

# LOCH LOMOND & THE TROSSACHS NATIONAL PARK AUTHORITY

## ANNUAL ACCOUNTS 2012/13

### CONTENTS

	Page
Management Commentary	2
National Park Authority Members	9
Remuneration Report	15
Statement of Accountable Officer's Responsibilities	19
Governance Statement	21
Independent Auditor's Report	24
Annual Accounts	
Statement of Comprehensive Net Expenditure	26
Statement of Financial Position	27
Statement of Cash Flows	28
Statement of Changes in Taxpayers' Equity	29
Notes to the Accounts	30
Accounts Direction	46

## **MANAGEMENT COMMENTARY**

### **Introduction**

Loch Lomond & The Trossachs National Park Authority (“the Authority”) presents this Statement of Accounts for the year from 1 April 2012 to 31 March 2013 in a format directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000. A copy of the accounts direction is reproduced at page 46.

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

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

During the financial year 2012-13, day-to-day management of the Authority was undertaken by the Executive Team comprising:

- Chief Executive – Fiona Logan
- Director of Planning & Rural Development – Gordon Watson
- Director of Conservation & Visitor Experience – Grant Moir (to 22<sup>nd</sup> February 2012)
- Director of Corporate Services – David Cameron
- Head of Corporate Support – Lynda Frazer

Following the appointment of Grant Moir to the post of Chief Executive of the Cairngorms National Park Authority, a new senior management and executive structure was devised. As a result, day-to-day management of the Authority is now undertaken by the Executive Team comprising:

- Chief Executive – Fiona Logan
- Director of Operations – Gordon Watson
- Director of Corporate Services – Jaki Carnegie

### **Notification of interests**

The Authority has detailed policies governing situations where personal or business interests may arise in the activities and decisions of the organisation. In such situations, Board Members and staff are required to disclose the nature of the interest and exclude themselves from any part of the discussion or decisions relating to that matter.

Board Members interests are a matter of public record and are published on the Authority’s website.

### **Financial performance**

The results for the year to 31 March 2013 are set out on pages 26 to 45.

The Authority receives the majority of its funding through its Grant in Aid (GIA) award from the Scottish Government with additional funding being received from partner agencies and other sources, mainly to jointly fund projects. The Authority is expected to manage its budget in accordance with its Financial Memorandum and the Scottish Public Finance Manual. The Authority is expected to ensure that, taking one year with another, income from grant in aid and other income equals expenditure. (The Authority has some discretion

in how it uses its revenue resource and transfers revenue budget to capital budget during the year to further Conservation, Visitor Experience and Rural Development objectives.)

The Scottish Government provides a total resource budget and cash allocation for each financial year, which originates from the spending review and its subsequent approval in the Budget Bill. During the year revisions are agreed with Scottish Government in the Spring and Autumn budget. In 2012/13 the Park Authority received additional capital funding during the year which enabled greater investment in key visitor infrastructure such as the West Highland Way, the new Loch Lubnaig camping and picnic sites, and National Park threshold signage.

The Authority's gross expenditure for 2012/13 was £9,825k (2011/12 - £8,392k). After £9,511k of total Grant in Aid received, other income of £714k and interest received of £1k, the 2012/13 financial statements show a surplus of £401k (2011/12 - £398k deficit).

However, after excluding Grant in Aid transferred for capital expenditure and allocated to fixed assets of £648k, depreciation of £284k, return on pension assets of £65k and other pensions income of £76k, the financial result for 2012/13 is a net expenditure position of £104k. (2012 - £47k net expenditure position).

The Resource Accounting Budget (Depreciation) was contained within budget.

The table below shows how the resources available to the Authority have been utilised during the year and the result has been noted by our sponsoring department of Scottish Government, The Scottish Government Rural Directorate.

<b>Expenditure financed by GIA</b>	<b>GIA award (£000)</b>	<b>Outturn (£000)</b>	<b>Variance (£000)</b>
Resource Departmental Expenditure Limit (DEL)	7,014	7,014	0
Capital DEL	2,497	2,497	0
<b>Total Grant in Aid</b>	<b>9,511</b>	<b>9,511</b>	<b>0</b>
<b>Non-cash DEL (depreciation)</b>	<b>774</b>	<b>284</b>	<b>490</b>

<b>Expenditure financed by other income</b>	<b>Income (£000)</b>	<b>Expenditure (£000)</b>	<b>Variance (£000)</b>
Operating expenditure	397	505	(108)
Capital expenditure	252	248	4

The deficit in operating expenditure arises from a pension liability falling due within 1 year whose inclusion in the accounts for 2012/13 is required to comply with reporting under IFRS. This liability will be paid in full in 2013/14.

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

### **Performance against targets**

The Authority achieved its 3% efficiency plan target for 2012/13 of £199k as defined in the Grant in Aid award letter.

The Authority sets its targets on an annual basis by reference to the overriding strategy set out in the Corporate Plan. The delivery targets for 2012/13 were expressed in an annual business plan which was finalised and agreed in March 2012. Performance against these targets was monitored by the Executive Team and reported to Board Members at the end of each calendar quarter.

Details of the achievements under each of the Authority's themes and Scottish Government Strategic Outcomes are highlighted in the preceding sections of this annual report.

For 2012/13, the targets were aligned with the following ten National Outcome Targets set by the Scottish Government National Performance Framework for all public agencies:

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

### **Community consultation and involvement**

The Authority engages widely with local communities and individuals as part of its work. Extensive participation arises in a series of events throughout the year with Local Development Trusts, Community Councils and other groups including Board representation

on various groups, including the Loch Lomond & The Trossachs National Park Community Partnership.

These groups engage in a series of initiatives through quarterly Area Network Meetings and Community Partnerships. In addition, the Authority is an active member of all Community Planning Partnership groups covered by the Park.

During 2012/13, two specific and extensive community consultation exercises were undertaken as part of drafting two major pieces of strategic guidance:

- The Loch Lomond Byelaw review consulted widely on how Loch Lomond is to be used in the near future.
- The Local Development Plan Scheme events consulted with four Park communities. The outcomes will provide ideas and options for the future physical development of these settlements, including in respect of tourism, as part of the wider Local Development Plan which once adopted will replace our current Local Plan.

Finally the Board also has five directly elected Members representing specific geographic areas of the Park in addition to local representation brought by the Local Authority Members.

### **Environmental management**

The National Park Authority has a comprehensive approach to monitoring the organisation's environmental performance.

We continued to monitor closely the levels of CO<sub>2</sub> generated by our buildings and vehicles in 2012/13. Our activities resulted in an increase to our CO<sub>2</sub> emissions of just over 2% based on 2011/12 figures, although we remain well under our 2010/11 baseline. This increase in emissions is regrettable; however given the severity of winter 2012/13 a rise in emissions from our facilities was not unexpected. It is positive, however, to note that our emissions from use of vehicles have decreased on 2011/12 figures, as a result of the replacement of older vehicles with more sustainable models.

Early in 2012 the National Park Authority agreed a Carbon Management Plan with the Carbon Trust, aimed at further reducing the carbon emissions generated by our operations. This Plan covers a three year period and progress against the Plan will be reported to the Delivery Group of the Board on a quarterly basis.

In addition, we continued to abide by our sustainable procurement strategy during the year.

### **Changes in non-current assets**

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

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

The Gateway Centre at Loch Lomond Shores is included in non-current assets. This building was constructed by Loch Lomond & Trossachs Interim Committee (West Dunbartonshire Council) but has been operated by the Authority since 2002 in conjunction with VisitScotland until their withdrawal from the premises in Summer 2008. Negotiations with Scottish Enterprise in respect of the leasehold of the Gateway Centre and surrounding land were close to conclusion in 2001/02, and on the basis that the lease terms would be agreed and that the Authority has occupied the premises since 2002, in terms of accounting guidance only, the Authority is deemed to lease the land from Scottish Enterprise. It has therefore been included in non-current assets at its open market value. Negotiations continue with Scottish Enterprise regarding the finalisation of the lease.

#### **Gifts and charitable donations**

Gifts totalling £75 were made in the year. There were no charitable donations made in the year.

#### **Losses, special payments and write offs**

There was a small write off of £30 made in the year. There were no losses or special payments made in the year.

#### **Post balance sheet events**

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

#### **Supplier payment performance**

The Park Authority observes the Better Payment Practice Code and seeks to pay suppliers within 10 days of receipt of valid invoice in accordance with Scottish Government targets set for measurement from 1 December 2008. During the year ended 31 March 2013, the Authority paid 99% (2011/2012 – 98%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 100% (2011/2012 – 100%) against this target.

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

#### **Collaboration with Cairngorms National Park Authority**

During the year the Authority continued to improve collaboration with Cairngorms National Park Authority as recommended by the strategic review of the two National Park Authorities in Scotland, published in November 2008, with formal arrangements being agreed to share a number of back office services and procured services. Further details of initiatives in this area are noted in the Annual report.

#### **Delivery Group**

The Delivery Group, a sub group of the Board, continued to provide input and support to the Authority on monitoring performance in all areas, including human resources.

During the year, the Authority recorded a loss of 3.4% of days due to sickness absence (2011/2012 – 3.7%). The Authority continues to closely monitor sickness absence and provides programmes of support to staff affected in conjunction with our Occupational Health providers.

There were no losses of personal data in the year (2011/2012 – nil).

### **Pay structure**

The pay remit process for 2012/13 was concluded and pay awards were made to staff in November 2012. During the year, the Authority completed the review of Staff Terms and Conditions of Employment by reaching a collective agreement with UNISON who accepted the proposed revisions to terms and conditions. The revised terms and conditions took effect from 01 January 2013.

### **Learning & Development**

With the staff Development Review Scheme now embedded in the organisation the alignment of learning and development needs with business priorities continues. A revised Performance Appraisal and Management scheme will be introduced in the next financial year which will further enhance corporate alignment of learning and development needs by focusing on how we behave as National Park employees as well as the results we deliver.

### **Health and Safety**

The Health & Safety Committee regularly met throughout the year. Our continued drive towards a Health and Safety culture has involved a comprehensive review of the risk assessment process and our Health & Safety policies and procedures. A range of Health & Safety related training was also delivered throughout the year and regular refresher Health & Safety training for all staff has been scheduled. This regular employee engagement will continue to ensure a safe working environment for all staff.

### **Equal Opportunities**

In May 2012 the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 came into force. Loch Lomond and the Trossachs National Park Authority has been working in partnership with Cairngorms National Park Authority to ensure that both organisations fulfil their responsibilities in respect of the Public Sector Equalities Duties. The agreed equalities outcomes for each organisation were published on the 30<sup>th</sup> of April 2013 and can be viewed on our website.

### **Pension**

The Park Authority is a member of the Strathclyde Pension Fund, details of the contributions to and movements in the fund in the year are stated in notes 17 to 19.

### **Auditors**

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

### **Disclosure**

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

### **Looking ahead**

Loch Lomond & The Trossachs National Park Authority has enjoyed another successful year despite the challenging economic situation and delivered considerable outputs both directly and through extensive partnership working with a wide range of public, private and NGO bodies and local communities

The Park Authority's structure delivers its business through the key operational themes of Conservation, Visitor Experience and Rural Development, supported by Corporate Services all of which align closely with the Government's strategic objectives of: Wealthier and Fairer, Healthier, Safer & Stronger, Smarter and Greener Scotland.

In addition, during the year, we implemented our longer term vision for the area through the launch of the National Park Partnership Plan 2012/17. The Authority's specific contribution to the delivery of the new National Park Partnership Plan 2012/17 priorities is set out in our Corporate Plan for 2012/17. These plans directly link to both specific outcomes set out in the plans and at least seven of the key Scottish Government Strategic Outcome Targets and include significant planned investments in a number of visitor infrastructure projects following the award of additional capital resources to 31 March 2015.

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

**Fiona Logan**

**Chief Executive and Accountable Officer**

**25 June 2013**



## NATIONAL PARK AUTHORITY MEMBERS 2012-13

Loch Lomond & The Trossachs National Park Authority's Board comprised up to 21 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 two and four years.

The Members' periods of office and attendance at Board and Committee meetings is noted below.

Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board attendance %	Statutory committee attendance (Planning & Access and Audit) %
David McCowan	(a)	01/07/2010	30/06/2014	A, PI	83	94
Owen McKee	(a)	01/07/2010	30/06/2014	PI	100	100
David McKenzie	(a)	01/07/2010	30/06/2014	A, PI	100	81
Willie Nisbet	(a)	01/07/2010	30/06/2014	D, PI	83	92
David Warnock	(a)	01/07/2010	30/06/2014	D, PI	100	92
Angus Allan	(b)	15/03/2011	30/09/2014	A	100	75
Colin Bayes	(b)	02/10/2010	30/09/2014	D, PI	100	66
Petra Biberbach	(b)	02/10/2010	30/09/2014	D, PI	83	83
Linda McKay	(b)	02/10/2010	30/09/2014		100	n/a
Lindsay Morrison	(b)	02/10/2010	30/09/2014	A	100	100
Kate Sankey	(b)	02/10/2010	30/09/2014	PI	83	83
Anthony Ffinch	(c)	02/10/2010	01/10/2012	A, PI	60	57
Fergus Wood	(c)	01/10/2012	30/09/2014	PI	100	58
William Petrie	(c)	02/10/2010	01/10/2012	A	66	50
Ron Simon	(c)	02/10/2010	01/10/2012	D	0	n/a
Craig McLaughlin	(c)	02/10/2010	01/10/2012		100	n/a
Bob Ellis	(c)	01/10/2012	30/09/2014	D	66	n/a
Martin Earl	(c)	01/10/2012	30/09/2014	D	100	n/a

Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board attendance %	Statutory committee attendance (Planning & Access and Audit) %
James Robb	(c)	01/10/2012	30/09/2014	A	100	100
George Freeman	(c)	01/10/2012	30/09/2014	PI	100	100
Hazel Sorrell	(c)	01/10/2012	30/09/2014	A	33	0

**Notes:**

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

**Committee membership (at present):**

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

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

**Board and committee attendance**

Board and committee attendance is stated as a percentage of the meetings that Members could attend whilst being Members of each group.

## Summary of Board Members 2012-13

### Elected by local residents through postal ballot

**David McCowan** was elected to Ward 5 (West Loch Lomond and Balloch) on 1 July 2010 for four years to June 2014. 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 which also has interests in self catering property. David is a member of Helensburgh tennis and golf clubs and Dunbartonshire Chamber of Commerce.

**Owen McKee** (Depute Convener) was re-elected in ward 2 (Breadalbane and the Trossachs) in 1 July 2010 for a further period of four years to June 2014. He was elected depute convener on 11 March 2013. He retired in 2004 from Lochearnhead Village Shop which he ran for 29 years. Formerly a taxation specialist, he acts as an independent examiner for a number of local associations and charities and was chair of Housing Stirling. He is a director of the Loch Lomond & The Trossachs Community Partnership and Balquidder, Lochearnhead, and Strathyre Community Trust.

**David McKenzie** was elected to Ward 1 (Cowal and North Loch Lomond) on 1 July 2010 for a four year term until June 2014. David is a resident of Blairmore where he runs his own consultancy in renewable energy. He 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. As well as his commitment to renewable energy, David is passionately interested in local history and heritage. David is Secretary of the Benmore & Kilmun Community Development Trust and Secretary and Trustee of Argyll Mausoleum Limited, a community initiative to restore the Argyll Mausoleum in Kilmun. David is also a Director the Blairmore Village Trust and a Board Member of the Clan McKenzie society.

**Willie Nisbet** was re-elected to ward 4 (East Loch Lomond and Port of Menteith) on 1 July 2010 for a further period of four years to June 2014. He has farmed on the banks of Loch Lomond for the last 30 years, taking over the family farm, and has worked to bring together the competing demands of farming, the environment and public access. He is a Director of RHET (Royal Highland Education Trust) Dumbarton, Lomond and Renfrew Initiative, represents the Park Authority Board on the Loch Lomond & The Trossachs Local Access Forum, Director of the Kilmarnock Community Trust and a member of the Kilmarnock Paths Group.

**David Warnock** was elected to Ward 3 (Callander) on 1 July 2010 for a period of four years to June 2014. 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.

He has been involved in numerous conservation schemes including 'Operation Osprey' at Loch Garten and has over 20 years mountain rescue experience.

#### **Appointed by Scottish Ministers**

**Angus Allan** was appointed on 15 March 2011. He holds an Honours degree in Agriculture and a Masters degree in Business Management. He is Depute Principal at South Lanarkshire College, East Kilbride. Angus brings to the Board strong ICT skills, experience of delivering challenging projects on time and within budget, sector-leading practical experience in low-energy, low-carbon initiatives and strong business management skills from his work with partners in industry and overseas. His appointment runs to 30 September 2014.

**Colin Bayes** is a Chartered Environmentalist with an extensive career dealing with environmental issues, latterly as Director of Environmental Protection and Improvement for the Scottish Environment Protection Agency, a post he retired from in May 2010. He is former chair of the National Advisory Group for river basin management planning, the Sustainable Urban Drainage Scottish Working Party and the Pollution Prevention and Control industrials' forum. He was a member of the Metropolitan Glasgow Strategic Drainage Partnership Board and is now a Board Member of Keep Scotland Beautiful. Colin lives in Stirling. Colin was appointed to the Board commencing 2 October 2010 until 30 September 2014.

**Petra Biberbach** is Chief Executive of Planning Aid for Scotland, a post which she has held since June 2005. With a career spanning the public, private and third sector, Petra brings a wealth of expertise to the post in the fields of planning, sustainable development, renewable energy, and community engagement and action research. Petra has lived and worked in continental Europe (Germany & Switzerland) and most recently helped to develop a sustainable tourism business in the Harz National Park in rural Germany. While working for the Campaign to Protect Rural England (CPRE) she gained considerable experience of land use management and an in-depth understanding of the uniqueness of National Parks. Petra was appointed to the Board commencing 2 October 2010 until 30 September 2014.

**Linda McKay (Convener)** is Principal of Forth Valley College and is responsible for the delivery of high quality and cost effective further education services to 18,000 learners across Forth Valley and Central Scotland. She brings significant experience of leading strategic change and is a member of the Scottish Funding Council Skills Committee which advises on priorities for public investment in skills, with a particular interest in workforce development. Linda works closely with local community partners and local schools to enhance educational opportunity and experience for young learners and has a particular interest in the role the National Park can play in the development of young people. Linda was appointed to the Board commencing 2 October 2010 until 30 September 2014 and appointed convener for 3 years from 14 March 2011.

**Lindsay Morrison** has extensive business experience with 25 years in the aerospace and telecommunications industries, in engineering, operations and human resources, and is

currently responsible for international employee benefits. During this time Lindsay has managed a large UK pension scheme, and served as a trustee for over eight years, which has provided experience in the design, operation and management of formal committee structures. Lindsay's skills are in business management, recognising the critical importance of strong leadership, clear direction and measurable progress and achievement. Lindsay was appointed to the Board commencing 2 October 2010 until 30 September 2014.

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

#### **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. Previously he has been Chair of Trossachs Community Council and Treasurer of Trossachs Community Trust. With children at primary and secondary schools he takes a keen interest in education issues being a member of the Strathyre Primary School Partnership and McLaren Parents Council. 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 two years.

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

**Councillor James Robb** is a Chartered Engineer and Investment Professional. He is Lead Councillor for Strategic Finance and Europe with Argyll & Bute Council and Area Leader for Helensburgh & Lomond. This is his first appointment to the Board and he hopes his skills and wide experience can contribute to delivering a successful future for the National Park. He was appointed to the Board on 1 October 2012 for a period of two years.

**Councillor George Freeman** is originally from South Queensferry, just outside Edinburgh although he has now lived in Garelochhead for over 31 years. He has served as an elected councillor within Argyll & Bute since 1999 where he is the Lead Councillor for Housing and Chairman of the Argyll & Bute Strategic Housing and Communities 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. He was appointed to the Board on 1 October 2012 for a period of two years.

**Councillor Hazel Sorrell.** Before being elected as Councillor for West Dunbartonshire Council (Lomond Ward), Hazel worked with disabled adults. She 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. With two grown up children, Hazel lives with her husband Alan in Haldane. As a newly elected Councillor and Board Member, one of Hazel's main areas of focus will be to make sure local people in Balloch, Alexandria and Haldane have a better understanding of the work of the National Park 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 two years.

**Councillor Bob Ellis** is a member of Perth and Kinross Council and has been a councillor for 12 years serving on the Development Control Committee and Planning (Enterprise and Infrastructure) Committee as well as Appeal Committees. He is currently Chairman of Perth and Kinross Countryside Trust and holds a number of other memberships including Volunteer Development Scotland and 2014 Act of Scotland Group (Commonwealth Games). He was re-appointed on 1 October 2012 for a period of 2 years.

## REMUNERATION REPORT

### PART 1 UNAUDITED

#### INTRODUCTION

The Chief Executive's remuneration and the Board Members fees are directly governed by the Scottish Government via their Senior Salaries Review Body. This body also sets, each year, the award for the Chief Executive and Board Members. Salary levels for staff are reviewed by the Delivery Group. However, the overall annual pay remit is subject to approval by the National Park Authority's Sponsoring Body and Pay Policy Unit at the Scottish Government and agreement with Unions.

The Authority has in place a Delivery Group consisting of up to six Board Members, chaired by Colin Bayes. The group members are Petra Biberbach, Councillor Martin Earl, Councillor Bob Ellis, William Nisbet, and David Warnock.

The group's remit includes: advice to the Board on annual pay awards; and oversight and monitoring on behalf of the Board the human resources systems in place for the National Park Authority as part of the overall review of performance of the organisation.

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Authority are taken to comprise the Chief Executive, Directors and Board Members.

#### SERVICE CONTRACTS

The Chief Executive's contract is on a permanent basis with a three month period of notice. Performance Pay is calculated by reference to the extent to which predetermined objectives have been achieved, with a maximum value of 10% of basic pay for the Chief Executive. The level of bonus is determined by the Convener and Depute Convener / Chair of the Delivery Group supported by the Human Resources Manager. The amount paid in 2012-13 is noted below as other emoluments.

### PART 2 AUDITED

#### DISCLOSURE OF REMUNERATION - CHIEF EXECUTIVE

<b>Year ended 31 March 2013</b>	<b>Basic salary band £'000</b>	<b>Other emoluments – performance related pay £'000</b>	<b>Benefit in Kind Employers contribution to Pension fund £'000</b>
<b>Chief Executive</b> Fiona Logan	75-80	0	10-15
<b>Directors</b> Gordon Watson	55-60	0	10-15
Grant Moir	50-55	0	5-10
David Cameron	Note	Note	Note

<b>Year ended 31 March 2012</b>	<b>Basic salary band £'000</b>	<b>Other emoluments – performance related pay £'000</b>	<b>Benefit in Kind Employers contribution to Pension fund £'000</b>
<b>Chief Executive</b> Fiona Logan	75-80	0	10-15
<b>Directors</b> Gordon Watson	55-60	0	10-15
Grant Moir	45-50	0	5-10
David Cameron	Note	Note	Note

The median total remuneration of all staff was £26,052. The pay multiple between the mid-point of the highest paid director's banding and the median total remuneration of all staff was 2.97.

	<b>Real increase (decrease) in pension value and related lump sum</b>		<b>Total accrued pension at age 60 and related lump sum at 31 March 2013</b>		<b>Cash equivalent transfer value at 31 March 2013</b>	<b>Real increase in cash equivalent transfer value</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b> Fiona Logan	0-2.5	(0-2.5)	5-10	0-5	58	12
<b>Directors</b> Gordon Watson	2.5-5	(0-2.5)	20-25	50-55	280	10
Grant Moir	0-2.5	0-2.5	5-10	15-20	83	4
David Cameron	Note	Note	Note	Note	Note	Note

	<b>Real increase (decrease) in pension value and related lump sum</b>		<b>Total accrued pension at age 60 and related lump sum at 31 March 2012</b>		<b>Cash equivalent transfer value at 31 March 2012</b>	<b>Real increase in cash equivalent transfer value</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Chief Executive</b> Fiona Logan	0-2.5	0-2.5	0-5	0-5	44	17
<b>Directors</b> Gordon Watson	0-2.5	(0-2.5)	15-20	40-45	262	38
Grant Moir	0-2.5	0-2.5	5-10	15-20	76	22
David Cameron	Note	Note	Note	Note	Note	Note

Note: David Cameron is an employee of Cairngorms National Park Authority (CNPA) and is a member of the Civil Service Pension Scheme. The details of his remuneration are noted in the CNPA's Annual report.



Fiona Logan and Gordon Watson are ordinary members of the Strathclyde Pension Fund. Grant Moir left the organisation in February 2013.

### **Local Government Pension Scheme**

Pension benefits are provided through the Strathclyde Pension Fund which provides final salary defined benefit schemes to all staff. In the UK budget statement on 22 June 2010, the Chancellor announced that with effect from 1 April 2011, Public Service pensions would be up-rated in line with the Consumer Price Index (CPI) rather than the Retail Price index (RPI).

Further details about the pension scheme are contained within notes 17 to 19.

### **Cash Equivalent Transfer Value (CETV)**

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in the value of the CETV reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## ANALYSIS OF BOARD MEMBERS' FEES AND EXPENSES

Board member	2012/13 Fees £	2012/13 Expenses* £	2011/12 Fees £	2011/12 Expenses* £
Convener - Linda McKay	19,137	1,104	20,520	567
Depute Convener (from 11 March 2013) - Owen McKee	14,353	2,917	15,183	2,053
Depute Convener (to 30 September 2012) - Craig Mclaughlin	7,157	0	15,183	0
Angus Allan	7,177	497	7,176	360
Colin Bayes	9,569	836	9,845	1,070
Petra Biberbach	7,177	1,084	7,176	1,344
Robert Ellis	7,177	882	7,176	872
Anthony Ffinch (to 30 September 2012)	3,579	0	7,176	366
David McCowan	7,177	0	7,176	0
David McKenzie	7,177	1,414	7,176	1,934
Lindsay Morrison	9,569	0	9,845	0
Willie Nisbet	7,177	351	7,176	540
William Petrie (to 30 September 2012)	3,579	0	7,176	0
Kate Sankey	7,177	954	7,176	937
Ron Simon (to 30 September 2012)	3,579	0	7,176	770
David Warnock	7,177	0	7,176	0
Fergus Wood	7,177	308	7,176	0
Martin Earl (from 1 October 2012)	3,597	0	0	0
James Robb (from 1 October 2012)	3,597	0	0	0
George Freeman (from 1 October 2012)	3,597	0	0	0
Hazel Sorrell (from 1 October 2012)	3,597	0	0	0
	<b>149,503</b>	<b>10,347</b>	<b>156,688</b>	<b>10,813</b>

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

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

**Fiona Logan**

**Chief Executive and Accountable Officer**

**25 June 2013**

## **STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

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

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

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

### **The Board**

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

### **The Convener**

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

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

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

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

In preparing those financial statements, I am required to:

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

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

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

**Fiona Logan**

**Chief Executive and Accountable Officer**

**25 June 2013**

## **GOVERNANCE STATEMENT**

**For the period ended 31 March 2013**

### **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 ("the 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 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. An element of my responsibility as Accountable Officer is to ensure the Authority's internal control systems comply with the requirements of the SPFM.

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

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

- The full Board held five formal meetings which were open to the public. These meetings were supplemented by a number of meetings 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 Corporate Plan targets.
- The Audit Committee met four times to review the work of Internal and external auditors. In addition, the committee attended a risk management workshop during the year which was facilitated by KPMG.

Full papers are issued to these meetings between 7 and 10 days in advance to allow the Members to fully consider the matters for discussion.

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

The internal audit function is an integral element of the Authority's internal control systems. 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. Over the course of the year to 31 March 2013, the internal auditors have reported to the Audit Committee on their independent reviews of financial controls risks, charging scheme, performance management, partnership working, visitor reputation, and corporate governance and risk management.

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

### **Risk Management**

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

The Board recognises the importance of risk management in the activities of the organisation. Through adoption of risk-based monitoring reports for delivery of Corporate and Business 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 both managers and Executive Team and an audit trail was maintained through recording of actions taken. The current risk register was reviewed by the Audit Committee in June 2011. As part of its annual review in 2012/13, the risk register is in the process of being completely updated and refreshed following the launch of the National Park Partnership Plan 2012-17 during the year and the development of a new Corporate Plan for 2012-17. A new risk register will therefore be reviewed and finalised by the Audit Committee in early 2013/14.

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

### **Data Security**

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

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

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

### **Conclusion**

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

- the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework, feedback from whom is obtained through weekly meetings of the Executive and Managers teams;
- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- comments made by the external auditors in their management letter and other reports.

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 have concluded that the controls tested were found, on the whole, to be strong with suggestions for only minor improvements being made. Appropriate action is in place to address any weaknesses identified and to ensure continuous improvement of the system.

The internal auditor's annual report for 2012-13 states that, based on the work undertaken over the course of the year, the Authority's systems provide a reasonable basis for maintaining control and that the control framework provides reasonable assurance regarding the effective and efficient achievement of strategic objectives.

**Fiona Logan**

**Chief Executive and Accountable Officer**

**25 June 2013**

## **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 & The Trossachs National Park Authority for the year ended 31 March 2013 under the National Parks (Scotland) Act 2000. The financial statements comprise 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 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 2012/13 Government Financial Reporting Manual (the 2012/13 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 to identify material inconsistencies with the audited financial statements. 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 2013 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 2012/13 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 Management Commentary 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*  
*25 June 2013*

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE**  
**Year ended 31 March 2013**

	Note	2013 £	2012 £
<b>Expenditure</b>			
Board Members and Staff Costs	7	4,971,548	4,447,891
Other Operating Costs	8	1,638,940	1,555,972
Programme Expenditure	4	19,089	23,572
Business Plan Expenditure	5	2,910,801	1,837,856
Depreciation	9	284,492	459,843
Provision for impairment of assets	1/9	0	66,476
		<u>9,824,870</u>	<u>8,391,610</u>
<b>Income</b>			
Planning Fees	3	198,298	110,073
Programme Income	4	19,089	23,572
Business Plan Income	6	69,926	247,187
Other Income	6	426,240	439,418
Total Income		<u>713,553</u>	<u>820,250</u>
<b>Net Expenditure</b>		9,111,317	7,571,360
Less: Interest Receivable		<u>(790)</u>	<u>(628)</u>
<b>Net Expenditure For Year</b>		<u><u>9,110,527</u></u>	<u><u>7,570,732</u></u>

No activities were discontinued during the year.

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

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

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2013

	Note	2013 £	2012 £
<b>Non-current Assets</b>			
Property, plant and equipment	9	7,252,483	6,891,238
Intangible Assets	9	7,149	6,976
<b>Total non-current assets</b>		<u>7,259,632</u>	<u>6,898,214</u>
<b>Current Assets</b>			
Inventories	10	11,133	13,963
Trade and other receivables	11	249,773	271,933
Cash and cash equivalents	12	814,546	480,351
<b>Total Current Assets</b>		<u>1,075,452</u>	<u>766,247</u>
<b>Total Assets</b>		8,335,084	7,664,461
<b>Current liabilities</b>			
Trade and other payables < 1 Year	13	1,326,621	915,471
<b>Total Current Liabilities</b>		<u>1,326,621</u>	<u>915,471</u>
<b>Non-current assets less net current liabilities</b>		7,008,463	6,748,990
<b>Non-current liabilities</b>			
Pension fund liability	18	1,741,000	872,000
<b>Total noncurrent liabilities</b>		<u>1,741,000</u>	<u>872,000</u>
<b>Total Liabilities</b>		3,067,621	1,787,471
<b>Assets less liabilities</b>		<u>5,267,463</u>	<u>5,876,990</u>
<b>Taxpayers Equity</b>			
General Reserve		2,629,516	2,370,043
Revaluation Reserve		4,375,063	4,375,063
Donated Asset Reserve		3,884	3,884
Pension Reserve		(1,741,000)	(872,000)
		<u>5,267,463</u>	<u>5,876,990</u>

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

Fiona Logan  
Chief Executive & Accountable Officer  
Date:

Authorised for issue  
on 25 June 2013

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

**STATEMENT OF CASH FLOWS**  
**For the Year ended 31 March 2013**

	Note	2013 £	2012 £
<b>Cash flows from operating activities</b>			
<b>Net expenditure before Interest</b>		(9,111,317)	(7,571,360)
<b>Adjustments for items not involving the movement of cash:</b>			
Depreciation	9	284,492	459,843
Provision for impairment of assets	9	0	66,476
Gain on sale of property, plant & equipment	9	(4,352)	0
Pension adjustments in Other Income	6	(65,000)	(118,000)
Pension Adjustments in Staff Costs	7	(76,000)	(8,000)
<b>Movements in working capital:</b>			
(Increase) decrease in trade and other receivables		22,160	(14,867)
(Decrease) increase in trade and other payables		411,149	(230,739)
(Increase) decrease in inventories		2,830	(1,583)
<b>Net Cash Outflow from Operating Activities</b>		(8,536,038)	(7,418,230)
<b>Cash flows from investing activities</b>			
Bank Interest Received		790	628
Purchase of property, plant & equipment	9	(648,391)	(49,816)
Proceeds from property, plant & equipment	9	6,834	0
<b>Net Cash (Outflow) / Inflow before Financing</b>		(9,176,805)	(7,467,418)
<b>Cash flows from financing activities</b>			
Grant In Aid applied to Operating Costs	2	8,862,609	7,123,184
Grant In Aid applied to Capital Expenditure	2	648,391	49,816
<b>Net (decrease) increase in Cash and Cash Equivalents</b>		334,195	(294,418)
Cash and cash equivalents at the beginning of the period	12	480,351	774,769
<b>Cash and cash equivalents at the end of the period</b>	12	<b>814,546</b>	<b>480,351</b>

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

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**  
**for the year ended 31 March 2013**

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	<b>Total</b> £
<b>Balance at 1 April 2011</b>	2,893,775	4,395,964	3,884	(497,000)	6,796,623
Net gain on revaluation on Property, Plant & Equipment		(20,901)			(20,901)
Net funding - grant in aid	7,173,000				7,173,000
Net Expenditure after interest	(7,570,732)				(7,570,732)
Pension Fund Actuarial (Loss) Gain				(504,000)	(504,000)
Other Pension Fund Gains (Losses)				3,000	3,000
Net return (loss) on pension assets	(118,000)			118,000	0
Transfer to net fund pension liabilities	(8,000)			8,000	0
<b>Balance at 31 March 2012</b>	<b>2,370,043</b>	<b>4,375,063</b>	<b>3,884</b>	<b>(872,000)</b>	<b>5,876,990</b>

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	<b>Total</b> £
<b>Balance at 1 April 2012</b>	2,370,043	4,375,063	3,884	(872,000)	5,876,990
Additional Property Introduced					
Net loss on revaluation of Property, Plant & Equipment					0
Net funding - grant in aid	9,511,000				9,511,000
Net Expenditure after interest	(9,110,527)				(9,110,527)
Pension Fund Actuarial (Loss) Gain				(1,013,000)	(1,013,000)
Other Pension Fund Gains (Losses)				3,000	3,000
Net return on pension assets	(65,000)			65,000	0
Transfer to net fund pension liabilities	(76,000)			76,000	0
<b>Balance at 31 March 2013</b>	<b>2,629,516</b>	<b>4,375,063</b>	<b>3,884</b>	<b>(1,741,000)</b>	<b>5,267,463</b>

## **NOTES TO THE ACCOUNTS**

### **For the Year Ended 31 March 2013**

#### **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 2012 and ended on 31 March 2013.

##### **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. The required quinquennial valuation was carried out in March 2009 and the relevant valuations incorporated into these Financial Statements. The valuations were carried out by the District Valuer Scotland (DVS). 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.

## 1 Accounting Policies (cont)

### Valuation (cont.)

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.

#### 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 DVS, if shorter.
Leasehold buildings	50 Years or period of lease whichever is shorter
Computer Equipment	3 - 5 Years
Vehicles	5 Years
Vessels	10 to 25 Years
Machinery, Equipment, Furniture & Fittings	3 - 5 Years

#### 1.6 *Inventories*

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

#### 1.7 *Value added Tax*

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

## **1 Accounting Policies (cont)**

### **1.8 Leases**

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

### **1.9 Grant in Aid**

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

### **1.10 Other grants and income**

The Authority receives other grants to finance its net expenditure. Other grants used to purchase fixed assets are credited to Deferred Other Grants and an amount equivalent to the historical depreciation charge is released to the Statement of Comprehensive Net Expenditure over the expected life of the relevant assets.

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

### **1.11 Pension Costs**

The Authority is a member of Strathclyde Pension Fund (administered by Glasgow City Council) which is a defined benefit scheme. The expected cost of providing staff pensions is recognised on a systematic basis over the expected average remaining life of members of the pension fund. Fund disclosures as required by IAS 19 are given in notes 17 to 19 of the Financial Statements.

### **1.12 Trade receivables**

All material amounts due as at 31 March 2013 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

### **1.13 Trade payables**

All material amounts due as at 31 March 2013 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

### **1.14 Financial Instruments**

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are Financial Assets in the form of Cash, trade receivables and accrued income, and Financial Liabilities in the form of trade payables and accruals. Financial instruments are recognised in accordance with IAS 37, IAS 39, and IFRS 7 as interpreted and adapted by the FReM, initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the Authority will be unable to collect an amount due in accordance with agreed terms



## 1 Accounting Policies (cont)

### 1.15 Segmental reporting

IFRS 8 Segmental Reporting requires operating segments to be identified on the basis of internal reports about components of Loch Lomond & The Trossachs National Park Authority that are regularly used by the Chief Operating decision makers in order to allocate resources and assess their performance. Loch Lomond & The Trossachs National Park Authority reports on 3 segments (operational objectives) of Visitor Experience, Conservation, Rural Development. (See note 5).

### 1.16 Change of Accounting Policy – Indexation of non-current assets

As of 2011/12, marine vessels held are no longer indexed due to the current economic environment.

<b>2 Grant In Aid</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Grant In Aid allocated to meet operational expenditure	7,030,000	6,784,000
Grant In Aid allocated to meet capital expenditure	967,000	67,000
Supplementary Grant In Aid received	<u>1,530,000</u>	<u>338,000</u>
	9,527,000	7,189,000
Deduct:		
Amounts earmarked for Specific Projects	<u>(16,000)</u>	<u>(16,000)</u>
Total Grant in Aid received (resource and capital DEL)	9,511,000	7,173,000
Less:		
Amounts transferred for purchase of Fixed Assets	(648,391)	(49,816)
Amount transferred to TaxPayers' Equity	<u>8,862,609</u>	<u>7,123,184</u>
<b>3 Planning Fees</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Statutory fees on Planning Applications	<u>198,298</u>	<u>110,073</u>

4 Programme Income & Expenditure	Income £	Expenditure £	Net £
West Highland Way	19,089	19,089	0
<b>Total 2012/13</b>	<b>19,089</b>	<b>19,089</b>	<b>0</b>
<b>Total 2011/12</b>	<b>23,572</b>	<b>23,572</b>	<b>0</b>

#### 5 Analysis of Net Expenditure by Segment

	Board members and staff costs £	Other operating & programme costs £	Business Plan Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	2,186,895	969,624	2,273,995	(224,287)	5,206,227
Conservation	988,312	337,695	295,036	(109,659)	1,511,384
Rural Development & Planning	1,796,341	331,621	341,770	(314,607)	2,155,125
<b>Total 2012/13</b>	<b>4,971,548</b>	<b>1,638,940</b>	<b>2,910,801</b>	<b>(648,553)</b>	<b>8,872,736</b>

	Board members and staff costs £	Other operating & programme costs £	Business Plan Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	2,186,645	764,938	1,139,260	(243,995)	3,846,848
Conservation	734,670	257,004	179,438	(73,330)	1,097,782
Rural Development & Planning	1,526,576	534,030	519,158	(384,925)	2,194,839
<b>Total 2011/12</b>	<b>4,447,891</b>	<b>1,555,972</b>	<b>1,837,856</b>	<b>(702,250)</b>	<b>7,139,469</b>

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

<b>Net segmental expenditure as above</b>	<b>8,872,736</b>
<b>Items not attributable to segmental activity:</b>	
(Excess) deficit of return on pension assets over interest	(65,000)
Depreciation	284,492
Provision for impairment of assets	0
Programme Expenditure	19,089
Interest Receivable	(790)
<b>Net Expenditure For Year</b>	<b>9,110,527</b>

<b>6 Business plan and Other Income</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Business plan income	<u>69,926</u>	<u>247,187</u>
Other income:		
Agency Reimbursements	52,350	41,981
Boat Registration Scheme	55,325	61,300
Sale of Goods	9,647	15,406
Property rental and recharges	182,151	175,558
Excess (deficit) of return on pension assets over interest	65,000	118,000
Miscellaneous	61,767	27,173
	<u>426,240</u>	<u>439,418</u>
<b>7 Board Members and Staff Costs</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Board Members</b>		
Fees - see Remuneration Report	149,503	156,688
Social Security Costs	3,633	4,597
	<u>153,136</u>	<u>161,285</u>
<b>Staff</b>		
Salaries	3,920,059	3,495,882
Social Security Costs	266,065	254,901
Pension Costs (Note 18)	708,288	543,823
	<u>4,894,412</u>	<u>4,294,606</u>
Deduct: Included in Programme and Business Plan figures	0	0
	<u>4,894,412</u>	<u>4,294,606</u>
<b>Adjustments for Pensions Reporting</b>		
Add: Current Service Costs (Note 18)	518,000	521,000
Less: Employers Contribution (Note 18)	(715,000)	(550,000)
Less: Past service losses (gains) (Note 18)	0	21,000
Less: Losses / (gains) on curtailment (Note 18)	121,000	0
	<u>4,818,412</u>	<u>4,286,606</u>
<b>Total Costs</b>	<u>4,971,548</u>	<u>4,447,891</u>

## 7 Board Members and Staff Costs (cont.)

Average Number of Employees during the Year	2013 No.	2012 No.
Park Board Members	17	17
Staff (incl. Agency)	133	138

Staff Numbers Analysis (Full Time Equivalents)	2013 No.	2012 No.
Permanent	116	117
Fixed Term	9	7
Seasonal	7	9
Secondees	0	1
Agency	1	4
	133	138

	2013 No.	2012 No.
<b>Numbers of staff with salaries above £50,000 (including Chief Executive)</b>		
£80,001 - £85,000	0	0
£75,001 - £80,000	1	1
£70,001 - £75,000	0	0
£65,001 - £70,000	0	0
£60,001 - £65,000	0	0
£55,001 - £60,000	1	1
£50,001 - £55,000	1	0

### Compensation for loss of office

Exit package cost band	Number of VSS departures	
	2013	2012
<£10,000	2	0
£10,000 - £25,000	5	0
£25,000 - £50,000	8	0
£50,000 - £75,000	1	0
<b>Total number of exit packages</b>	<b>16</b>	<b>0</b>
<b>Total resource cost (£)</b>	<b>444,255</b>	<b>0</b>

During the year, the Authority introduced a Voluntary Severance Scheme (VSS) for which 18 employees applied and 16 were approved. The total costs of the scheme have been paid in accordance with the provisions of the Strathclyde Pension Fund. 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.

<b>8 Other Operating Costs</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Agency Staff	33,801	25,581
Travel & Subsistence	33,841	30,010
Conferences, Courses & Training	64,404	54,173
Other Staff Costs	42,690	102,931
Property Rent & Rates	247,475	236,660
Energy Costs	78,425	81,164
Property Repairs & Development	221,998	137,034
Other Property Costs	216,886	236,815
Tools and Equipment Consumables	18,353	6,672
Transport Costs	144,942	136,646
Uniforms & Clothing	24,501	16,906
Catering & hospitality	19,868	16,417
Printing and Stationery	20,572	20,451
Published Materials	14,477	18,044
Telecommunications & Data	92,336	98,534
Consultants	0	6,838
Legal & Professional Fees	70,387	57,603
Software and IT Supplies	203,486	178,020
Goods for Resale	6,913	4,231
Statutory Advertising	31,738	29,956
Other Administration Costs	24,887	25,957
Contributions to Other Bodies	4,138	12,250
Audit Fee - Internal	12,722	12,579
- External	10,100	10,500
	<hr/> <hr/>	<hr/> <hr/>
	1,638,940	1,555,972

## 9 Non-current assets

	Freehold Land & Buildings	Leasehold Land & Buildings	Assets under construction	Vehicles & Marine Vessels	Equipment Plant & Machinery	Office Furniture & Fittings	IT Hardware & Infrastructure	<b>Total Tangible Assets</b>	IT Systems & Software	Copyright	<b>Total Intangible Assets</b>	<b>Total Assets</b>
<b>Cost or Valuation</b>												
At 1 April 2012	5,520,552	1,387,249	0	888,950	214,483	664,126	1,297,802	<b>9,973,162</b>	372,465	17,625	<b>39,090</b>	<b>10,363,252</b>
Disposals at Cost				(35,737)				<b>(35,737)</b>			<b>0</b>	<b>(35,737)</b>
Additions at Cost			517,896	45,504	7,180	14,518	52,567	<b>637,665</b>	10,726		<b>10,726</b>	<b>648,391</b>
Valuation Adjustments								<b>0</b>			<b>0</b>	<b>0</b>
<b>At 31 March 2013</b>	<b>5,520,552</b>	<b>1,387,249</b>	<b>517,896</b>	<b>898,717</b>	<b>221,663</b>	<b>678,644</b>	<b>1,350,369</b>	<b>10,575,090</b>	<b>383,191</b>	<b>17,625</b>	<b>400,816</b>	<b>10,975,906</b>
<b>Accumulated Depreciation</b>												
At 1 April 2012	329,568	103,854	0	554,966	181,256	632,492	1,279,788	<b>3,081,924</b>	365,489	17,625	<b>383,114</b>	<b>3,465,038</b>
Disposals				(33,256)				<b>(33,256)</b>			<b>0</b>	<b>(33,256)</b>
Charge for Year	109,856	34,618	0	48,415	24,967	26,498	29,585	<b>273,939</b>	10,553	0	<b>10,553</b>	<b>284,492</b>
Written back on revaluation								<b>0</b>			<b>0</b>	<b>0</b>
<b>At 31 March 2013</b>	<b>439,424</b>	<b>138,472</b>	<b>0</b>	<b>570,125</b>	<b>206,223</b>	<b>658,990</b>	<b>1,309,373</b>	<b>3,322,607</b>	<b>376,042</b>	<b>17,625</b>	<b>393,667</b>	<b>3,716,274</b>
<b>Net Book Values</b>												
31 March 2013	<b>5,081,128</b>	<b>1,248,777</b>	<b>517,896</b>	<b>328,592</b>	<b>15,440</b>	<b>19,654</b>	<b>40,996</b>	<b>7,252,483</b>	<b>7,149</b>	<b>0</b>	<b>7,149</b>	<b>7,259,632</b>
31 March 2012	<b>5,190,984</b>	<b>1,283,395</b>	<b>0</b>	<b>333,984</b>	<b>33,227</b>	<b>31,634</b>	<b>18,014</b>	<b>6,891,238</b>	<b>6,976</b>	<b>0</b>	<b>6,976</b>	<b>6,898,214</b>

Leasehold Land & Buildings includes the Gateway Centre at Loch Lomond Shores. This building was constructed by the Loch Lomond & Trossachs Interim Committee and has been operated by the Authority in conjunction with VisitScotland (until their withdrawal in Summer 2008) since 2002. Title to the building has not transferred to the Authority, nor has the lease of the land occupied by the building; however in terms of accounting guidance only, the Authority is deemed to have taken ownership and it has been included in fixed assets at its open market value.

In addition, Freehold Land & Buildings contain one piece of land that was donated to the Authority. The land is held at Kenmore wood and is valued at £3,000 on an economic use value.

<b>10 Inventories</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Visitor Centres	4,437	4,722
On line shop	2,159	2,700
West Highland Way Merchandise	4,537	6,541
	<u>11,133</u>	<u>13,963</u>
<b>11 Trade receivables and other current assets</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade receivables	141,065	93,130
Other receivables	20,397	45,508
Prepayments and accrued income	88,311	133,295
	<u>249,773</u>	<u>271,933</u>
Intra-government balances included above:	<b>£</b>	<b>£</b>
Other NDPBs	80,578	62,014
Local Government	0	641
Central Government	489	0
	<u>81,067</u>	<u>62,655</u>
<b>12 Cash and cash equivalents</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank Accounts	813,441	479,531
Imprest Accounts	1,105	820
	<u>814,546</u>	<u>480,351</u>

All balances were held at commercial banks and cash in hand (2012 - all)

<b>13 Trade payables and other current liabilities</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts payable within one year:		
Trade payables	670,285	423,129
Accruals and deferred income	573,601	429,052
Other payables	16,072	815
Funds held for third party organisations	66,663	62,476
	<u>1,326,621</u>	<u>915,471</u>
Intra-government balances included above:	<b>£</b>	<b>£</b>
Other NDPBs	20,504	11,274
Local Government	7,779	20,000
	<u>28,283</u>	<u>31,274</u>

#### **14 Capital Commitments, Contingent Liabilities and Operating Lease Obligations**

There was no committed but unspent capital expenditure at 31 March 2013 (2012 – nil).

There was one contingent liability at the Balance Sheet date (2012 - £250,000). During the year ended 31 March 2012, the Authority received a claim for damages arising from an incident in 2006 on a footpath adjacent to one of its properties which caused injury to a member of the public. The Authority denies liability and is defending this claim in the Court of Session through its legal advisors. The claim amount is £750,000.

The Authority also holds contingent assets in respect of three monetary bonds totalling £1.332m. These bonds will be lodged by Scotgold Resources Limited as a planning condition for the development of a gold and silver mine in Cononish Glen. The bonds will only become receivable by the Authority if Scotgold Resources Limited fail to fully reinstate the development site at the end of the mining operating period of 10 years, in which case, the Authority would use the bond amounts to undertake the reinstatement works.

Obligations under non-cancellable Operating Leases are:

	<b>Land &amp; Buildings</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Obligations under operating leases:		
Within one Year	66,604	65,827
Two to Five Years	158,416	144,980
After Five Years	<u>254,591</u>	<u>223,486</u>



## **15 Related Party Transactions**

The Authority is a Non Departmental Public Body of The Scottish Government. The Authority's sponsoring body is The Scottish Government Rural Directorate.

The Scottish Government and Scottish Government Rural Directorate are regarded as related parties with whom there have been various material transactions during the year in the normal course of business.

In addition, the Authority has had a number of material transactions with other Government Departments and other Non-Departmental Public Bodies.

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

## **16 Financial Instruments - Exposure to Risks**

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

### *Liquidity Risk*

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

### *Credit Risk*

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

### *Foreign Currency Risk*

The Park Authority is not exposed to foreign currency risk.

## **17 Pensions - Revenue Account**

In accordance with International Accounting Standard No 19 (IAS19), the Authority is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. This is provided in notes 17 to 19.

In 2012/13, the Authority paid an employer's contribution of £708,288 (2011/12 - £543,823) representing 19.3% (2011/12 - 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.

## 17 Pensions - Revenue Account (cont.)

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.

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
<b>Amount Charged to Operating Profit:</b>		
Current Service Cost	518	521
Past service (gain) cost	0	21
Actuarial (Gain) / Loss		
Recognised in SRIE	1,013	504
Curtailments and Settlements	121	0
	<u>1,652</u>	<u>1,046</u>
<b>Total Operating (Gain) Charge (A)</b>	<u>1,652</u>	<u>1,046</u>
<b>Amount Credited to Other Finance Income:</b>	<b>£000</b>	<b>£000</b>
Expected return on Employer		
Assets	608	713
Interest Cost	(543)	(595)
	<u>65</u>	<u>118</u>
<b>Net Return (Deficit) (B)</b>	<u>65</u>	<u>118</u>
Net Revenue Account Cost (A) - (B)	<u><u>1,587</u></u>	<u><u>928</u></u>

In the year ended 31 March 2012, the past service cost arose from retrospective charges to members benefits.

## 18 Pensions - Balance Sheet

The Authority's assets and liabilities amounted to:	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Fair Value of share of assets in the Strathclyde Pension Fund	12,404	10,127
Present Value of Funded Liabilities	(14,084)	(10,942)
Present Value of Unfunded Liabilities	(61)	(57)
	<u>(1,741)</u>	<u>(872)</u>
Net Pension Liability	<u><u>(1,741)</u></u>	<u><u>(872)</u></u>

## 18 Pensions - Balance Sheet (cont.)

Share of Assets are stated at fair value, being bid value of investments, and consist of:

	<b>2013</b>	<b>%</b>	<b>Expected</b>	<b>2012</b>	<b>%</b>	<b>Expected</b>
	<b>£000</b>		<b>Return %</b>	<b>£000</b>		<b>Return %</b>
Equities	9,427	76%	4.5	7,798	77%	6.3
Bonds	1,737	14%	4.5	1,114	11%	3.9
Property	868	7%	4.5	709	7%	4.4
Cash	372	3%	4.5	506	5%	3.5
<b>Total</b>	<b>12,404</b>	<b>100%</b>		<b>10,127</b>	<b>100%</b>	

Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. They are based on a valuation as at 31 March 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:

	<b>2013</b>	<b>2012</b>
	<b>% pa</b>	<b>% pa</b>
Inflation/ Pension Increase Rate	2.8%	2.5%
Salary Increase Rate	5.1%	4.8%
Expected Return on Assets	4.5%	5.8%
Discount Rate	4.5%	4.8%
Life Expectancy at age 65 -		
Current Pensioners Male	21.0 Yrs	21.0 Yrs
Current Pensioners Female	23.4 Yrs	23.4 Yrs
Future Pensioners Male	23.3 Yrs	23.3 Yrs
Future Pensioners Female	<u>25.3 Yrs</u>	<u>25.3 Yrs</u>

## 18 Pensions - Balance Sheet (cont.)

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

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Deficit at beginning of the year	<u>(872)</u>	<u>(497)</u>
Add (Deduct)		
Current Service Cost	(518)	(521)
Employers Contributions	715	550
Contributions in respect of unfunded benefit	3	3
Past Service (Costs) Gains	0	(21)
Losses on curtailments	(121)	0
Net Return on Assets	<u>65</u>	<u>118</u>
	<u>144</u>	<u>129</u>
Actuarial (Losses) Gains	(1,013)	(504)
<b>Deficit at End of Year</b>	<u><u>(1,741)</u></u>	<u><u>(872)</u></u>

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

### The Actuarial Losses can be further analysed as follows:

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Experience (Losses) Gains on Fund Assets	944	(1,199)
Defined Benefit Gains (Losses)	(1,957)	695
	<u><u>(1,013)</u></u>	<u><u>(504)</u></u>

## 19 Actuarial Gain (Loss) Recognised in Statement of Changes in Taxpayers Equity

	2009 £000	2010 £000	2011 £000	2012 £000	2013 £000
Experience Gains (Losses) on Assets	(2,260)	1,877	62	(1,199)	944
Other Actuarial Gains (Losses)	1,291	(5,161)	1,447	695	(1,957)
<b>Actuarial Gains and Losses</b>	<u>(969)</u>	<u>(3,284)</u>	<u>1,509</u>	<u>(504)</u>	<u>(1,013)</u>
<b>Cumulative Actuarial Gains/ (Losses)</b>	<u>590</u>	<u>(2,694)</u>	<u>(1,185)</u>	<u>(1,689)</u>	<u>(2,702)</u>

The calculations made for the IAS 19 Report by the actuaries are based on the quadrennial valuation of March 2008. This marks a departure from previous years when they were based on roll-forward figures which did not include a number of experience factors now reflected. In addition, the valuation of the Scheme Assets at 31 March 2013 is based on estimated bid values in place of mid-market values.



## **LOCH LOMOND AND THE TROSSACHS NATIONAL PARK**

### **DIRECTION BY THE SCOTTISH MINISTERS**

1. The Scottish Ministers, in pursuance of The National Parks (Scotland) Act 2000, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 27 June 2003 is hereby revoked.

**IR HOOPER**  
**Head of Countryside and Natural Heritage Division**

Signed by the authority of the Scottish Ministers

Dated: 12 January 2006