood	7,177	319	7,177	541
Martin Earl	7,177	0	7,177	0
James Robb	7,177	0	7,177	0
George Freeman	7,177	0	7,177	0
Hazel Sorrell	7,177	0	7,177	0
	141,449	8,745	145,926	7,399

* Note – Board Members' expenses do not form part of the Remuneration Report subject to audit but are disclosed here for information purposes.

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

Gordon Watson
Chief Executive and Accountable Officer
23 June 2015

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; and
- 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.

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

Gordon Watson
Chief Executive and Accountable Officer
23 June 2015

GOVERNANCE STATEMENT

For the period ended 31 March 2015

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 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 five 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 discuss matters of policy and organisational development.
- The Delivery Group met four times to conduct a detailed review of performance against Operational and Corporate Plan targets and to review the budget for the following year.
- The Audit Committee met three times to review the work of internal and external auditors.
- The Strategy Group met four times to review the strategy of the organisation.

Full papers are issued to these meetings in advance to allow the 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 monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit Committee. The Audit Committee reports quarterly to the Board on the adequacy and effectiveness of the Authority's internal controls.

The internal audit function is an integral element of the Authority's internal control systems. KPMG LLP was appointed as the Authority's internal auditors in 2011 and has undertaken a comprehensive review of key internal control systems since their appointment. The initial three year contract for internal audit services with KPMG came to an end in 2014. Following a review by the Audit Committee, the contract was extended for one year to 2015, with the option to extend for a subsequent year available.

Over the course of the year to 31 March 2015, the internal auditors have reported to the Audit Committee on their independent reviews of payroll and pensions processes and systems, project management, fixed asset register and records management.

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

Risk Management

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

The Board recognises the importance of risk management in the activities of the organisation. Through adoption of risk-based monitoring reports for delivery of Corporate and Operational Plan objectives, National Park Plan delivery, and for wider assessment of organisational performance, the Board has provided leadership on the importance of risk management at the highest level within the organisation.

The Board's Audit Committee and Executive Team are involved in leading on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk and seek to ensure that the required actions to manage risk at a strategic level are appropriately reflected and incorporated in operational delivery plans. The Authority's strategic risk management process is based on a schedule of key risks and risk management strategy. The strategy and schedule of key strategic risks was maintained and subject to review by the Executive Team and an audit trail was maintained through recording of actions taken.

The Executive review the Risk Register on a quarterly basis, with a report being submitted annually to the Audit Committee. In the event of any risk being increased to a "high" status, this is escalated to the Committee at the earliest opportunity. One such risk which arose during the year was the resignation of Fiona Logan as Chief Executive. An appropriate risk management plan was put in place and the appointment of Gordon Watson as Chief Executive (formerly Director of Operations) removed the change of Chief Executive as a significant risk to the organisation. The appointment of an internal candidate also allowed for an appropriate transition period and handover of responsibilities.

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, whereby 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

Steps are being taken to ensure that information is being managed in accordance with 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

In terms of information management and security, a requirement to maintain close scrutiny on the Authority's IT and data management functionality is highlighted within the strategic risk register and is therefore reviewed by the Executive Team and Audit Committee.

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 and Managers teams;
- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which includes 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 weaknesses 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 does provide 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 2014-15 states that based on the work undertaken over the course of the year, significant assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Gordon Watson
Chief Executive and Accountable Officer
23 June 2015

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Loch Lomond and the Trossachs National Park Authority, the Auditor General for Scotland and the Scottish Parliament

I have audited the financial statements of Loch Lomond and The Trossachs National Park Authority for the year ended 31 March 2015 under the National Parks (Scotland) Act 2010. The financial statements comprise Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2014/15 Government Financial Reporting Manual (the 2014/15 FReM).

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

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

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. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I 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 me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2015 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2014/15 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Opinion on regularity

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

Opinion on other prescribed matters

In my opinion:

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

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.
- I have nothing to report in respect of these matters.

**Asif A Haseeb
Audit Scotland
8 Nelson Mandela Place
Glasgow
G2 1BT
23 June 2015**

STATEMENT OF COMPREHENSIVE NET EXPENDITURE
Year ended 31 March 2015

	Note	2015 £	2014 £
Expenditure			
Board Members and Staff Costs	7	4,993,453	4,720,633
Other Operating Costs	8	1,746,125	1,524,990
Programme Expenditure	4	11,645	14,205
Business Plan Expenditure	5	1,217,880	1,877,597
Depreciation	9	442,709	403,793
Provision for impairment of assets	1/9	80,508	1,929,631
		<u>8,492,320</u>	<u>10,470,849</u>
Income			
Planning Fees	3	223,049	292,262
Programme Income	4	11,645	14,205
Business Plan Income	6	149,537	268,455
Other Income	6	220,829	257,283
Profit / (Loss) on disposal of fixed asset		23,278	(31,454)
Total Income		<u>628,338</u>	<u>800,751</u>
Net Expenditure		7,863,982	9,670,098
Less: Interest Receivable		<u>(924)</u>	<u>(2,223)</u>
Net Expenditure For Year		<u><u>7,863,058</u></u>	<u><u>9,667,875</u></u>
Other Comprehensive Net Expenditure			
Actuarial (Gain) / Loss on Pension Scheme		1,684,000	944,000
Revaluation (Gain) / Loss on property, plant and equipment		160,608	(2,742,227)
		<u>1,684,000</u>	<u>944,000</u>

No activities were discontinued during the year.

The Net Expenditure after Interest Receivable but before Impairment represents the activities funded by Scottish Government through its Grant in Aid to the National Park Authority. In accordance with the Government Financial Reporting Manual (FReM) the cash Grant in Aid is taken directly to the Statement of Taxpayers' Equity (note 2 refers).

The notes on pages 30 to 45 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 £	2014 £
Non-current Assets			
Property, plant and equipment	9	9,616,313	9,121,555
Intangible Assets	9	28,798	18,102
Total non-current assets		<u>9,645,111</u>	<u>9,139,657</u>
Current Assets			
Inventories	10	8,801	9,425
Trade and other receivables	11	347,763	396,942
Cash and cash equivalents	12	644,562	831,472
Total Current Assets		<u>1,001,126</u>	<u>1,237,839</u>
Total Assets		10,646,237	10,377,496
Current liabilities			
Trade and other payables < 1 Year	13	1,425,238	1,538,681
Total Current Liabilities		<u>1,425,238</u>	<u>1,538,681</u>
Non-current assets less net current liabilities		9,220,999	8,838,815
Non-current liabilities			
Pension fund liability	18	4,952,000	2,868,000
Total noncurrent liabilities		<u>4,952,000</u>	<u>2,868,000</u>
Total Liabilities		6,377,238	4,406,681
Assets less liabilities		<u>4,268,999</u>	<u>5,970,815</u>
Taxpayers Equity			
General Reserve		2,714,107	2,171,315
Revaluation Reserve		6,500,892	6,661,500
Donated Asset Reserve		6,000	6,000
Pension Reserve		(4,952,000)	(2,868,000)
		<u>4,268,999</u>	<u>5,970,815</u>

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

Gordon Watson

Chief Executive & Accountable Officer

Authorised for issue on 23 June 2015

The notes on pages 30 to 45 form part of these Accounts.

STATEMENT OF CASH FLOWS
For the Year ended 31 March 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Net expenditure before Interest		(7,863,982)	(9,670,098)
Adjustments for items not involving the movement of cash:			
Depreciation	9	442,709	403,793
Provision for impairment of assets	9	80,508	1,929,631
(Gain)/loss on sale of property, plant & equipment	9	(23,278)	31,454
Pension adjustments in Other Income	6	129,000	81,000
Pension adjustments in Staff Costs	7	274,000	105,000
Movements in working capital:			
(Increase) decrease in trade and other receivables		49,179	(147,169)
(Decrease) increase in trade and other payables		(113,443)	212,060
(Increase) decrease in inventories		624	1,708
Net Cash Outflow from Operating Activities		<u>(7,024,683)</u>	<u>(7,052,621)</u>
Cash flows from investing activities			
Bank Interest Received		924	2,223
Purchase of property, plant & equipment	9	(1,189,279)	(1,512,676)
Proceeds from property, plant & equipment		<u>23,278</u>	<u>10,000</u>
Net Cash (Outflow) / Inflow before Financing		(8,189,760)	(8,553,074)
Cash flows from financing activities			
Grant In Aid applied to Operating Costs	2	6,404,000	7,057,324
Grant In Aid applied to Capital Expenditure	2	1,492,138	1,392,676
Other Grants applied to Capital Expenditure		106,712	120,000
Net (decrease) increase in Cash and cash equivalents		<u>(186,910)</u>	<u>16,926</u>
Cash and cash equivalents at the beginning of the period	12	831,472	814,546
Cash and cash equivalents at the end of the period	12	<u><u>644,562</u></u>	<u><u>831,472</u></u>

The notes on pages 30 to 45 form part of these Accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2015

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	Total £
Balance at 1 April 2013	2,629,516	4,375,063	3,884	(1,741,000)	5,267,463
Net gain on revaluation of Property, Plant & Equipment		2,739,227	3,000		2,742,227
Transfer depreciation on re- valued assets	453,674	(452,790)	(884)		0
Grant in Aid	8,450,000				8,450,000
Other grants	120,000				120,000
Net Expenditure after interest	(9,667,875)				(9,667,875)
Pension fund actuarial (loss) gain				(944,000)	(944,000)
Other pension fund gains (losses)				3,000	3,000
Net return on pension assets	81,000			(81,000)	0
Transfer to net fund pension liabilities	105,000			(105,000)	0
Balance at 31 March 2014	2,171,315	6,661,500	6,000	(2,868,000)	5,970,815
	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	Total £
Balance at 1 April 2014	2,171,315	6,661,500	6,000	(2,868,000)	5,970,815
Net (loss) on revaluation of Property, Plant & Equipment		(160,608)			(160,608)
Grant in Aid	7,896,138				7,896,138
Other grants	106,712				106,712
Net Expenditure after interest	(7,863,058)				(7,863,058)
Pension fund actuarial (loss) gain				(1,684,000)	(1,684,000)
Other pension fund gains (losses)				3,000	3,000
Net return on pension assets	129,000			(129,000)	0
Transfer to net fund pension liabilities	274,000			(274,000)	0
Balance at 31 March 2015	2,714,107	6,500,892	6,000	(4,952,000)	4,268,999

NOTES TO THE ACCOUNTS

For the Year Ended 31 March 2015

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 Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The particular accounting policies adopted by 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 8: Accounting Policies, Changes in Accounting Estimates and Errors. Changes in accounting policies, which do not give rise to a prior year adjustment, are reported in the relevant note.

1.1 *Accounting Convention*

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

1.2 *Accounting Period*

The accounting period commenced on 1 April 2014 and ended on 31 March 2015.

1.3 *Non-current assets - Property Plant & 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 quinquennial valuation was carried out in March 2014.

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 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.

There are two leased assets that are held under a finance lease and therefore a corresponding creditor should be recognised. The value of the creditor is not material (minimum rents of £1 and £5 per year). This will be presented as a finance lease in the accounts for 2015/16.

Capitalisation

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

1.4 *Non-current assets - Intangible Assets*

Copyrights and software licences are disclosed as intangible assets in accordance with FReM guidance and are amortised on a straight line basis over their expected useful lives.

1.5 *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
Computer Equipment	3 - 5 Years
Vehicles	5 Years
Vessels	10 to 25 Years
Machinery, Equipment, Furniture & Fittings	3 - 5 Years

1.6 *Inventories*

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

1.7 *Value added Tax*

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.

1.8 *Leases*

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

1.9 *Grant in Aid*

The Authority receives Grant in Aid from Scottish Ministers to finance its net expenditure. In accordance with financial reporting guidance, Grant in Aid is credited to the General Fund and net expenditure on activities funded by Grant in Aid is charged to this fund.

1.10 *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.

1.11 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 17 to 20 of the Financial Statements.

1.12 Trade receivables

All material amounts due as at 31 March 2015 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.13 Trade payables

All material amounts due as at 31 March 2015 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.14 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 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.

1.15 Segmental reporting

IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports about components of Loch Lomond & The Trossachs National Park Authority that are regularly used by the Chief Operating decision makers in order to allocate resources and assess their performance. Loch Lomond & The Trossachs National Park Authority reports on three segments of Visitor Experience, Conservation and Rural Development. (See note 5).

2. Grant in Aid	2015	2014
	£	£
Grant in Aid allocated to meet operational expenditure	6,420,000	6,514,000
Grant in Aid allocated to meet capital expenditure	1,328,000	1,267,000
Supplementary Grant in Aid received	164,138	685,000
	<hr/>	<hr/>
	7,912,138	8,466,000
Deduct:		
Amounts earmarked for Specific Projects	(16,000)	(16,000)
	<hr/>	<hr/>
Total Grant in Aid received (resource and capital DEL)	7,896,138	8,450,000
Less:		
Amounts transferred for purchase of Fixed Assets	(1,082,565)	(1,392,676)
	<hr/>	<hr/>
	<u>6,813,573</u>	<u>7,057,324</u>

3. Planning Fees		2015	2014
		£	£
Statutory fees on Planning Applications		223,049	292,262
4. Programme Income & Expenditure	Income	Expenditure	Net
	£	£	£
West Highland Way	11,645	11,645	0
Total 2014/15	11,645	11,645	0
Total 2013/14	14,205	14,205	0

The Authority is a member of the West Highland Way Management Group and also manages the funds contributed by members. The programme income and expenditure in relation to the management of the West Highland Way 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	Business Plan Expenditure	Income	Net Segmental Expenditure
	£	£	£	£	£
Visitor Experience	2,756,691	1,473,269	562,332	(351,546)	4,440,746
Conservation	822,684	28,294	404,088	(98,396)	1,156,670
Rural Development & Planning	1,414,079	256,207	251,460	(307,396)	1,614,350
Total 2014/15	4,993,454	1,757,770	1,217,880	(757,338)	7,211,766

	Board members and staff costs	Other operating & programme costs	Business Plan Expenditure	Income	Net Segmental Expenditure
	£	£	£	£	£
Visitor Experience	2,782,000	1,021,199	1,177,486	(416,625)	4,564,060
Conservation	683,059	138,482	218,675	(20,735)	1,019,481
Rural Development & Planning	1,255,574	379,514	481,436	(444,391)	1,672,133
Total 2013/14	4,720,633	1,539,195	1,877,597	(881,751)	7,255,674

Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

	£
Net segmental expenditure as above	7,211,766
Items not attributable to segmental activity:	
(Excess) deficit of return on pension assets over interest	129,000
Depreciation	442,708
Provision for impairment of assets	80,508
Interest receivable	(924)
Net Expenditure For Year	7,863,058

6. Business plan and Other Income		2015	2014
		£	£
Business plan income		149,537	268,455
Other income:			
Agency Reimbursements		47,000	45,000
Boat Registration Scheme		56,076	54,620
Sale of Goods		5,684	7,350
Property rental and recharges		128,328	125,805
Excess (deficit) of return on pension assets over interest		(129,000)	(81,000)
Miscellaneous		112,741	105,508
		<u>220,829</u>	<u>257,283</u>
7. Board Members and Staff Costs	Note	2015	2014
		£	£
<u>Board Members</u>			
Fees - see Remuneration Report		141,449	145,926
Social Security Costs		2,757	3,010
		<u>144,206</u>	<u>148,936</u>
<u>Staff</u>			
Salaries		3,833,369	3,622,700
Social Security Costs		260,328	262,667
Pension Costs	18	659,034	587,865
		4,752,731	4,473,232
Add secondments from related party		25,933	7,949
Deduct: Included in Programme and Business Plan figures		(94,855)	(14,484)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(108,562)	0
		<u>4,575,247</u>	<u>4,466,697</u>
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	18	935,000	694,000
Less: Employers Contribution	18	(668,000)	(589,000)
Less: Past service cost including losses / (gains) on curtailment	18	7,000	0
		<u>4,849,247</u>	<u>4,571,697</u>
Total Costs		<u>4,993,453</u>	<u>4,720,633</u>

<u>Average Number of Employees during the Year</u>	2015 No.	2014 No.
Park Board Members	17	17
Staff (incl. Agency)	132	130

<u>Staff Numbers Analysis (Full Time Equivalents)</u>	2015 No.	2014 No.
Permanent	110	112
Fixed Term	15	8
Seasonal	7	10
Agency	0	0
	132	130

	2015 No.	2014 No.
Numbers of staff with salaries above £50,000 (including Chief Executive)		
£80,001 - £85,000	1	0
£75,001 - £80,000	1	1
£70,001 - £75,000	0	0
£65,001 - £70,000	0	0
£60,001 - £65,000	0	1
£55,001 - £60,000	0	0
£50,001 - £55,000	1	1

Compensation for loss of office Exit package cost band	Number of departures	
	2015	2014
£25,000 - £50,000	2	0
Total number of exit packages	2	0
Total resource cost (excluding strain on the fund) £	67,637	0

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.

8. Other Operating Costs	2015	2014
	£	£
Agency Staff	-	29,615
Travel & Subsistence	35,555	21,231
Conferences, Courses & Training	65,257	54,980
Other Staff Costs	52,159	48,220
Property Rent & Rates	254,647	243,276
Energy Costs	66,547	64,370
Property Repairs & Development	120,714	161,985
Other Property Costs	214,478	212,681
Grounds Maintenance	224,197	-
Tools and Equipment Consumables	23,431	13,555
Transport Costs	113,575	143,518
Uniforms & Clothing	26,226	20,711
Catering & hospitality	23,449	21,353
Printing and Stationery	14,766	18,634
Published Materials	24,683	12,423
Telecommunications & Data	91,728	84,070
Legal & Professional Fees	138,036	90,307
Software and IT Supplies	142,659	188,732
Goods for Resale	2,659	2,953
Statutory Advertising	24,484	32,886
Other Administration Costs	23,320	32,361
Contributions to Other Bodies	18,115	4,677
Audit Fee - Internal	12,949	12,352
- External	10,200	10,100
Bad Debt	22,291	-
	<hr/>	<hr/>
	1,746,125	1,524,990
	<hr/>	<hr/>

9. Non-current assets

	Freehold Land & Buildings	Leasehold Land & Buildings	Assets under construction	Vehicles & Marine Vessels	Equipment Plant & Machinery	Office Furniture & Fittings	IT Hardware & Infrastructure	Total Tangible Assets	IT Systems & Software	Copyright	Total Intangible Assets	Total Assets
Cost or Valuation												
At 1 April 2014	4,923,502	3,278,999	349,785	1,069,176	234,458	688,769	1,504,140	12,048,829	404,983	17,625	422,608	12,471,437
Disposals at Cost				(113,216)				(113,216)			0	(113,216)
Additions at Cost			942,646	86,352	27,998	27,407	74,425	1,158,828	21,201	9,250	30,451	1,189,279
Transfer Asset into Use		619,251	(619,251)					0			0	0
Valuation Adjustments		(241,116)						(241,116)			0	(241,116)
At 31 March 2015	4,923,502	3,657,134	673,180	1,042,312	262,456	716,176	1,578,565	12,853,325	426,184	26,875	453,059	13,306,384
Accumulated Depreciation												
At 1 April 2014	0	0	0	645,723	223,530	673,917	1,384,104	2,927,274	386,881	17,625	404,506	3,331,780
Disposals				(113,216)				(113,216)				(113,216)
Charge for Year	91,685	100,168		105,195	15,996	16,324	93,586	422,954	17,905	1,850	19,755	442,709
Written back on revaluation												
At 31 March 2015	91,685	100,168	0	637,702	239,526	690,241	1,477,690	3,237,012	404,786	19,475	424,261	3,661,273
Net Book Values												
31 March 2015	<u>4,831,817</u>	<u>3,556,966</u>	<u>673,180</u>	<u>404,610</u>	<u>22,930</u>	<u>25,935</u>	<u>100,875</u>	9,616,313	<u>21,398</u>	<u>7,400</u>	28,798	9,645,111
31 March 2014	<u>4,923,502</u>	<u>3,278,999</u>	<u>349,785</u>	<u>423,453</u>	<u>10,928</u>	<u>14,852</u>	<u>120,036</u>	9,121,555	<u>18,102</u>	<u>0</u>	18,102	9,139,657

Freehold Land and Buildings contain one piece of land at Kenmore Wood that was donated to the Authority and is valued at £6,000 on an economic use value. The valuation adjustments of £241k relate to revaluation gains and losses on initial recognition of two assets in 2014/15 and revaluation losses arising from a desk-top review of existing leasehold assets. Further details are included in the Strategic Report, changes in non-current Assets and in accounting policy note 1.3.

10. Inventories	2015	2014
	£	£
Visitor Centres	2,694	3,040
On line shop	1,029	1,639
West Highland Way Merchandise	5,078	4,746
	<u>8,801</u>	<u>9,425</u>

11. Trade receivables and other current assets	2015	2014
	£	£
Trade receivables	143,664	306,259
Other receivables	73,058	2,869
Prepayments and accrued income	131,041	87,814
	<u>347,763</u>	<u>396,942</u>

Intra-government balances included above:	£	£
Other NDPBs	84,067	311,324
Local Government	0	227
Central Government	0	0
	<u>84,067</u>	<u>311,551</u>

12. Cash and cash equivalents	2015	2014
	£	£
Bank Accounts	643,432	830,833
Imprest Accounts	1,130	639
	<u>644,562</u>	<u>831,472</u>

All balances were held at commercial banks and cash in hand (2014 - all)

13. Trade payables and other current liabilities	2015	2014
	£	£
Amounts payable within one year:		
Trade payables	775,856	670,633
Accruals and deferred income	645,269	830,776
Other payables	4,113	7,723
Funds held for third party organisations	-	29,549
	<u>1,425,238</u>	<u>1,538,681</u>

Intra-government balances included above:	£	£
Other NDPBs	14,999	127,266
Local Government	8,648	60,268
Central Government	6,740	0
	<u>30,387</u>	<u>187,534</u>

14. Capital Commitments, Contingent Liabilities and Operating Lease Obligations

There was £51k committed but unspent capital expenditure at 31 March 2015 (2014 – £265,681).

The Authority will hold contingent assets in respect of three financial bonds totalling £1.332m. The bonds are required 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.

Obligations under non-cancellable Operating Leases are:

	Land & Buildings	
	2015	2014
	£	£
Obligations under operating leases:		
Within One Year	82,739	73,385
Two to Five Years	72,663	75,490
After Five Years	<u>357,287</u>	<u>167,090</u>

Rent receivable under non-cancellable Operating Leases are:

	Land & Buildings	
	2015	2014
	£	£
Rent receivable under operating leases:		
Within One Year	91,964	144,855
Two to Five Years	120,500	140,395
After Five Years	<u>89,283</u>	<u>108,083</u>

15. 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, Management 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.

16. Financial Instruments - Exposure to Risks

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

Liquidity Risk

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

Credit Risk

The Park Authority's funders are mainly Scottish Government or European Union Departments, Executive Agencies or other Public Bodies. The Authority is therefore not exposed to any material credit risk.

Foreign Currency Risk

The Park Authority is not exposed to foreign currency risk.

17. Pensions - Revenue Account

In accordance with International Accounting Standard No 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 17 to 20.

In 2014/15, the Authority paid an employer's contribution of £659,034 (2013/14 - £587,865) representing 19.3% (2013/14 - 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 quadrennial actuarial valuations which determine whether employers are contributing sufficiently to maintain the Fund's solvency.

	2015	2014
	£000	£000
Amount Charged to Operating Profit:		
Current Service Cost	935	694
Actuarial (Gain) / Loss Recognised in SRIE	1,684	944
Curtailments and Settlements	7	0
Total Operating (Gain) Charge (A)	<u>2,626</u>	<u>1,638</u>
Amount Credited to Other Finance Income:	£000	£000
Expected return on Employer Assets	612	572
Interest Cost	(741)	(653)
Net Return (Deficit) (B)	<u>(129)</u>	<u>(81)</u>
Net Revenue Account Cost (A) - (B)	<u><u>2,755</u></u>	<u><u>1,719</u></u>

18. Pensions - Balance Sheet

The Authority's assets and liabilities amounted to:

	2015	2014
	£000	£000
Fair Value of share of assets in the Strathclyde Pension Fund	16,263	13,895
Present Value of Funded Liabilities	(21,145)	(16,700)
Present Value of Unfunded Liabilities	(70)	(63)
Net Pension Liability	<u><u>(4,952)</u></u>	<u><u>(2,868)</u></u>

Fair value of employer assets

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

Asset Category	31 March 2015				31 March 2014			
	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	%
Equity Securities								
Consumer	1,536	0	1,536	9%	1,280	0	1,280	9%
Manufacturing	1,217	10	1,227	8%	1,114	10	1,124	8%
Energy & Utilities	483	0	483	3%	509	0	509	4%
Financial Institutions	1,131	0	1,131	7%	930	0	930	7%
Health and Care	661	0	661	4%	477	0	477	3%
Information Technology	934	1	935	6%	757	0	757	5%
Private Equity								
All	0	1,583	1,583	10%	0	1,310	1,310	9%
Real Estate								
UK Property	0	1,486	1,486	9%	0	973	973	7%
Investment funds and unit trusts								
Equities	171	4,495	4,666	29%	338	3,891	4,229	31%
Bonds	0	2,059	2,059	13%	0	1,612	1,612	12%
Commodities	6	0	6	0%	6	0	6	0%
Infrastructure	0	55	55	0%	0	20	20	0%
Other	0	30	30	0%	0	0	0	0%
Derivatives								
Other	5	0	5	0%	3	0	3	0%
Cash and cash equivalents								
All	0	400	400	2%	0	665	665	5%
Totals	6,144	10,119	16,263	100%	5,414	8,481	13,895	100%

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 2008 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:

	2015	2014
	% pa	% pa
Inflation/ Pension Increase Rate	2.5%	2.9%
Salary Increase Rate	4.4%	5.2%
Discount Rate	3.3%	4.3%
Life Expectancy at age 65 -		
Current Pensioners Male	22.1 Yrs	21.0 Yrs
Current Pensioners Female	23.6 Yrs	23.4 Yrs
Future Pensioners Male	24.8 Yrs	23.3 Yrs
Future Pensioners Female	<u>26.2 Yrs</u>	<u>25.3 Yrs</u>

Movement in the Net Pension Deficit during the Year

	2015	2014
	£000	£000
Deficit at beginning of the year	<u>(2,868)</u>	<u>(1,741)</u>
Add (Deduct)		
Current Service Cost	(935)	(694)
Employers Contributions	668	589
Contributions in respect of unfunded benefit	3	3
Losses on curtailments	(7)	0
Net Return on Assets	<u>(129)</u>	<u>(81)</u>
	<u>(400)</u>	<u>(183)</u>
Actuarial (Losses) Gains	(1,684)	(944)
Deficit at End of Year	<u><u>(4,952)</u></u>	<u><u>(2,868)</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 can be further analysed as follows:

	2015	2014
	£000	£000
Experience (Losses) Gains on Fund Assets	1,115	284
Defined Benefit Gains (Losses)	(2,799)	(1,228)
	<u>(1,684)</u>	<u>(944)</u>

19. 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 2015	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	14%	3,004
1 year increase in member life expectancy	3%	636
0.5% increase in the Salary Increase Rate	6%	1,374
0.5% increase in the Pension Increase Rate	7%	1,534

Information about the Defined Benefit Obligation

	Liability split		Duration
	£'000	Percentage %	
Active members	13,474	63.7%	29.7
Deferred members	3,504	16.6%	26.1
Pensioner members	4,167	19.7%	14.1
Total	21,145	100.0%	24.8

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 2016

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 2016.

Period ended 31 March 2015	Assets £'000	Obligations £'000	Net (liability) / asset	
			£'000	% of pay
Current service cost *		1,046	(1,046)	(30.1%)
Past service cost including curtailments				
Effect of settlements				
Total Service Cost	0	1,046	(1,046)	(30.1%)
Interest income on plan assets	548		548	15.8%
Interest cost on defined benefit obligations		717	(717)	(20.7%)
Total Net Interest Cost	548	717	(169)	(4.9%)
Total included in Statement of Comprehensive Net Expenditure	548	1,763	(1,215)	(35.0%)

* 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 2015 will be approximately £670,000.

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

	2015	2014
	£000	£000
Experience Gains (Losses) on Assets	1,053	284
Other Actuarial Gains (Losses)	(2,737)	(1,228)
Actuarial Gains and Losses	(1,684)	(944)
Cumulative Actuarial Gains/ (Losses)	(5,225)	(3,541)

The valuation of the Scheme Assets at 31 March 2015 is based on estimated bid values.



LOCH LOMOND AND THE TROSSACHS NATIONAL PARK

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