

**LOCH
LOMOND
& THE TROSSACHS
NATIONAL PARK**



Annual Accounts

2015 – 2016

Annual Accounts

2015-2016

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PERFORMANCE REPORT

Overview

Loch Lomond & The Trossachs National Park Authority ("the Authority") presents this Statement of Accounts for the year from 1 April 2015 to 31 March 2016 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 44.

The accounts of the Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000. His audit report is on page 24 and details of the auditors' remuneration are given in note 9. For the past five years, including 2015-16 the auditor appointed has been Audit Scotland, for 2016-17 a new auditor has been appointed, Grant Thornton LLP.

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

Statement of Purpose and Activities

Loch Lomond & The Trossachs National Park was created in July 2002 under the National Parks (Scotland) Act 2000 to safeguard an area of outstanding and diverse landscapes, habitats and communities, parts of which were coming under severe visitor and recreational pressures.

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.

The aims of the Authority are delivered through three distinct areas of activity: Conservation, Visitor Experience and Rural Development, all of which are supported by enabling service areas.

Chief Executive's Statement on Performance

Good progress has been made to deliver against our 2015-16 Annual Operational Plan objectives.

Of the 52 objectives, 44 were complete with 8 behind schedule, of particular note are:

- Approval of the camping management byelaws as part of our Your Park initiative to enhance the camping experience on our most heavily used lochshores
- The excellent progress already taking place as part of The Mountains & The People project.
- The development of more than 35km of our peatlands as important carbon sinks and habitats.
- Winning the overall Scottish Award for Quality in Planning (SAQP) for community engagement in preparing the LIVE Park Local Development Plan.
- Becoming a 1★ Best Company and Top 100 not-for profit organisation for staff engagement and becoming an accredited Living Wage employer.
- Maximising the platform that the Year of Food and Drink provided by leading and supporting a number of initiatives to showcase the fabulous food and drink offering within the National Park.
- The delivery of our first Junior Ranger programme with pupils from McLaren High School in Callander.
- A remarkable 14,000+ hours of volunteering time given to support our work in conservation, events, inspiring and educating visitors.

Of the 8 behind schedule, not yet securing a suitable operator for our Gateway centre was our most disappointing.

Key Issues and Risks

A strategic risk register is in place, overseen by the Executive Team and Audit Committee and approved by the Board, to manage any risks in the delivery of the Authority's Corporate Plan and National Park Partnership Plan objectives. Using categorisations of impact and likelihood, 2015-16 risks have been categorised as "high" which include: non-delivery of high profile projects, specifically Your Park and the Gateway Centre; changes to the executive management team; reductions in funding and non-achievement of income targets; changes in Board Members and lack of understanding of Board/Committee membership roles and responsibilities; incomplete understanding of our titles and burdens on our land and buildings; changes to the political landscape, national policies and priorities. All of these risks have an action plan in place to transfer, tolerate, treat and/or terminate the risk as appropriate.

Performance Summary

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

The annual budget and operational plans are guided by The National Park Partnership Plan (NPPP) and the Corporate Plan for the five years from 2012–2017.

The NPPP sets out the strategy for the National Park and provides guidance and focus for our partners operating within the National Park and outlines the significant outcomes which can be achieved for the National Park area through the collaboration of the public, private and voluntary sectors as well as communities and local businesses. The Corporate Plan describes the objectives which the Authority aims to achieve in order to deliver the broader National Park outcomes.

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

The annual NPPP update on progress against key priorities forms part of the Annual Report and the latter is presented along with these accounts. The Annual Report highlights the progress and key achievements in delivery against the Corporate Plan and the NPPP.

The Authority has enjoyed another successful year despite the challenging economic situation and has delivered considerable outputs directly and through extensive partnership working with a wide range of public, private and non-governmental organisations, and local communities.

2015–16 has seen a real focus on partnership working to deliver 'better for less' together with other public sector partners from Local Authorities to other organisations within the Rural Affairs, Food & The Environment (RAFE) portfolio within Government.

A revised structure for the organisation includes a focus on delivering and managing the Authority's assets. The organisational structure delivers against the key operational themes of Conservation, Visitor Experience and Rural Development, supported by enabling service areas, all of which align closely with the Government's strategic objectives of: Wealthier and Fairer, Healthier, Safer & Stronger, Smarter, and Greener Scotland.

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.

The development of the next National Park Partnership Plan, for 2017–2022, began in 2015–16 and will be progressed during 2016–17 with a submission to Minister expected for Summer 2017. We will continue our commitment to the Your Park project with significant investment in camping infrastructure projects during 2016–17 and for the following three years. The proposed solution for the Gateway Centre building is also planned to complete during 2016–17.

Performance Analysis

Performance Measurement

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

The delivery targets for 2015-16 were expressed in an annual budget and operational plan and performance against these targets was monitored by the Executive Team and reported to the Delivery Group quarterly.

The performance reporting provided to the Delivery Group includes summaries of high risk projects, progress reports on all operational plan targets, financial performance reporting and a statutory compliance report. This reporting includes a status update and risk rating for each delivery target.

For 2015-16, the delivery targets were aligned with the following eleven National Outcome Targets:

- 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.
- We have tackled the significant inequalities in Scottish society.

Details of the achievements under each of the Authority's three areas of activities and Scottish Government Strategic Outcomes are highlighted in the Annual Report published at the same time as these accounts.

Detailed Analysis

Financial budget performance

The results for the year to 31 March 2016 are set out on pages 25 to 43.

The Authority receives a budget from the Scottish Government (known as Departmental Expenditure Limit or DEL) to cover the cash costs of capital and operating expenditure, net of funding from partner agencies to jointly fund projects and other income sources. The DEL cash allocation for 2015-16 was £7.4m, which was split as £6.4m for operational cash costs and £1.0m for capital cash costs.

The non-cash budget allocated was £2.7m: £0.5m for DEL to cover our depreciation charge for the year and £2.2m for Annually Managed Expenditure (AME) to cover pension provisions and impairments during the year.

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

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

	Outturn (£000)	Budget (£000)	Under / (Over) Spend (£000)
Net expenditure per accounts	7,565		
Adjustments for budget purposes:			
- Depreciation and amortisation	(458)		
- Pension adjustments (non-cash)	(546)		
- Capital grants (net of associated grant income)	(336)		
- Capital expenditure on others land (net of accrual release)	18		
- Impairment of asset	(19)		
- Loss on disposal of asset	(7)		
- Gain on transfer of donated assets (non-cash)	187		
- Capital income	5		
Operating Cash Costs	6,409	6,402	(7)
Operating non-cash costs – depreciation and amortisation	458	500	42
Resource DEL costs	6,867	6,902	35
Capital additions per accounts	913		
Adjusted for budget purposes:			
- Capital grants (net of associated grant income)	336		
- Transfer of donated assets (non-cash capital addition)	(187)		
- Capital income taken to general reserve	(10)		
- Net book value of asset disposals	(7)		
- Capital expenditure on others land (net of accrual release)	(18)		
- Capital income	(5)		
Capital DEL	1,022	1,026	4
DEL Budget	7,889	7,928	39
Asset impairments	19	719	700
Pensions provisions	543	1,500	957
AME Budget	562	2,219	1,657

Financial budget performance (cont)

Capital asset additions during the year included investment in the development of the following sites:

Car park at Loch Venachar (North) £260k
Your Park Camp site (Loch Chon) £126k
Gateway Centre building £107k

In addition, two significant construction projects formally completed early in 2015–16: the Scenic Routes Installation at Inveruglas was officially opened in May 2015 and the works at Loch Venachar (South) as part of the 5 Lochs Management plan completed in Summer 2015.

During the year we reviewed all of our property leases and titles to ensure that the accounting was technically correct. This has resulted in some changes to our non-current assets and disclosures as follows:

- **an impairment loss on land at Loch Lubnaig of £19k shown in the Statement of Comprehensive Net Expenditure**
- **the reclassification of Milarrochy Visitor Centre from Freehold to Leasehold Buildings, which has created a prior year adjustment in relation to the depreciation charge resulting from a reduction in the life of the asset and a restatement of the non-current assets opening balances**
- **disclosure of assets held technically under a finance lease and corresponding re-classification of operating leases, see notes 15 and 16 and**
- **addition of two new assets, Luss Toilet Block valued at £190k with a cost of £5k and land at Rowardennan valued at £2k with nil cost. This has resulted in a non-cash gain on transfer of assets of £187k.**

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 2016, the Authority paid 80% (2014–15 – 89%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 98% (2014–15 – 99%) against this target. The Authority will continue to work towards maintaining and improving this strong payment performance.

Staff Engagement

Best Companies carried out a staff engagement survey on behalf of the Authority during 2015, and the response rate of 82% mirrored the 2014 response rate. The results for 2015 revealed the excellent news that we are now listed as a 1★ company and have moved up to number 89 in the top 100 not for profit companies to work for. Having carried out the survey annually for the past 3 years and seen a significant improvement in employee engagement we intend to reduce our survey participation to every two years with the expectation that high levels of employee engagement will continue throughout the organisation.

Sustainable development

Along with all other public bodies in Scotland, the Authority is engaging with the actions and new reporting duties linked to the Climate Change (Scotland) Act 2009. A voluntary 'pilot report' was submitted to the Scottish Government in November 2015 as part of the trial of the new duties. The report covered the following areas: Governance, Management and Strategy; Corporate Emissions, Targets and Project Data; Adaptation and; Procurement. The report is published [here](#) (within the 'Other' section).

The duty requires the Authority to continue to monitor CO₂ levels generated by our buildings and vehicles. The first fully electric fleet vehicle used by the Authority was trialled for three months, with positive feedback, and the replacement marine vehicle engine purchased was compliant with the latest Euro environment rating. Investment also took place in LED lighting to replace older, less energy efficient lighting in the Authority's Headquarters, along with more energy efficient computer monitors. The rise in renewable energy developments in the National Park contributed to the Authority winning a National Planning Award, and the 'Mountain Bogs' Wild Park 2020 project led to the restoration of 35km of degraded peat bog habitats which are vital natural carbon stores.

The Authority is represented on the Rural Affairs, Farming and Environment (RAFE) Delivery Board's Climate Change Group which promotes a joined up approach to climate change adaptation and mitigation across the RAFE public bodies in Scotland. The Authority also supplied feedback to the Scottish Parliament's Rural Affairs, Climate Change and Environment Committee on the process of reporting against climate change duties. The Authority's climate change working group identifies and facilitates actions that support climate change mitigation and adaptation for both the National Park and the Authority.

Complaints and information request performance

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

There has been a noticeable increase in the number of complaints recorded since last year. This is a positive development arising from increased awareness, staff training and improved processes for logging complaints. This will provide more evidence to assist in identifying any areas for improvement.

The Authority implemented an Unacceptable Behaviours Policy during the year to ensure that our effectiveness in carrying out our business as a Public Authority is not compromised by customers who act in a manner that makes excessive and unacceptable demands on our resources.

The table below shows a breakdown of the number of complaints and information requests received. We achieved 96% compliance with response time limits for complaints during 2015-16 (2014-15 – 100%). We achieved 100% compliance in responding to information requests and reviews in 2015-16 within statutory deadlines (2014-15 – 100%), despite a significant increase in requests received.

	Number received 2015-16	Responded to within time limit	Number received 2014-15	Responded to within time limit
Frontline complaints	57	55	n/a*	n/a*
Investigation complaints	37	35	n/a*	n/a*
Total complaints	94	90	39	39
Data Protection Subject Access Requests	2	2	2	2
Environmental Information Requests	24	24	11	11
Freedom of Information Requests	58	58	39	39
Environmental Information Request Reviews	1	1	-	-
Freedom of Information Request Reviews	6	6	-	-
Total information requests & reviews	91	91	52	52
Total complaints and information requests & reviews	185	181	91	91

*New categories of complaints introduced in 2015-16 in line with the new complaints procedure

Of the 94 complaints received, 24 did not relate to responsibilities of the Authority. Litter and toilet issues have been the most common subject of frontline complaints.

Community engagement

The Authority actively engages with local communities and interested individuals and organisations as part of its work on issues that are important to them and to the places they live and work. Throughout the year engagement took place through a series of initiatives with partners including 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.

Two examples of community consultation exercises undertaken during 2015-16 were

- **Balloch 'charrette' (a series of design-led workshops) where the community and relevant national and local organisations came together build a clear vision for how to make Balloch an even better place to live, invest or visit.**
- **Callander Landscape Partnership (CLP): this is a community led partnership consisting of community organisations and public agencies with an interest in the future of Callander as the National Park 'Outdoor capital'.**

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 2015-16 the Authority held a by-election to replace a directly-elected Board member for Ward 2 – Breadalbane & The Trossachs. With a local focus, a campaign was created 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 eligible households within Ward 2, community members 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.

Partnership Working

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. In addition the Authority has entered into partnership working with West Dunbartonshire Council for the provision of Internal Audit Services, which will be supported as needed by joint procurement carried out by Scottish Natural Heritage, and is continuing to discuss other opportunities for partnership working with other Local Authorities and RAFA bodies.

Health & Safety Performance

Details of Health & Safety accident, incident and near miss statistics are shown in the table below.

Accident / Incident / Near Miss	Total 2015-16	RIDDOR Reportable 2015-16	Total 2014-15	RIDDOR Reportable 2014-15
Near Misses	8	-	22	-
Injury/Accidents	21	-	33	5
Incidents	5	-	7	-
Total	34	-	62	5

The decrease relates mainly to a reduction in tick bite injuries and manual handling accidents, incidents and near misses reported as a result of focused tool box talks and e-learning packages rolled out to staff.

The Health & Safety Committee met regularly throughout the year and the Authority continues to ensure that there is a pro-active Health & Safety culture. Key achievements during 2015-16 include:

- Implementation of a comprehensive process for managing risk assessments
- Annual Health & Safety Audits completed
- Health & Safety e-learning modules rolled out to all staff
- Policy developments reflecting changes in legislation and good practice
- Significant progress with planned Health & Safety Actions for 2015-16
- Enhanced Health & Safety reporting for Executive and Board Committees
- A "Health & Safety Awareness" month increasing staff engagement

These achievements have increased employee and manager awareness of Health & Safety obligations, continuing to ensure a safe working environment for all employees.

Post balance sheet events

The works at Loch Venachar (North), as part of the 5 Lochs Management plan and in support of the Your Park project, completed in Summer 2016.

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

Gordon Watson

Chief Executive and Accountable Officer

21 June 2016

ACCOUNTABILITY REPORT

Corporate Governance Report

DIRECTORS' REPORT

Board Members and Management Team

Full details of the Board Members are noted on pages 11 to 14.

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

- Chief Executive – Gordon Watson
- Director of Corporate Services – Jaki Carnegie
- Director of Estates & Commercial Development – Markus Kroner
(from November 2015)
- Director of Conservation & Visitor Management – Simon Jones
(from September 2015)
- Head of Planning & Rural Development – Stuart Mearns
- Head of Communications – Anna MacLean

Notification of interests

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

Information & Data Security

The Authority has had no instances of loss of data or personal information over the course of the year (2014-15 – nil). 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.

NATIONAL PARK AUTHORITY MEMBERS 2015-16

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.

Configuration of Board					Statutory committee attendance		
Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board attendance	Planning & Access Committee attendance	Audit Committee attendance
David McCowan	(a)	03/07/2014	03/07/2018	A, PI	6/6	7/10	4/4
Owen McKee	(a)	03/07/2014	04/08/2015	A, PI	2/2	2/2	1/1
Billy Ronald	(a)	29/10/2015	03/07/2018	PI	2/2	2/2	–*
David McKenzie	(a)	03/07/2014	03/07/2018	A, PI	6/6	9/10	4/4
Willie Nisbet	(a)	03/07/2014	03/07/2018	D, PI, S, R	6/6	9/10	–*
David Warnock	(a)	03/07/2014	03/07/2018	D, PI	5/6	10/10	–*
Angus Allan	(b)	01/10/2014	30/09/2018	PI	4/6	8/10	–*
Colin Bayes	(b)	01/10/2014	30/09/2018	D, PI, S, R	4/6	9/10	–*
Petra Biberbach	(b)	01/10/2014	30/09/2018	PI, S, R	5/6	6/10	–*
Linda McKay	(b)	01/10/2014	30/09/2018	S, R	6/6	–*	–*
Lindsay Morrison	(b)	01/10/2014	30/09/2018	A, S, R	4/6	–*	4/4
James Stuart	(b)	01/02/2015	31/01/2019	D, A	3/6	–*	3/4
Fergus Wood	(c)	01/10/2012	30/09/2017	PI	3/6	7/10	–*
Bob Ellis	(c)	01/10/2012	30/09/2017	D	3/6	–*	–*
Martin Earl	(c)	01/10/2012	30/09/2017	D	6/6	–*	–*
James Robb	(c)	01/10/2012	30/09/2017	D, A	4/6	–*	1/2
George Freeman	(c)	01/10/2012	30/09/2017	PI	6/6	9/10	–*
Hazel Sorrell	(c)	01/10/2012	30/09/2017	A, PI	4/6	6/10	0/4

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

Notes

Nature of appointment:

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

Committee/Group membership:

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

The membership of all committees/groups 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 2015-16

Elected by local residents through postal ballot



David McKenzie was re-elected to Ward 1 (Cowl and North Loch Lomond) in July 2014 for a further four year term to 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 Director 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. David is currently the Chair of the Cowl Fixed Link Working Group (which consists of councillors, community councillors and local business people and which is developing plans for a possible fixed road/rail link from the Central Belt to Cowl).



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.



Billy Ronald was elected on 29 October 2015 to Ward 2 (Breadalbane and The Trossachs), his term of office runs until

July 2018. Billy was raised in Crianlarich, and his working life began at Keilator Farm. He worked in and around the area for many years until moving to Oban, returning in 2012 to be closer to work and family. Agricultural activities, land use, and tourism have been key interests through working as a farmer for ten years, agricultural contractor and fencer for twelve years and being involved in a farm shop and catering during farming activities. Billy is currently a shepherd for Scotland's Rural College at Kirkton Farm, Crianlarich. Billy has been chairperson for the local National Farmers' Union, Argyll Blackface sheep breeders and the Lorn show. Billy was also a member of the Strathfillan Community Council. He has interests in local history, training working sheepdogs, reading and fishing.



Willie Nisbet (Depute Convener) 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 the Royal Highland Education Trust and a past Chair of Central Scotland's branch of the Farming Wildlife Advisory Group. He has also been treasurer of Kilmarnock Community Trust and Chair of the Community Paths Group. Willie is also Depute Convener of the Strategy Group and Remuneration Committee at the Authority.



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. David is Depute Chair of the Audit Committee at the Authority.



Owen McKee was re-elected to Ward 2 (Breadalbane and The Trossachs) in July 2014 and resigned from Board duties with effect from 4 August 2015.

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 Authority, having been reappointed 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 industries' 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 Authority, having been re-appointed to the Board on 1 October 2014 for a further four year term. Colin is Chair of the Delivery Group at the Authority.



Petra Biberbach is Chief Executive of PAS (Planning Aid Scotland), a post which she has held since June 2005. With a career spanning

the public, private and third sectors, Petra brings a wealth of expertise to the post in the fields of planning, sustainable development, renewable energy, and community engagement. Petra is also a Board Member of the Association of Chief Officers of Scottish Voluntary Organisations, a Director of Zero Waste and on the Board of Link Group. In 2015 she was appointed to the Independent Review Panel set up by the Scottish Government to review the planning system in Scotland. Petra has lived and worked in continental Europe (Germany & Switzerland). While working for the Campaign to Protect Rural England 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. Petra is Chair of the Planning & Access Committee at the Authority.



Linda McKay (Convener) is currently serving 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 previous professional role as Principal of Forth Valley College and her role as Board Member with the Enterprise Network at the time when the National Park was established. She is also a Director of National Parks UK Ltd. 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 as a Governor of the Scottish Police College. She was awarded an MBE for services to the Police in 2000. She is a Non-Executive Director with the Scottish Government where she serves on the Strategy Board and as Chair of the Non-Executive Directors Network. 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. Linda is also Convener of the Strategy Group and Remuneration Committee at the Authority.



Lindsay Morrison has extensive business experience with over 25 years in the aerospace and communication industries, in engineering,

operations and human resources and is currently Global Benefits Director for a US multinational organisation. During this time Lindsay has managed large UK and US pension schemes, and served as a trustee for over eight years, which has provided extensive 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. Lindsay is Chair of the Audit Committee.



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 on the National Tourism Strategy (Tourism Scotland 2020) Strategic Leadership Group of Scottish Tourism Alliance. He has also recently been appointed as a Board member of the Scottish Sports Association. 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 Committee, Community Planning & Regeneration Committee, the Environment & Housing Committee and is Convener of the Public Safety Committee. Martin also sits on the Board of Rural Stirling Housing Association and the Licensing Board. 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.



Councillor Fergus Wood is a member of Stirling Council for The 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 in 1978. His hobby, which is now a profession, is Celtic music. Fergus was reappointed 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 35 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. George is Depute Chair of the Planning & Access Committee.



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 is 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 over 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, represents Perth & Kinross Council on the CoSLA Culture & Sport Working Group and is Chairman of the Scottish Association of Local Sports Councils. He is the Chairman of Blairgowrie & East Perthshire Tourist Association, the Chairman of Blairgowrie & Rattray Highland Games and the founder of the Catearan 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. Bob is Depute Chair of the Delivery Group.

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 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 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 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.

Disclosure

As Accountable Officer, as far as I am aware there is no relevant audit information of which the Authority's auditors are unaware and I have taken all reasonable steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Authority's auditors are aware of the information.

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

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2016

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 six 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 four times to review the work of internal and external auditors.
- The Strategy Group met five 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 and was then extended for a further year to 2015. Following a review by the Audit Committee, the contract was extended for one final year to 2016, and no further options to extend the contract are available. The Audit Committee has agreed for the Authority to enter into partnership working with West Dunbartonshire Council for the provision of Internal Audit Services, which will be supported as needed by joint procurement carried out by Scottish Natural Heritage.

Over the course of the year to 31 March 2016, the internal auditors have reported to the Audit Committee on their independent reviews of workforce management and appraisals, complaints handling, controls risk self-assessment, cash generating income streams, governance and board member engagement, project management follow-up and records management follow up.

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. The External Auditor for 2015-16 was Audit Scotland and from 2016-17 this will be Grant Thornton LLP.

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 quarterly, 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.

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

Conclusion

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

- the Executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, feedback from whom is obtained through regular meetings of the Executive team, Project Board meetings and discussed, as appropriate at Managers meetings;
- 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 2015–16 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.

Remuneration & Staff Report

REMUNERATION REPORT

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

Remuneration Policy *

The Chief Executive's remuneration and Board Members' fees are directed by the Scottish Government's Public Sector Pay Policy for Senior Appointments. This body also sets, each year, the award for the Chief Executive and Board Members. The annual pay remit for staff is also subject to Scottish Government approval and negotiation with our recognised Trade Union.

In 2015-16, Board Members voted against the implementation of the 1% pay award available to Board Members.

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

Disclosure of Remuneration – Chief Executive and Executive Team

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

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

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

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
Chief Executive Gordon Watson	0-2.5	2.5-5	25-30	55-60	365	51
Directors Jaki Carnegie	0-2.5	0-2.5	0-5	0-5	20	6

Gordon Watson, Jaki Carnegie, Simon Jones, Markus Kroner, Stuart Mearns and Anna MacLean are ordinary members of the Strathclyde Pension Fund. 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).

Cash Equivalent Transfer Value – CETV

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The real increase in the value of the CETV reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation on early retirement/ loss of office

There were no exit packages in the year ended 31 March 2016 (2014-15 – 2).

Compensation for loss of office Exit package cost band	Number of departures	
	2016	2015
£25,000 - £50,000	-	2
Total number of exit packages	-	2
Total resource cost (excluding strain on the fund) £	-	67,637

Exit costs are accounted for in full in the year of departure. Where the Authority has agreed early retirements, the additional costs are met by the Authority and not by the Strathclyde Pension Fund

Payments to past directors

There were no payments to past directors in the year ended 31 March 2016 (2014-15 – nil).

Fair pay

The median total remuneration of all staff was £27,914 (2014-15 - £27,638) based on the lowest paid £15,799 (2014-15 - £15,112) to the highest £77,000 (2014-15 - £77,000). The pay multiple between the mid-point of the highest paid director's banding and the median total remuneration of all staff was 2.8 (2014-15 – 2.79)

Local Government Pension Scheme

The Authority is a member of the Strathclyde Pension Fund, details of the contributions to and movements in the fund in the year are stated in notes 19 to 22. 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.

Analysis of Board Members' Fees and Expenses*

Board member	2015-16 Fees £	2015-16 Expenses* £	2014-15 Fees £	2014-15 Expenses* £
Convener - Linda McKay	19,137	3,067	19,137	74
Owen McKee	2,481	514	12,250	3,027
Angus Allan	7,177	133	7,177	236
Colin Bayes	9,568	862	9,568	597
Petra Biberbach	14,353	2,252	7,485	1,483
Bob Ellis	7,177	100	7,177	606
David McCowan	7,177	0	7,177	0
David McKenzie	7,177	1,704	7,177	1,353
James Stuart	7,177	100	607	0
Lindsay Morrison	8,867	0	9,568	0
Willie Nisbet	14,353	1,214	7,485	872
Billy Ronald	3,356	451	0	0
David Warnock	7,177	409	7,177	0
Fergus Wood	7,177	0	7,177	319
Martin Earl	7,177	0	7,177	0
James Robb	7,177	777	7,177	0
George Freeman	7,177	0	7,177	0
Hazel Sorrell	7,177	0	7,177	0
Kate Sankey	0	0	3,579	178
	151,062	11,583	141,449	8,745

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

STAFF REPORT

Employment policies, consultation

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

During 2015-16 key matters on which employees were consulted through the JNPF were:

- Your Park Resource Management
- Staff Engagement
- Implementation of policies and procedures
- Staff Wellbeing
- Living Wage Accreditation
- Organisational structure changes

Equality & Diversity

The Authority is an equal opportunities employer with policies against discrimination and to ensure no unfair or illegal discriminatory treatment or barriers to employment or advancement. We are also committed to meeting our duties under the Equality Act 2010.

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

We are committed to the Scottish Government People Strategy to mainstream equality and diversity in every aspect. This is further supported by our Equal Opportunities policy. Together these policies and strategies will support us in changing behaviours and culture to create a fully inclusive organisation, confident in its diversity; promoting strong leadership and clear accountability for delivering diversity; attracting, keeping and developing talent from all areas of society; and becoming representative of the society we serve, at all levels.

At the end of the financial and operational year our gender split of staffing was 58% female and 42% male.

Staff Composition

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

Headcount at 31 March 2016	Female	Male	Total
Executive Team	2	4	6
Operational and Senior Managers	12	7	19
Employees	64	46	110
Total	78	57	135

Staff Numbers

Average Number of Board Members during the Year	2016 No	2015 No
Board Members	17	17
Average Number of Full Time Equivalent Employees during the Year	2016 No	2015 No
Staff	133	132
Analysis of Average Number of Full Time Equivalent Employees	2016 No	2015 No
Permanent	113	110
Fixed Term	13	15
Seasonal	7	7
Agency	-	-
	133	132

Salary Bandings

Numbers of staff with salaries above £50,000 (including Chief Executive)	2016 No	2015 No
£80,001 - £85,000	-	1
£75,001 - £80,000	1	1
£70,001 - £75,000	-	-
£65,001 - £70,000	-	-
£60,001 - £65,000	-	-
£55,001 - £60,000	3	-
£50,001 - £55,000	-	1

Staff Costs

	Note	2016 £	2015 £
Board Members			
Fees		151,062	141,449
Social Security Costs		3,760	2,757
		154,822	144,206
Permanent Staff			
Salaries		3,217,704	3,213,228
Social Security Costs		233,808	225,632
Pension Costs		602,868	590,010
		4,054,380	4,028,870
Other Staff			
Salaries		548,380	605,693
Social Security Costs		31,843	39,510
Pension Costs		73,489	78,658
		653,712	723,861
Add: secondment from related party		-	25,933
Deduct: Included in Programme and Business Plan figures		(60,586)	(94,855)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(85,770)	(108,562)
		4,561,736	4,575,247
Adjustments for Pensions Reporting			
Add: Current Service Costs	20	1,049,000	935,000
Less: Employers Contribution	20	(672,000)	(668,000)
Less: Past service cost including losses / (gains) on curtailment	20	-	7,000
		4,935,736	4,849,247
Total Costs		5,093,558	4,993,453

Wellbeing

The Delivery Group continued to provide input and support to the Authority in monitoring performance in all areas, including human resources. During the year, the Authority recorded an average loss of 7.18 days per employee due to sickness absence (2014-15 – 10.8 days). The Authority continues to closely monitor sickness absence and provides support through our Occupational Health providers and Employee Assistance programme.

Expenditure on Consultancy & Off payroll arrangements

The Authority had no consultancy remuneration or off payroll arrangements in the year ended 31st March 2016.

Parliamentary Accountability Report

REGULARITY OF EXPENDITURE

Gifts and charitable donations

Gifts totalling £764 were made in the year (2014-15 £867). There were no charitable donations made in the year (2014-15 £190).

Losses, special payments and write offs

There were stock write-offs in the year of £1,081 in relation to the closure of the on line shop and there was a loss of £6,818 as a result of the theft of an engine from one the Authority's boats (2014-15 £22,291 debt write off in relation to rental of the Gateway Centre). There were no special payments made in the year (2014-15 – none).

Remote contingent liabilities

There were no remote contingent liabilities as at 31 March 2016 (31 March 2015 – none).

Fees and charges

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

Boat registration and launch fees

It is a requirement of the Loch Lomond Byelaws 2013 that all motorised vessels are registered with the Authority before using the Loch, display an annual mark and registration letters and numbers. Registration is free if users are providing their own letters and numbers, otherwise a charge applies. Vinyl backing boards can be purchased for the display of registration letters and annual marks if users do not want to place them directly on the vessel. Boat registration fees totalled £6,017 in 2015-16 (2014-15- £5,695).

Launch fees apply to all motorised vessels who wish to launch at facilities owned or managed by the Authority (i.e. Duncan Mills Memorial Slipway, Milarrochy and Tarbet slipways). A day launch (1 launch and recovery) or annual launch ticket can be purchased. A single launch or recovery (i.e. half a day charge) can also be arranged. The monies generated make a contribution to the facility running and staffing costs and also to the operational costs of providing a ranger presence on the Loch to ensure compliance with the Byelaws. Launch fee income totalled £40,773 in 2015-16 (2014-15 – £43,505)

The Authority works closely with and contributes financially towards the Loch Lomond rescue boat charity. The rescue boat provides 24 hour safety cover on the Loch and when required the Authority ranger service assists with rescues and searches and works closely with the rescue boat.

Inchcailloch camping fees

There is a small informal campsite on Inchcailloch island, which is part of the Loch Lomond National Nature Reserve. Visitors are required to book in order to receive a permit to stay. The maximum group size is six and the maximum stay is two nights. The site capacity is twelve persons. Charges apply for campers to stay and contribute to the costs of the booking system & administration. Total income received from Inchcailloch camping fees were £2,276 in 2015-16 (2014-15 - £2,702).

Planning Fees

The Authority charges a fee for most planning applications submitted. These fees are set by Scottish Government and help to cover the costs associated with processing an application. They do not cover the full cost, although the level of fee depends on the type of application and the scale of the proposed development. Further information is available on our website. Planning fee income totalled £167,098 in 2015-16 (£223,049 – 2014-15).

Future charges

The Authority will introduce charging for litter fixed penalty notices during 2016/17 which is required by legislation and the level of the fee assigned to the notices is determined by Scottish Government. The Authority will also introduce fees associated with camping permits and pitches as part of the Your Park project. The level of fees is not yet set but will be comparable with current levels of charging by other organisations within the National Park area.

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

Gordon Watson

Chief Executive and Accountable Officer
21 June 2016

Independent Auditor's Report

Independent auditor's report to the members of Loch Lomond & 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 2016 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 2015-16 Government Financial Reporting Manual (the 2015-16 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 2016 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 2015-16 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
21 June 2016

ANNUAL ACCOUNTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	As restated 2015 £
EXPENDITURE			
Board Members and Staff Costs	8	5,093,558	4,993,453
Other Operating Costs	9	1,784,041	1,746,125
Programme Expenditure	5	34,217	11,645
Business Plan Expenditure	6	1,284,799	1,217,880
Depreciation	10	458,228	445,510
Provision for impairment of assets	1/10	19,000	80,508
		8,673,843	8,495,121
INCOME			
Planning Fees	4	167,098	223,049
Programme Income	5	34,217	11,645
Business Plan Income	7	548,343	149,537
Other Income	7	365,437	220,829
Profit / (Loss) on disposal of fixed asset		(6,818)	23,278
Total Income		1,018,277	628,338
Net Expenditure		7,565,566	7,866,783
Less: Interest Receivable		(716)	(924)
Net Expenditure For Year		7,564,850	7,865,859
OTHER COMPREHENSIVE NET EXPENDITURE			
Actuarial (Gain) / Loss on Pension Scheme		(3,235,000)	1,684,000
Revaluation (Gain) / Loss on property, plant and equipment		–	160,608

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 budget allocation to the National Park Authority. In accordance with the Government Financial Reporting Manual (FReM) the Departmental Expenditure Limit cash allocation is taken directly to the Statement of Taxpayers' Equity (note 3 refers).

The notes on pages 29 to 43 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	As restated 2015 £
Non-current Assets			
Property, plant and equipment	10	10,053,138	9,613,512
Intangible Assets	10	18,138	28,798
Total non-current assets		10,071,276	9,642,310
Current Assets			
Inventories	11	6,600	8,801
Trade and other receivables	12	268,024	347,763
Cash and cash equivalents	13	307,830	644,562
Total Current Assets		582,454	1,001,126
Total Assets		10,653,730	10,643,436
Current liabilities			
Trade and other payables < 1 Year	14	1,015,852	1,425,238
Total Current Liabilities		1,015,852	1,425,238
Non-current assets less net current liabilities		9,637,878	9,218,198
Non-current liabilities			
Pension fund liability	20	2,260,000	4,952,000
Total non-current liabilities		2,260,000	4,952,000
Total Liabilities		3,275,852	6,377,238
Assets less liabilities		7,377,878	4,266,198
Taxpayers Equity			
General Reserve		3,130,986	2,711,306
Revaluation Reserve		6,500,892	6,500,892
Donated Asset Reserve		6,000	6,000
Pension Reserve		(2,260,000)	(4,952,000)
		7,377,878	4,266,198

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

Gordon Watson

Chief Executive and Accountable Officer
 Authorised for issue on 21 June 2016

The notes on pages 29 to 43 form part of these Accounts.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	As restated 2015 £
Cash flows from operating activities			
Net expenditure before Interest		(7,565,566)	(7,866,783)
Adjustments for items not involving the movement of cash:			
Depreciation	10	458,228	445,510
Provision for impairment of assets	10	19,000	80,508
(Gain)/loss on sale of property, plant & equipment	10	6,818	(23,278)
Gain on transfer of donated assets	10	(187,000)	-
Pension adjustments in Other Income	7	169,000	129,000
Pension adjustments in Staff Costs	8	377,000	274,000
Movements in working capital:			
(Increase) decrease in trade and other receivables		79,739	49,179
(Decrease) increase in trade and other payables		(409,386)	(113,443)
(Increase) decrease in inventories		2,201	624
Net Cash Outflow from Operating Activities		(7,049,966)	(7,024,683)
Cash flows from investing activities			
Bank Interest Received		716	924
Purchase of property, plant & equipment	10	(726,012)	(1,189,279)
Proceeds from property, plant & equipment		-	23,278
Net Cash (Outflow) / Inflow before Financing		(7,775,262)	(8,189,760)
Cash flows from financing activities			
*Cash allocation applied to Operating Costs	3	6,402,000	6,404,000
*Cash allocation applied to Capital Expenditure	3	1,026,000	1,492,138
Other Grants applied to Capital Expenditure		10,530	106,712
Net (decrease) increase in Cash and cash equivalents		(336,732)	(186,910)
Cash and cash equivalents at the beginning of the period	13	644,562	831,472
Cash and cash equivalents at the end of the period	13	307,830	644,562

The notes on pages 29 to 43 form part of these Accounts.

* The Authority receives a budget from Scottish Government (known as Departmental Expenditure Limit or DEL) to cover the cash costs of capital and operating expenditure, net of funding from partner agencies to jointly fund projects and other income sources. The DEL cash allocation for 2015–16 was £7.4m, which was split as £6.4m for operational cash costs and £1.0m for capital cash costs.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

For the year ended 31 March 2016

	As restated 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)
*Cash allocation	7,896,138				7,896,138
Other grants	106,712				106,712
Net Expenditure after interest	(7,865,859)				(7,865,859)
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	2,711,306	6,500,892	6,000	(4,952,000)	4,266,198

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	Total £
Balance at 1 April 2015	2,711,306	6,500,892	6,000	(4,952,000)	4,266,198
*Cash allocation	7,428,000				7,428,000
Other grants	10,530				10,530
Net Expenditure after interest	(7,564,850)				(7,564,850)
Pension fund actuarial gain (loss)				3,235,000	3,235,000
Other pension fund gains (losses)				3,000	3,000
Net return on pension assets	169,000			(169,000)	0
Transfer to net fund pension liabilities	377,000			(377,000)	0
Balance at 31 March 2016	3,130,986	6,500,892	6,000	(2,260,000)	7,377,878

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

NOTES TO THE ACCOUNTS

For the year ended 31 March 2016

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 2015 and ended on 31 March 2016.

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.

Capitalisation

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

Leased Assets

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

There are two leased assets being held under a finance lease. The minimum rent on these assets are £1 and £5 per year and the value of the corresponding finance lease creditor is £149. Given the non-material value of this creditor, this has not been recognised and instead full disclosure has been detailed in note 15.

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

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	5 - 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 Leases

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

Finance Leases

(i) Lease payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The annual finance expense that would be allocated to the two assets held under a finance lease is immaterial (£1). Given the non-material value of this creditor and the finance expense, the minimum lease payments have not been apportioned between the finance expense and the reduction of the outstanding liability. Instead full disclosure has been detailed in note 15.

(ii) Determining whether an arrangement contains a lease

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

1.9 Scottish Government Departmental Expenditure Limit

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

1.10 Revenue recognition

Income for activities is accounted for in the year to which it related and not to when cash payments are made or received. Where income has been recognised but cash has not been received, a receivable for the corresponding amount is recorded in the Statement of Financial Position.

1.11 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.

1.12 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 19 to 22 of the Financial Statements.

1.13 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand.

1.14 Trade receivables

All material amounts due as at 31 March 2016 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.15 Trade payables

All material amounts due as at 31 March 2016 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.16 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 FRM, 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.

1.17 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 6).

2. PRIOR YEAR ADJUSTMENT

As part of the review of all leased assets, it was identified that one building was classified as a freehold building instead of a leasehold building. This asset has been reclassified, which affects the opening balances as at 1 April 2015 for these categories of non-current assets.

The depreciation policy for freehold buildings differs to the policy for leasehold buildings as detailed in the accounting policies note 1.5. As a result of the reclassification of the building, additional depreciation of £2,801 should have been charged on the asset in the year ended 31 March 2015. This additional depreciation affects the depreciation charge for the prior year, the accumulated depreciation and the net book value of noncurrent assets.

This results in a restatement of the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the noncurrent assets for the prior period.

Two leased assets were identified as being held under a finance lease and have been disclosed in note 15. These leases were previously classified as operating leases and as such, the prior year operating lease disclosures in note 16 have been adjusted to reflect the reclassification of these leases.

3. SCOTTISH GOVERNMENT DEPARTMENTAL EXPENDITURE LIMIT (DEL)

	2016 £	2015 £
Cash DEL allocated to meet operational expenditure	6,418,000	6,420,000
Cash DEL allocated to meet capital expenditure	1,026,000	1,328,000
Supplementary Cash DEL received	-	164,138
	7,444,000	7,912,138
Deduct:		
Amounts earmarked for Specific Projects	(16,000)	(16,000)
Total cash DEL received (resource and capital DEL)	7,428,000	7,896,138
Less:		
Amounts transferred for purchase of Fixed Assets	(715,482)	(1,082,565)
	6,712,518	6,813,573

4. PLANNING FEES

	2016 £	2015 £
Statutory fees on Planning Applications	167,098	223,049

5. PROGRAMME INCOME & EXPENDITURE

	Income £	Expenditure £	Net £
West Highland Way	34,217	34,217	0
Total 2015-16	34,217	34,217	0
Total 2014-15	11,645	11,645	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.

6. ANALYSIS OF NET EXPENDITURE BY SEGMENT

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

Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

£

Net segmental expenditure as above	7,099,520
Items not attributable to segmental activity:	
(Excess) deficit of return on pension assets over interest	169,000
Depreciation	458,228
Gain on transfer of donated assets	(187,000)
Provision for impairment of assets	19,000
Loss on disposal of fixed asset	6,818
Interest receivable	(716)
Net Expenditure For Year	7,564,850

7. BUSINESS PLAN AND OTHER INCOME

	2016 £	2015 £
Business plan income	548,343	149,537
Other income:		
Agency Reimbursements	42,000	47,000
Boat Registration Scheme	54,768	56,076
Sale of Goods	5,054	5,684
Property rental and recharges	160,086	128,328
Gain on transfer of donated assets	187,000	—
Excess (deficit) of return on pension assets over interest	(169,000)	(129,000)
Miscellaneous	85,529	112,741
	365,437	220,829

8. BOARD MEMBERS AND STAFF COSTS

	Note	2016 £	2015 £
Board Members			
Fees - see Remuneration Report		151,062	141,449
Social Security Costs		3,760	2,757
		154,822	144,206
Permanent Staff			
Salaries		3,217,704	3,213,228
Social Security Costs		233,808	225,632
Pension Costs	19	602,868	590,010
		4,054,380	4,028,870
Other Staff			
Salaries		548,380	605,693
Social Security Costs		31,843	39,510
Pension Costs		73,489	78,658
		653,712	723,861
Add: secondment from related party		-	25,933
Deduct: Included in Programme and Business Plan figures		(60,586)	(94,855)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(85,770)	(108,562)
		4,561,736	4,575,247
Adjustments for Pensions Reporting			
Add: Current Service Costs	20	1,049,000	935,000
Less: Employers Contribution	20	(672,000)	(668,000)
Less: Past service cost including losses / (gains) on curtailment	20	-	7,000
		4,935,736	4,849,247
Total Costs		5,093,558	4,993,453

Compensation for loss of office Exit package cost band	2016	2015
Number of departures		
£25,000 - £50,000	-	2
Total number of exit packages	-	2
Total resource cost (excluding strain on the fund) £	-	67,637

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.

9. OTHER OPERATING COSTS

	2016 £	2015 £
Travel & Subsistence	38,379	35,555
Conferences, Courses & Training	69,678	65,257
Other Staff Costs	63,227	52,159
Property Rent & Rates	272,064	254,647
Energy Costs	84,115	66,547
Property Repairs & Development	101,456	120,714
Other Property Costs	232,138	214,478
Grounds Maintenance	236,211	224,197
Tools and Equipment Consumables	21,215	23,431
Transport Costs	97,654	113,575
Uniforms & Clothing	43,775	26,226
Catering & Hospitality	20,053	23,449
Printing and Stationery	17,255	14,766
Published Materials	36,933	24,683
Telecommunications & Data	96,209	91,728
Legal & Professional Fees	100,948	138,036
Software and IT Supplies	164,190	142,659
Goods for Resale	2,221	2,659
Statutory Advertising	28,056	24,484
Other Administration Costs	23,645	23,320
Contributions to Other Bodies	7,614	18,115
Audit Fee – Internal	15,793	12,949
Audit Fee – External	10,200	10,200
Bad Debt	-	22,291
Stock write off	1,012	-
	1,784,041	1,746,125

10. NONCURRENT ASSETS

	Freehold Land & Buildings Restated £	Leasehold Land & Buildings Restated £	Assets under construction £	Vehicles & Marine Vessels £	Equipment Plant & Machinery £	Office Furniture & Fittings £	IT Hardware & Infra- structure £	Total Tangible Assets £	IT Systems & Software £	Copyright £	Total Intangible Assets £	Total Assets £
Cost or Valuation												
At 1 April 2015	4,567,502	4,013,134	673,180	1,042,312	262,456	716,176	1,578,565	12,853,325	426,184	26,875	453,059	13,306,384
Disposals at Cost				(7,576)				(7,576)			-	(7,576)
Additions at Cost	192,000		601,943	7,576	25,592	38,011	39,608	904,730	8,282		8,282	913,012
Transfer Asset into Use	373,876	300,529	(716,574)			42,169		-			-	-
Valuation Adjustments		(19,000)						(19,000)			-	(19,000)
At 31 March 2016	5,133,378	4,294,663	558,549	1,042,312	288,048	796,356	1,618,173	13,731,479	434,466	26,875	461,341	14,192,820
Accumulated Depreciation												
At 1 April 2015	83,002	111,652	-	637,702	239,526	690,241	1,477,690	3,239,813	404,786	19,475	424,261	3,664,074
Disposals				(758)				(758)			-	(758)
Charge for Year	86,703	119,773		88,357	22,128	33,057	89,268	439,286	17,092	1,850	18,942	458,228
At 31 March 2016	169,705	231,425	-	725,301	261,654	723,298	1,566,958	3,678,341	421,878	21,325	443,203	4,121,544
Net Book Values												
31 March 2016	4,963,673	4,063,238	558,549	317,011	26,394	73,058	51,215	10,053,138	12,588	5,550	18,138	10,071,276
31 March 2015	4,484,500	3,901,482	673,180	404,610	22,930	25,935	100,875	9,613,512	21,398	7,400	28,798	9,642,310

Freehold Land and Buildings contain one piece of land at Kenmore Wood that was donated to the Authority and is valued at £6k on an economic use value. Additions to freehold land and buildings consist of £190k for land and building at Luss (toilet block) and £2k for land at Rowardennan. These were identified through the review of assets undertaken in the year. The toilet block at Luss is being transferred from Argyll and Bute Council at a cost of £5k. The gain on the transfer of assets (the difference between the valuation and the cost) has been recognised in the Statement of Comprehensive Net Expenditure within other income as a gain on transfer of donated assets. The valuation adjustment relates to a revaluation loss of £19k for the write off of the value attributed to leasehold land at Loch Lubnaig.

11. INVENTORIES

	2016 £	2015 £
Visitor Centres	2,133	2,694
On line shop	-	1,029
West Highland Way Merchandise	4,467	5,078
	6,600	8,801

12. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2016 £	2015 £
Trade receivables	136,174	143,664
Other receivables	4,810	18,825
VAT receivables	24,280	54,233
Prepayments and accrued income	102,760	131,041
	268,024	347,763

Prepayments and accrued income include £11,153 of prepayments due after more than one year (2014-15 £1,872).

13. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Bank Accounts	306,800	643,432
Imprest Accounts	1,130	1,130
	307,830	644,562

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

14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2015 £	2015 £
Amounts payable within one year:		
Trade payables	360,683	775,856
Accruals and deferred income	652,539	645,269
Funds held for third parties	2,630	4,113
	1,015,582	1,425,238

15. FINANCE LEASES

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

There are no contingent rent provisions or renewal or purchase options on these leases.

As at 31 March 2016, the net carrying amount of buildings leased under a finance lease was £1,687,674 (2014-15 £1,733,837).

The finance lease creditor balances that have not been recognised are detailed below for disclosure purposes.

Amounts falling due within one year:	2016 £	As restated 2015 £
Finance lease creditors	6	6

Included in the above is £1 (2015- £1) due to Scottish Enterprise.

Amounts falling due after more than one year:	2016 £	As restated 2015 £
Finance lease creditors		
Between one and five years	21	21
Over five years	122	128
	143	149

The interest charges for the current year total £0.20. Given the immaterial nature of these charges, these have not been recognised in the financial statements. The finance lease liabilities payable that have not been recognised are detailed below for disclosure purposes:

	Future minimum lease payments 2016	Interest 2016	Present Value of minimum lease payments 2016	Future minimum lease payments 2015	Interest 2015	Present Value of minimum lease payments 2015
Less than one year	6	0	6	6	0	6
One to five years	24	3	21	24	3	21
Over 5 years	414	287	127	420	292	128

We have used the Green Book discount rate of 3.5% to calculate the net present value of the future minimum lease payments. The interest payment represents the difference between the actual payments and the discounted payment values.

16. CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OPERATING LEASE OBLIGATIONS

There was £49k committed but unspent capital expenditure at 31 March 2016 (2015 – £51k).

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.

The Authority is involved in two legal disputes which may result in a future liability therefore these are disclosed as contingent liabilities. There is a legal dispute with the landowner of Drumlean Estate over access rights. The Authority lost the initial court case last year and may be liable to pay the estate owner's legal fees. However, the Authority is currently appealing against the initial decision and the appeal is being heard in the new Sherriff Appeal Court. If the Authority loses the case, the costs could be up to £20,000. The Authority has raised an action to remove the tenants from Luss Visitor Centre, following a breach of the lease terms. The former tenants are defending the action to remove them. The costs have not yet been quantified, but could be in the region of £20,000.

As detailed in note 15, two leased assets were identified as being held under a finance leases. These leases were previously classified as operating leases and have been reclassified to operating leases in the current year. As a result of this reclassification, the prior year operating lease balances have been restated.

Land & Buildings	2016 £	As restated 2015 £
Obligations under non-cancellable Operating Leases:		
Within one year	79,607	81,899
Two to five years	170,792	78,202
After five years	351,481	364,575

Land & Buildings	2016 £	As restated 2015 £
Rent receivable under non-cancellable Operating Leases:		
Within one year	130,836	117,789
Two to five years	197,900	120,500
After five years	157,150	89,283

17. 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.

18. FINANCIAL INSTRUMENTS - EXPOSURE TO RISKS

The Authority's resources are met from a cash budget allocation from the Scottish Government, 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 Authority's net revenue resource requirements are financed by Scottish Government, as is its capital expenditure. The Authority is not therefore exposed to material liquidity risks.

Credit Risk

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

Foreign Currency Risk

The Authority is not exposed to foreign currency risk.

19. 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 19 to 22.

In 2015-16, the Authority paid an employer's contribution of £676,357 (2014-15 - £659,034) representing 19.3% (2014-15 - 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.

	2016 £'000	2015 £'000
Amount Charged to Operating Profit:		
Current Service Cost	1,049	935
Actuarial (Gain) / Loss Recognised in SRIE	(3,235)	1,684
Curtailments and Settlements	-	7
Total Operating (Gain) Charge (A)	(2,186)	2,626
Amount Credited to Other Finance Income:		
Expected return on Employer Assets	548	612
Interest Cost	(717)	(741)
Net Return (Deficit) (B)	(169)	(129)
Net Revenue Account Cost (A) - (B)	(2,017)	2,755

20. PENSIONS – BALANCE SHEET

The Authority's assets and liabilities amounted to:	2016 £'000	2015 £'000
Fair Value of share of assets in the Strathclyde Pension Fund	17,370	16,263
Present Value of Funded Liabilities	(19,567)	(21,145)
Present Value of Unfunded Liabilities	(36)	(70)
Net Pension Liability	(2,260)	(4,952)

Fair value of employer assets

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

Asset Category	31 March 2016				31 March 2015			
	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	1,629	0	1,629	9%	1,536	0	1,536	9%
Manufacturing	1,290	11	1,301	7%	1,217	10	1,227	8%
Energy & Utilities	512	0	512	3%	483	0	483	3%
Financial Institutions	1,199	0	1,199	7%	1,131	0	1,131	7%
Health and Care	700	0	700	4%	661	0	661	4%
Information Technology	990	2	992	6%	934	1	935	6%
Private Equity								
All	0	1,689	1,689	10%	0	1,583	1,583	10%
Real Estate								
UK Property	0	1,866	1,866	11%	0	1,486	1,486	9%
Investment funds and unit trusts								
Equities	151	4,358	4,509	26%	171	4,495	4,666	29%
Bonds	0	2,120	2,120	12%	0	2,059	2,059	13%
Commodities	6	0	6	0%	6	0	6	0%
Infrastructure	0	0	0	0%	0	55	55	0%
Other	0	244	244	1%	0	30	30	0%
Derivatives								
Other	4	0	4	0%	5	0	5	0%
Cash and cash equivalents								
All	580	19	599	3%	0	400	400	2%
Totals	7,061	10,309	17,370	100%	6,144	10,119	16,263	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:

Valuation assumptions	2016	2015
Inflation/ Pension Increase Rate	2.2% p.a.	2.5% p.a.
Salary Increase Rate	4.2% p.a.	4.4% p.a.
Discount Rate	3.6% p.a.	3.3% p.a.
Life Expectancy at age 65 –		
Current Pensioners Male	22.1 Yrs	22.1 Yrs
Current Pensioners Female	23.6 Yrs	23.6 Yrs
Future Pensioners Male	24.8 Yrs	24.8 Yrs
Future Pensioners Female	26.2 Yrs	26.2 Yrs

Movement in the Net Pension Deficit during the Year	2016 £'000	2015 £'000
Deficit at beginning of the year	(4,952)	(2,868)
Add (Deduct)		
Current Service Cost	(1,049)	(935)
Employers Contributions	672	668
Contributions in respect of unfunded benefit	3	3
Losses on curtailments	-	(7)
Net Return on Assets	(169)	(129)
	(543)	(400)
Actuarial (Losses)/Gains	3,235	(1,684)
Deficit at End of Year	(2,260)	(4,952)

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:	2016 £'000	2015 £'000
Experience (Losses) Gains on Fund Assets	75	1,115
Defined Benefit Gains (Losses)	3,160	(2,799)
	3,235	(1,684)

21. 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 2016	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	14%	2,806
1 year increase in member life expectancy	3%	589
0.5% increase in the Salary Increase Rate	6%	1,209
0.5% increase in the Pension Increase Rate	8%	1,529

Information about the Defined Benefit Obligation

	Liability split		Duration
	£'000	Percentage %	
Active members	12,844	65.6%	29.7
Deferred members	2,992	15.3%	26.1
Pensioner members	3,731	19.1%	14.0
Total	19,567	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 2017

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 2017.

Period ended 31 March 2017	Assets £'000	Obligations £'000	Net (liability) / asset	
			£'000	% of pay
Current service cost *		834	(834)	(23.9%)
Past service cost including curtailments				
Effect of settlements				
Total Service Cost	0	834	(834)	(23.9%)
Interest income on plan assets	638		638	18.3%
Interest cost on defined benefit obligations		722	(722)	(20.7%)
Total Net Interest Cost	638	722	(84)	(2.4%)
Total included in Statement of Comprehensive Net Expenditure	638	1,556	(918)	(26.3%)

* 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 2017 will be approximately £672,000.

22. ACTUARIAL GAIN (LOSS) RECOGNISED IN STATEMENT OF CHANGES IN TAXPAYERS EQUITY

	2016 £'000	2015 £'000
Experience Gains (Losses) on Assets	75	1,053
Other Actuarial Gains (Losses)	3,160	(2,737)
Actuarial Gains and Losses	3,235	(1,684)
Cumulative Actuarial Gains/(Losses)	(1,990)	(5,225)

The valuation of the Scheme Assets at 31 March 2016 is based on estimated bid values.

APPENDIX 1



LOCH LOMOND & 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

PÀIRC NÀISEANTA
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