

Annual Report and Accounts 2018/19



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1. PERFORMANCE REPORT

1.1. OVERVIEW

Loch Lomond & The Trossachs National Park Authority (“the Authority”) presents this Annual Report and Accounts for the year from 1 April 2018 to 31 March 2019 in accordance with the National Parks (Scotland) Act 2000.

The accounts of the Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000. The auditor appointed for 2018/19 is Grant Thornton UK LLP and this is the third year of a five year appointment. The Independent Auditor’s Report is on page 26 and details of the auditors’ remuneration are given in Note 8 of the Annual Accounts.

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.

This overview outlines the purpose of the Authority, its performance during the year and the key risks to the achievement of its objectives.

Statement of Purpose and Activities

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

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

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

Chief Executive’s Statement on Performance

It has been busy year of significant delivery our [new National Park Partnership Plan 2018-23](#) for the National Park Authority where we have again worked alongside many partners and stakeholders to continue to enhance Loch Lomond and The Trossachs as an outstanding landscape and a beautiful place to live, work and visit. 2018 also saw our Minister approve the National Park Authority’s 5-Year (Corporate) Plan, which will focus our organisational resources to deliver the Our 5-Year Plan’s eight priorities and the National Park Partnership Plan’s thirteen priorities.

The 2018 summer season was one of the busiest experienced in the National Park with extended periods of warm weather and a noticeable increase in visitor numbers and international visitors. Our seasonal operation coped extremely well in responding to the resultant pressures and ensuring a positive experience. Despite these pressures 2018 saw a second full season of delivering the Your Park Camping Byelaws project with a 50% increase in numbers of campers in the Camping Management Zones’ sites, a very welcome 70% increase in young people camping and the level of positive customer feedback on our camping areas staying

at the same high levels as 2017. We completed a new campsite at Loch Achray and made continued improvements to other areas. Successful bids were submitted to the Scottish Tourism Infrastructure Fund which will help us continue investing in a high standard of visitor infrastructure to support the rural economy.

The year also saw other significant successes including our work on the Year of Young People and showcasing the National Park as a world-class location for international sporting events through hosting the Glasgow 2018 European Open Water Swimming Championships.

Progress was made in the year to deliver against our 2018/19 Annual Operational Plan objectives.

Other significant developments during the year were as follows:

- Scottish Ministers approved Our 5-Year (Corporate) Plan, which sits alongside the 2018-2023 National Park Partnership Plan, both of which drive forward the National Park/National Park Authority delivery of Scottish Government National Outcomes.
- Board elections were held in July 2018, appointing 5 members to the Board, 3 of whom were previous locally elected members. We also welcomed 5 new ministerial appointments to our Board.
- Callander's Landscape, a community-led project to turn the town of Callander into the outdoor capital of the National Park with a more accessible and conserved landscape ready for visitors and locals to enjoy and explore, got under way. It will deliver a wide range of natural and cultural heritage project and events and making improvements to local path networks.
- As part of the delivery of the Local Development Plan, we are handling major applications at Balloch West Riverside and a large housing proposal in Drymen. We have also seen the start of development at the Cononish gold and silver mine, and two affordable housing projects were completed in Succoth and Callander, delivering a total of 49 new affordable homes. We also won two planning awards for Ripple Retreat and our Rural Development Frameworks.
- In partnership with landowners, 2 peatland restoration projects were completed, with an additional 7 sites being identified for future restoration.
- Re-accreditation of Cyber Essentials Plus, a Government-backed, industry-supported scheme to help organisations protect themselves against common online threats.

Key Issues and Risks

A strategic corporate risk register is in place, overseen by the Executive Team and Audit & Risk Committee and approved by the Board, to manage any risks in the delivery of the Authority's Corporate Plan and National Park Partnership Plan objectives. Using categorisations of impact and likelihood, risks are managed throughout the year and those which remained as "high" at the end of the year included:

- Failure to raise income from services and facilities sufficient to ensure that key operational services and resources are sustained.
- Changes and uncertainty in the Scottish, UK and European political landscape.
- Managing the impacts of the growing popularity of the National Park.

All risks have an action plan in place to transfer, tolerate, treat and/or terminate the risk as appropriate. The actions include continuing to engage with our partners, investment in visitor infrastructure and maintaining strong strategic relationships with Scottish Government.

The Corporate Risk Register for 2018/19 included operational, financial, reputational, environmental and political risks associated with the delivery of the 2018-2023 National Park Partnership Plan (NPPP) and the 2018/19 Annual Operational Plan.

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 plan for 2018/19 was guided by the new 2018-23 NPPP and Our 5-Year (Corporate) Plan. Following the review of our governance structure, the Board reviews performance against Annual Operational Plan and performance against budget, with the Chairs & Executive Group reviewing financial reporting, the draft Budget and Annual Operational Plan, prior to Board approval.

The Annual Report highlights high level progress and key achievements in delivery against Our 5-Year (Corporate) Plan and the NPPP. The Authority has enjoyed another successful year and has delivered considerable outputs directly and through continuing extensive partnership working with a wide range of public, private and non-governmental organisations, and local communities.

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 Programme for Scotland.

During 2019/20 we will be:

- Driving forward the National Park Authority's role in mitigating climate change and enhancing biodiversity.
- Managing visitor pressures and improving the visitor experience.
- Developing places and destinations.
- Sustaining our services and contributing to our outcomes by generating income and leveraging external funding.
- Updating key delivery plans and strategies.
- Focussing on remaining a high performing organisation delivering excellent statutory and regulatory services and demonstrating best practice in managing public funds, corporate governance, organisation development and corporate procedures.
- Progressing the delivery of the National Park Partnership Plan and Our 5-Year Plan.

1.2. PERFORMANCE ANALYSIS

Performance Measurement

The Authority sets its delivery targets on an annual basis by reference to the strategy outlined in the National Park Partnership Plan and Our 5-Year (Corporate) Plan. These targets align with the National Outcome Targets set by the Scottish Government National Performance Framework.

The delivery targets for 2018/19 were expressed in an annual budget and operational plan and performance against these targets was monitored by the Executive Team and reported to the Board. The performance reporting includes a status update for each activity target. Details of the achievements 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 2019 are set out on pages 29 to 53. The Authority receives a budget from the Scottish Government, known as Departmental Expenditure Limit or DEL. This is to cover the cash costs of capital and operating expenditure, net of other income sources and funding from partner agencies to jointly fund projects, and non-cash costs of depreciation.

Budget	Resource DEL £000	Capital DEL £000	Total DEL Cash Budget £000	Non-Cash DEL £000	AME £000	Total Non-Cash Budget £000
Budget Allocation	6,520	960	7,480	600	1,350	1,950

The DEL cash budget allocation for 2018/19 was £7.48m (2017/18 - £7.13m), which was split as £6.52m (2017/18 - £6.27m) for operational cash costs and £0.96m (2017/18 - £0.86m) for capital cash costs.

The non-cash budget allocated was £1.95m (2017/18 - £1.25m); £0.6m for DEL to cover our depreciation charge for the year (2017/18 - £0.6m) and £1.35m for Annually Managed Expenditure (AME) to cover pension adjustments and impairments during the year (2017/18- £0.65m).

The tables below show 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 Environment and Forestry Directorate.

Cash Expenditure	Outturn		
	Resource DEL £000	Capital DEL £000	Total £000
Net Expenditure	8,364		8,364
Less Non-Cash Adjustments:			
Depreciation	(471)		(471)
Impairments	(266)		(266)
Pension Adjustments	(824)		(824)
Disposals of non-current assets		(25)	(25)
Other Adjustments:			
Fixed Asset Additions		713	713
Net capital grants and capital expenditure on others' land	(246)	246	-
Total Cash Expenditure	6,557	934	7,491
Total Budget	6,520	960	7,480
Under/ (Over) spend	(37)	26	(11)

Non-Cash Expenditure	Outturn	
	Non-Cash DEL £000	AME £000
Depreciation	471	-
Impairments	-	266
Pension Adjustments	-	824
Total Non-Cash Expenditure	471	1,090
Total Budget	600	1,350
Under/ (Over) spend	129	260

Income for 2018/19 was £1.52m (2017/18 - £1.24m), which included contributions from partners, planning fees and other generated income. Key contributions in the year included funding from Sustrans for accessible recreation and the development of paths across the National Park, funding from SNH for peatland restoration works, funding from the Heritage Lottery Fund and partners towards the Callander Landscape Partnership project, expense awards in relation to the Drumlean access court case and funding for the Glasgow 2018 European Championships. Expenditure for the year totalled £9.88m (2017/18- £9.63m), which includes depreciation of £0.47m (2017/18 - £0.53m), net impairments of £0.27m (2017/18 - £0.71m) and pension adjustments of £0.82m (2017/18 - £0.78m).

Capital additions totalled £0.71m during the year (2017/18 - £1.1m) and these included the completion of Loch Achray campsite, vehicles, IT hardware and investment in our property estate. The Authority undertook the scheduled quinquennial valuation of all land and buildings. A full revaluation of the Authority's property assets was conducted at 31 March 2019. This resulted in a net increase in the carrying value of assets of £0.38m.

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. During 2018/19 we achieved £250k of efficiency savings (2017/18 - £230k), which equates to 3.8% (2017/18 – 3.8%) through:

- Robust review of vacant positions and timing of recruitment, including seasonal recruitment. This ensured that roles were not automatically replaced, allowing new staff resource to be allocated to more important priorities.
- Effective contract management, with business needs and in house skills being reviewed prior to renewal. For example, PR support is now managed in house as a result of stronger internal expertise, data cost savings have been realised with the removal of analogue fax services and cost savings have been achieved through the renegotiation of lease agreements.

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 2019, the Authority paid 83% (2017/18 – 80%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 99%. (2017/18 – 98%) against this target.

Partnership Working

The development of the 2018-2023 National Park Partnership Plan involved significant engagement with a broad and diverse range of stakeholders. The resultant plan alongside Our 5-Year (Corporate) Plan provides the framework to guide, support and direct the activities of organisations and partners to work together to secure a successful and sustainable future for the National Park.

There has been excellent partnership progress during the year to deliver some key priorities:

- [The Mountains and The People](#)
- [Peatland Action](#)
- [Callander's Landscape](#)
- [Strathard Partnership](#)
- Working in Partnership with Argyll and Bute Council to improve litter management and grounds maintenance at visitor sites along the A82
- Working in partnership with Stirling Council, Police Scotland, Forest and Land Scotland to manage visitor pressures on east Loch Lomond
- Working in partnership with Police Scotland, [Project Ironworks](#) continues to reduce antisocial and irresponsible behaviour.

We continue to work in collaboration with Cairngorms National Park Authority in relation to a number of back office and procured services and systems and in sharing and learning from good practice in policy and initiatives development.

The Environment and Economy portfolio of Scottish Public Bodies has a valuable Leadership Group to support effective partnership working and share good practice within the portfolio.

Progressing the delivery of the Litter priority within Our 5-Year Plan has already resulted in some good partnership working with litter authorities, Zero Waste Scotland, Keep Scotland Beautiful and community/volunteer groups. The development of strong partnerships to drive the litter prevention agenda will continue to be a key focus of 2019/20's plans.

The first major partnership five-year deal with Columbia Sportswear secured by National Parks Partnerships, the entity set up by the UK's 15 National Parks in order to create successful partnerships between the UK National Parks and businesses, resulted in all UK National Parks' rangers and staff receiving their new kit in 2018/19. A new partnership between the Authority and Vango, a leading Scottish camping and outdoor brand, culminated in Vango becoming our official camping partner to widen the reach of our promotion of responsible camping, and to enable more people from disadvantaged backgrounds to enjoy camping in the National Park.

Staff Engagement

Staff engagement remains high on our agenda. We continue to focus on making this a great place to work in order to attract and retain the best people. The pay award for 2018/19 focused on maximising the amount available for pay benefits, in particular salary progression. In addition, to continue to support staff to improve the balance between work and home life, we have agreed a permanent festive period shut down for all staff.

Anti-corruption and Anti-bribery matters

The Authority updated the Fraud, Bribery and Corruption policy during 2017/18. There is a zero tolerance approach and the policy explains how the Authority works to prevent and detect fraud, bribery and corruption. The Fraud Risk Register captures the main risks and is used by the Executive team to manage these risks.

Sustainable Development

The Authority is engaging with the actions and new reporting duties linked to the Climate Change (Scotland) Act 2009 and the mandatory Public Bodies Climate Change Duties Annual Reporting was completed and submitted to the Scottish Government in November 2018. The report covers the following areas: Governance, Management and Strategy; Emissions, Targets and Project; Adaptation; Procurement and Wider Influence; and Other Notable Activities. The report can be accessed [here](#).

The duties require us to monitor CO2 levels generated by our buildings and vehicles. During the year, following the investment in electric and hybrid vehicles, we built three new electric charging points and encouraged the use of these vehicles through staff training sessions. We have decreased electricity use through energy-saving investment in more efficient lighting and better management of computer monitors.

The Authority's Climate Change Action Plan lays out the actions we will take to help tackle climate change, both at a corporate level and across the National Park. The annual progress report was presented to the Board in March 2019. The Activity during the year included a 'Climate Change Awareness Month' for staff in November 2018, which included events such as tree planting, peatland restoration, a waste and recycling survey and expert talks.

Complaints and Information Request Performance

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

The table below shows a breakdown of the number of complaints and information requests received. We achieved 95% compliance with response time limits for complaints during 2018/19 (2017/18 – 98%) and 100% compliance in responding to requests and reviews within statutory deadlines in 2018/19 (2017/18 – 99%).

	Number received 2018/19	Responded to within time limit 2018/19	Number received 2017/18	Responded to within time limit 2017/18
Frontline complaints	129	122	78	76
Investigation complaints	15	15	53	53
Total complaints	144	137	131	129
Data Protection Subject Access Requests	1	1	-	-
Environmental Information Requests / Freedom of Information Requests	48	48	73	72
Environmental Information Requests / Freedom of Information Requests Reviews	1	1	20	20
Total requests and reviews	50	50	93	92
Total complaints, requests and reviews	194	187	224	221

The increase in the number of frontline complaints received is likely to have been as a result of the particularly good weather in the summer of 2018, which brought large numbers of visitors to the National Park. Litter and toilet issues continue to be the most common subject of frontline complaints.

As part of the measures to improve the camping experience for visitors, the Authority continues to proactively request feedback on an ongoing basis from visitors who booked a camping permit or stayed at one of our campsites. This approach is part of the customer service resource introduced in association with the provision of permits and campsites, to resolve practical issues as quickly as possible for our visitors. All feedback, positive and negative, is examined and reported by the Visitor Operations Manager as part of the overall end of season review of the service delivery of permits and camping provision.

Community Engagement

The Authority actively engages with local communities on issues that are important to them and to the places they live and work. Throughout the year engagement took place with Community Development Trusts and Community Councils, as well as the agencies that jointly serve communities through the Community Planning Partnerships that include the National Park area. This includes the Authority being represented on Community Planning Partnerships as well as at Board or Senior Manager level on various groups, such as Loch Lomond & The Trossachs Countryside Trust, the Loch Lomond & The Trossachs Community Partnership and as the lead partner for the Callander Landscape Partnership.

The Authority provides core funding to the Loch Lomond & The Trossachs Community Partnership which supports community organisations in the National Park. During 2018/19 work included delivery of:

- Support to Lochgoil to complete their Community Action Plans, including trialling the use of the Place Standard tool.
- Direct support, advice and training to Community Development Trusts.
- Scoping and establishment of a project on social enterprise to be delivered during 2019/20.
- Networking between communities (and agencies where appropriate) through quarterly Area Network meetings, regular newsletters and annual Community Gathering focusing on Sustainable Communities in the future and identification of community led collaborative actions to achieve this.

Grants were made to communities through the National Park Authority Grant Scheme. These supported community led projects that delivered on both Community Action Plan and National Park Partnership Plan outcomes. Smaller grants were also provided to Community Development Trusts to help maintain and build capacity to effectively run community organisations. Partnership working was ongoing with our communities, and the statutory agencies that serve them, through the established Arrochar Forum, Callander Partnership, Strathard Strategic Partnership and joint partner working to deliver improved infrastructure and public realm in Balloch.

Health & Safety Performance

The National Park Authority has increased the expertise and resource of Health & Safety in order to support a greater focus and to demonstrate commitment of effective health and safety throughout the organisation. Key achievements during 2018/19 are as follows:

- Increased Accident/Incident/Near Miss/Hazard reporting.
- Improved investigation with identified actions implemented to prevent reoccurrence.
- Executive and key Operational Managers attended an IOSH Safety for Executives & Senior Managers workshop.
- Improved engagement throughout the organisation.
- Lone Working process improvements.
- Membership of the 'Visitor Safety Group', a group promoting visitor safety, increasing engagement and improving knowledge of managing the safety of visitors in countryside environments.

A positive outcome from improved engagement within the National Park Authority is the significant increase in reporting of Accidents/Incidents/Near Miss, as well as introducing the reporting of hazards. Our Health and Safety committee are encouraged by this level of reporting and the impact the increased engagement is having. Furthermore, through improving investigation and ensuring identified actions to prevent reoccurrence are properly implemented, there is an overall increase in Health and Safety compliance across the organisation.

The total number of accidents/incident/near miss/hazards statistics are shown below. There were two RIDDOR reportable incidents where members of staff sustained injuries and were subsequently absent from work for more than 7 days.

Accidents/ Incidents/ Near Miss and Hazards	Total 2018/19	RIDDOR Reportable 2018/19	Total 2017/18	RIDDOR Reportable 2017/18
Accident	53	-	23*	-
Incident	31	2	-*	-
Near Miss	15	-	3	-
Hazard	39	-	**	-
Total complaints	138	2	26	-

*Accidents and Incidents for 2017/18 were not recorded separately

** Hazards were not reported in 2017/18

Post Balance Sheet Events

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

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

Gordon Watson
Chief Executive and Accountable Officer
[] June 2019

2. ACCOUNTABILITY REPORT

The Auditors review the Accountability Report for consistency with other information in the Accounts. The disclosures which are subject to audit are highlighted with a * next to the heading. This includes the full Corporate Governance Report and Parliamentary Accountability Report, and parts of the Remuneration and Staff Report.

2.1 CORPORATE GOVERNANCE REPORT*

This report explains the composition and organisation of the Authority's governance structures and how these support the achievement of our objectives.

2.1.1 DIRECTORS' REPORT

Board Members and Executive Management Team

Board Members are listed on page 12. The executive management of the Authority was undertaken by the Executive Team comprising:

- Chief Executive – Gordon Watson
- Director of Conservation & Visitor Operations – Simon Jones
- Director of Corporate Services – Jaki Carnegie (until 3 May 2019)
- Director of Rural Development & Planning – Stuart Mearns
- Head of Communications – Anna MacLean.

Notification of Interests

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

Information & Data Security

The Authority has had no instances of loss of data or personal information over the course of the year (2017/18 – nil). In order to test, assess and improve on data security penetration testing is done annually under the Cyber Security Essentials Plus programme. The Authority renewed its Cyber Security Essentials Plus certification in February 2019. During 2018/19 Cyber and Data security training was given to all staff and now forms part of the staff induction process. The Governance Statement sets out more information on the Authority's range of internal controls and the review mechanisms to ensure data security. The Authority carried out a data protection audit of records containing personal data, updated policies and conducted privacy impact assessments to comply with the new General Data Protection (GDPR) and Data Protection Act 2018.

Whistleblowing Policy

No whistleblowing complaints were received during 2018/19.

National Park Authority Board Members 2018/19

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

attendance at Board and Committee meetings is noted below. The membership of all committees/groups is kept under review and amendments made as required. James Stuart is the Convener of the Board and his term runs until 31 January 2023. Full details of the Members are listed on our [website](#).

- Local elections took place on 5 July 2018 to appoint five members to the Board. Three members were re-elected and there were two new locally elected members. The term of office ends on 4 July 2022.
- Five members were appointed by the Scottish Government on 1 November 2018 for a four year term. The Scottish Ministers re-appointed the Convener, James Stuart, for a further four year term from 1 February 2019.
- There are six Local Authority nominated members who were appointed by the Scottish Government effective 1 October 2017.
- Kendal Adams was an observer of the Board until October 2018 as part of the Scottish Government and Institute of Directors initiative to gain experience in the operations of a Public body.

Configuration of Board					Statutory committee attendance		
Name	Nature of appointment	Date of most recent appointment	End of term	Committee membership	NPA Board	Planning & Access Committee	Audit & Risk Committee
Bob Darracott	(a)	05/07/2018	06/07/2022	D**, PI	3/3	5/6	-*
Martin Earl	(a)	05/07/2018	06/07/2022	CE**, D**, PI	3/3	4/6	-*
David McCowan	(a)	05/07/2018	06/07/2022	CE****, A, PI	4/4	8/8	4/4
Willie Nisbet	(a)	05/07/2018	06/07/2022	CE, D, PI	4/4	5/8	-*
Billy Ronald	(a)	05/07/2018	06/07/2022	A**, PI	3/4	3/8	1/1
David McKenzie	(a)	03/07/2014	04/07/2018	A, PI	1/1	2/2	1/1
David Warnock	(a)	03/07/2014	04/07/2018	D, PI	1/1	2/2	-*
Claire Chapman	(b)	01/11/2018	31/10/2022	PI**	2/2	3/3	-*
Sarah Drummond	(b)	01/11/2018	31/10/2022	D**	1/2	-*	-*
Ronnie Erskine	(b)	01/11/2018	31/10/2022	A**, CE**, PI**	2/2	3/3	2/2
Heather Reid	(b)	01/11/2018	31/10/2022	A**, D**	2/2	-*	1/1
Christopher Spray	(b)	01/11/2018	31/10/2022	A**, PI**	2/2	2/3	1/1
James Stuart	(b)	01/02/2015	31/01/2023	CE	4/4	-*	-*
Angus Allan	(b)	01/10/2014	30/09/2018	A	2/2	-*	2/2
Colin Bayes	(b)	01/10/2014	30/09/2018	CE, D, PI	2/2	2/3	-*
Petra Biberbach	(b)	01/10/2014	30/09/2018	CE, PI	1/2	2/3	-*
Lindsay Morrison	(b)	01/10/2014	30/09/2018	CE, A	1/2	-*	2/2
Diane Docherty	(c)	01/10/2017	30/09/2022	D**, PI	4/4	6/8	-*
Danny Gibson	(c)	01/10/2017	30/09/2022	D	3/4	-*	-*
Graham Lambie	(c)	01/10/2017	30/09/2022	PI	4/4	8/8	-*
Murray Lyle	(c)	01/10/2017	30/09/2022	PI	3/4	1/8	-*
Barbara Morgan	(c)	01/10/2017	30/09/2022	A	4/4	-*	4/4
Ellen Morton	(c)	01/10/2017	30/09/2022	CE**, PI	4/4	7/8	-*

*Attendance is not applicable as Board member is not a member of the specified Committee/ ** Appointed to Committee after 10 December 2018 Board Meeting/ *** Appointed to Committee from 22 November 2018/**** Attended one meeting as Acting Chair

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

Committee/Group membership: (A) Audit & Risk Committee/ (D) Delivery Group/ (PI) Planning & Access Committee/ (CE) Chairs & Executive Group

Board and Committee attendance is stated as: Number of meetings attended ÷ Total Number of meetings held whilst being member of Board/Committee

2.1.2 STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

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

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

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

The Board

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

The Convener

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

The Accountable Officer / Chief Executive

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

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

In preparing those financial statements, I am required to:

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

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

Disclosure

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

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

2.1.3 GOVERNANCE STATEMENT

Governance Framework

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Loch Lomond & The Trossachs National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and 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 audit and risk, each of which has remits to ensure elements of the Authority's corporate governance, financial management, and internal control systems, including risk management systems, are in place and function effectively.

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

The Operation of the Board and Sub Committees

A review of the governance structure of the Board and Sub Committees was completed in 2017/18 and approved by the Board in March 2018. The changes ensure there is a good balance of Board time divided between the scrutiny of the organisation's performance, discussion and development of policy and strategy and in engaging with issues and stakeholders in the National Park. They also ensure that the full Board is well informed on organisation performance whilst delegating more detailed responsibilities appropriately to statutory and non-statutory Committees. Key changes that took effect in 2018/19 are:

- Local elections took place on 5th July 2018 to appoint five members to the National Park Authority Board: three of whom were re-elected, Willie Nisbet, David McCowan and Billy Ronald. Bob Darracott and Martin Earl were new locally elected members. Their term is four years.
- Five members were appointed by Scottish Ministers (following assessment of applicants in accordance with the rules issued by the Office of the Commissioner for Public Appointments in Scotland) starting on 1st November 2018 for a four year term: Claire Chapman, Sarah Drummond, Ronnie Erskine, Dr Heather Reid and Professor Christopher Spray. Scottish Ministers re-appointed James Stuart for a further four year term from 1st February 2019.

- A programme of development and training has been implemented and will continue beyond the current year to support an effective induction.
- The Board reviews performance against the Annual Operational Plan (previously the Delivery Group).
- The Chairs & Executive Group reviews financial reporting and the Draft Budget and Annual Operational Plan prior to Board approval (previously the Delivery Group).
- The Remuneration Committee has been removed and responsibility for considering the CEO's objectives has reverted back to the Convener and the process for agreeing the daily fee for Board Members has been confirmed in line with the Senior Pay Policy guidelines which is thereby proposed by the Convener/Accountable Officer to the Scottish Government Pay Policy and approved by the Sponsor Team.
- Additional Board sessions have been programmed for strategy and Board development.

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

- The Board held four formal meetings which were open to the public. These meetings were supplemented by a number of sessions to deliver training to Board members and to brief members on matters of policy and organisational development.
- The Delivery Group met three times. The Delivery Group provides scrutiny and oversight of delivery of the Authority's high priority projects and provides robust assurance of project progress and management to the Board.
- The Audit & Risk Committee met four times to review corporate risk and the work of Internal and External Auditors.
- The Chairs and Executive Group met four times to discuss emerging issues in relation to the management of governance, priority issues, financial performance and strategies for the organisation.

The outcomes from the Board and its Committees during the year included:

- Approval of Our 5-Year (Corporate) Plan prior to it being submitted for Scottish Ministers approval.
- Approval of our suite of Standing Orders and Terms of Reference following changes to the Governance Structure ensuring good governance/statutory compliance.
- Approval of the annual update on the second season of operation of The Loch Lomond and The Trossachs National Park Camping Management Byelaws 2017 to submit to Scottish Ministers.
- Approval of the annual budget and annual operational plan for 2019/20 and the corporate risk register for 2018/19.

Recommendations from independent Internal 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 & Risk 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 & Risk Committee is tasked with overseeing the development of internal audit plans, reviewing the scope, efficiency and effectiveness of the work of Internal Audit, confirming the adequacy of internal control systems, promoting best practice and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit & Risk Committee. The Audit & Risk Committee reports to the Board on the adequacy and effectiveness of the Authority's internal controls.

The remit of the Audit & Risk Committee also includes receiving reports and advising the Board of any fraud, bribery or corruption, successful or attempted. There were no fraud, bribery or corruption attempts to report. A

report of an alleged misuse of grant funds was received in December 2018. This was investigated in line with our Fraud Response Plan and the investigation is still ongoing.

The Best Value policy was revised in May 2018 increasing efficiency in the reporting of our achievements. The Authority is subject to a duty of Best Value as set out in the SPFM and the Best Value in Public Services, Guidance for Accountable Officers (Best Value Guidance), issued by the Scottish Government in March 2011. The Authority demonstrates compliance with Best Value Guidance by preparing a summary annual report for review by the Risk Committee. The Audit & Risk Committee received the Annual Report on Best Value for 2018/19 in June 2019 confirming our compliance with the Best Value Guidance to Accountable Officers. The main monitoring tool we use to demonstrate continuous improvement is our Annual Operational Plan update which is also reported to the Board.

Twelve Board Members, including all six Members of the Audit & Risk Committee, attended training in March 2019 on "The Effective Audit & Risk Committee".

The Internal Audit function is an integral element of the Authority's internal control systems. West Dunbartonshire Council are in their third year of providing Internal Audit Services. This provision of Internal Audit Services has been extended, in accordance with the terms of the Memorandum of Understanding, for one further year to 31 March 2020 and procurement will take place during 2019/20 for Internal Audit Services from April 2020.

Over the course of the year to 31 March 2019, the Internal Auditors have reported to the Audit & Risk Committee on their independent reviews on Performance Indicators, Access, Procurement, Greenspace and Ranger Deployment.

As part of the internal audit process, each member of the Executive team prepares an annual statement of assurance that is presented to the CEO, as Accountable Officer, and shared with the Audit & Risk Committee. These annual statements indicate that reasonable assurance can be placed on the adequacy, effectiveness, robustness, and proportionality of each of the Services arrangements for control, governance and risk management in the year.

As noted on page 2, Grant Thornton LLP are in their third year of their five year term as the Authority's External Auditor.

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 corporate risk management in the activities of the organisation. The Board has provided leadership on the importance of risk management at the highest level within the organisation through adoption of risk-based monitoring reports for delivery of Our 5-Year Plan and Annual Operational Plan objectives, National Park Plan delivery, and for wider assessment of organisational performance.

The Audit & Risk Committee and Executive Team lead on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk and seek to ensure that the required actions to manage risk at a strategic level are appropriately reflected and incorporated in operational delivery plans. The Delivery Group oversees the progress of high risk projects at their meetings.

The Executive prepare a Corporate Risk Register annually, which is considered by the Audit & Risk Committee and approved by the Board. In the event of any risk being increased to a “high” status, this is escalated to the Committee at the earliest opportunity. There have been no new high risks reported during the year.

The Authority has also adopted a risk based approach to the management and monitoring of its Operational and Our 5-Year Plan delivery, and key aspects of organisational performance. Any increased risk to achievement of targets is assessed, reported to the Executive Team, and, where required, remedial action determined and implemented. Risk management is also a core element of project appraisal and approval processes.

Data Security

Measures are in place to ensure that information is managed in accordance with relevant legislation. The Authority’s policy is to maintain the highest level possible of data security in its operations. Over the course of 2018/19 a number of improvements have been implemented to increase our data and systems security such as; regular maintenance windows, ICT Roadmap tracking End of Life Software Products and full implementation of the NCSC’s Active Defence programme as recommended by the Scottish Government. The NCSC Active Defence programme provides Protective DNS, Website security analysis, Email security analysis and a Phishing email reporting service. The Authority’s Cyber Essentials Plus certificate was renewed in February 2019: this certifies that the Authority was assessed as meeting the Cyber Essentials Plus implementation profile and therefore, at the time of testing, our ICT defences were assessed as satisfactory against commodity based cyber-attack.

The Authority carried out a data protection audit of records containing personal data, updated the Data Protection Policy and website privacy statement, and put in place privacy notices and privacy impact assessments to ensure that the required processes were in place to comply with the General Data Protection Regulations (GDPR) and Data Protection Act 2018.

Conclusion

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

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

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

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

The Internal Auditor's annual report for 2018/19 states that based on the work undertaken over the course of the year, **very effective** arrangements are in place in relation to the systems of governance, risk management and internal control.

2.2 REMUNERATION AND STAFF REPORT

This report sets out the Authority's remuneration policy for directors, reports on how the policy has been implemented and sets out the amounts awarded to directors. The remuneration and staff report contain both audited information and information which is not subject to audit. The areas which are subject to audit are highlighted with a '**' next to the heading. The areas not subject to audit are the Remuneration Policy, Board Members' Expenses and Trade Union facility time disclosures, within the Employment Policies/ Consultation section.

2.2.1 REMUNERATION REPORT

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 Chief Executive's contract is on a permanent basis with a three month period of notice. The annual pay remit for staff is also subject to Scottish Government approval and negotiation with our recognised Trade Union. In 2018/19, Board Members voted for the implementation of the 2% pay award available to Board Members in line with Scottish Government Pay Policy. Board members receive a daily fee based on a capped and agreed monthly time commitment.

Local Government Pension Scheme *

The Authority operates a Local Government Pension Scheme provided by Strathclyde Pension Fund, which is administered by Glasgow City Council and is a defined benefit scheme. Details of the contributions to and movements in the fund in the year are stated in Note 21 of the Annual Accounts.

Disclosure of Remuneration – Chief Executive and Executive Team *

Year ended 31 March 2019	Salary Band at 31/3/19 £'000	Salary paid during 2018/19 £'000	Allowances £'000	Accrued Pension Benefits* £'000	Total £'000
Chief Executive Gordon Watson	85-90	80-85	0-5	26	110-115
Directors and Head of Service					
Jaki Carnegie	60-65	60-65	0-5	21	85-90
Simon Jones	60-65	60-65	0-5	19	80-85
Stuart Mearns	50-55	50-55	0-5	22	75-80
Anna MacLean	45-50	45-50	0-5	17	60-65

Year ended 31 March 2018	Salary Band at 31/3/18 £'000	Salary paid during 2017/18 £'000	Allowances £'000	Accrued Pension Benefits* £'000	Total £'000
Chief Executive Gordon Watson	80-85	80-85	0-5	35	115-120
Directors and Head of Service					
Jaki Carnegie	55-60	55-60	0-5	19	80-85
Simon Jones	55-60	55-60	0-5	19	80-85
Stuart Mearns	50-55	45-50	0-5	30	75-80
Anna MacLean	45-50	45-50	0-5	15	60-65

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

There were no other emoluments paid to the Chief Executive and the Executive Team in the year ended 31 March 2019 (2017/18 – nil).

Year ended 31 March 2019	Real increase in pension value £'000	Real increase in related lump sum £'000	Total accrued pension at 31 March 2019 £'000	Total related lump sum at 31 March 2019 £'000	Cash equivalent transfer value at 31 March 2019 £'000	Real increase in cash equivalent transfer value* £'000
Chief Executive Gordon Watson	0-2.5	0-2.5	40-45	70-75	615	28
Directors and Head of Service						
Jaki Carnegie	0-2.5	0-2.5	5-10	0-5	86	12
Simon Jones	0-2.5	0-2.5	0-5	0-5	48	10
Stuart Mearns	0-2.5	0-2.5	5-10	0-5	90	9
Anna MacLean	0-2.5	0-2.5	5-10	0-5	50	7

Year ended 31 March 2018	Real increase in pension value £'000	Real increase in related lump sum £'000	Total accrued pension at 31 March 2018 £'000	Total related lump sum at 31 March 2018 £'000	Cash equivalent transfer value at 31 March 2018 £'000	Real increase in cash equivalent transfer value* £'000
Chief Executive						
Gordon Watson	0-2.5	0-2.5	40-45	70-75	568	38
Directors and Heads of Service						
Jaki Carnegie	0-2.5	0-2.5	5-10	0-5	68	16
Simon Jones	0-2.5	0-2.5	0-5	0-5	33	14
Stuart Mearns	0-2.5	0-2.5	5-10	0-5	75	17
Anna MacLean	0-2.5	0-2.5	0-5	0-5	39	9

*Excluding inflation and Executive contributions

Gordon Watson, Jaki Carnegie, Simon Jones, Stuart Mearns and Anna MacLean are ordinary members of the Strathclyde Pension Fund. Jaki Carnegie left the organisation on 3 May 2019.

Cash Equivalent Transfer Value – CETV*

The CETV 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 2019 (2017/18 – nil). Exit costs are accounted for in full in the year of departure. Where the Authority has agreed early retirements, the additional costs are met by the Authority and not by the Strathclyde Pension Fund.

Payments to Past Directors*

There were no payments to past directors in the year ended 31 March 2019 (2017/18 – nil).

Fair Pay*

The median total remuneration (the difference between the mid-point of pay taking into account all roles within an organisation) of all staff was £26,542 (2017/18 - £26,536). The pay multiple between the mid-point of the highest paid director's banding £80,933- £91,572 and the median total remuneration of all staff was 3.2 (2017/18 – £79,333- £90,152 and 3.1).

Analysis of Board Members' Fees and Expenses

Board member	Nature of appointment	2018/19 Fees £	2018/19 Expenses* £	2017/18 Fees £	2017/18 Expenses* £
Bob Daracott	(a)	5,398	940	-	-
Martin Earl	(a)**	6,154	298	3,579	-
David McCowan	(a)	7,320	352	7,177	-
Willie Nisbet	(a)	14,641	939	14,354	753
Billy Ronald	(a)	9,273	742	7,177	696
David McKenzie	(a)	1,902	-	7,177	822
David Warnock	(a)	1,902	-	7,177	-
Claire Chapman	(b)	3,060	561	-	-
Sarah Drummond	(b)	3,060	57	-	-
Ronnie Erskine	(b)	3,816	724	-	-
Heather Reid	(b)	3,060	-	-	-
Christopher Spray	(b)	3,060	329	-	-
James Stuart	(b)	19,522	2,759	19,138	2,219
Angus Allan	(b)	4,172	-	7,177	67
Colin Bayes	(b)	4,867	231	9,568	471
Petra Biberbach	(b)	7,301	460	14,354	703
Lindsay Morrison	(b)	3,651	-	7,177	-
Diane Docherty	(c)	7,320	164	3,597	-
Danny Gibson	(c)	7,320	390	3,597	-
Graham Lambie	(c)	7,320	-	3,597	-
Murray Lyle	(c)	7,320	221	3,597	-
Barbara Morgan	(c)	7,320	-	3,597	-
Ellen Morton	(c)	7,635	-	3,597	-
Bob Ellis	(c)	-	-	3,579	-
George Freeman	(c)	-	-	3,579	-
James Robb	(c)	-	-	3,579	-
Hazel Sorrell	(c)	-	-	3,579	-
Fergus Wood	(c)	-	-	3,579	117
		146,394	9,167	143,532	5,848

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

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

**Martin Earl was a Local Authority nominee from 1/10/2012 to 30/9/2017

2.2.2. STAFF REPORT

Employment Policies/ Consultation

The Authority has a Joint Negotiating and Partnership Forum (JNPF) in place, through which it ensures effective two-way communications with UNISON Trade Union representatives in resolving any issues arising and consulting on new initiatives. Four members of staff at the Authority (3.8FTE) were Trade Union officials during the year and are paid for facility time. Total facility time for these employees totalled 27 hours, which as a percentage of working hours was between 1 and 50%. The total cost of facility time was £463, which represents less than 1% of the total pay bill of £6.06m (excluding board members). 100% of time spent on trade union activities by relevant union officials was paid facility time.

During 2018/19 key matters on which employees were consulted through the JNPF were:

- Implementation of policies and procedures
- Equality and Diversity
- Pay negotiations
- Sickness absence.

Equality and Diversity*

We are committed to supporting and promoting diversity on our Board, Executive Team and within our workforce. The Authority is an equal opportunities employer. We are also committed to meeting our duties under the Equality Act 2010. We have committed to publishing a [Mainstreaming report](#) annually, rather than the statutory requirement of 2 years. The Mainstreaming report sets out how we are mainstreaming equality and the progress we have made to deliver against the outcomes we have set ourselves.

We are particularly proud of the work undertaken as part of the [Year of Young People](#), the achievement of the gender representation objective, a gender pay gap of 4.9% in favour of women, and continuing to make great strides to enhance the accessibility of our information, imagery and communications. Our policies ensure that all staff are treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, work pattern, employment status, gender identity (transgender), caring responsibility or trade union membership. Employment and promotion are on merit on the basis of fair and open competition.

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

Staff Composition*

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

	31 March 2019			31 March 2018		
Headcount	Female	Male	Total	Female	Male	Total
Executive Team	2	3	5	2	3	5
Operational Managers	11	6	17	11	7	18
Employees	83	76	159	76	66	142
Total	96	85	181	89	76	165

Staff Numbers	2019	2018
Average Number of Board Members during the Year	17	16
Average Number of Full Time Equivalent Employees during the Year	148	139
Analysis of Average Number of Full Time Equivalent Employees		
Permanent	112.5	106.1
Fixed Term	23.8	18.7
Seasonal	11.0	14.0
Agency	0.4	-
Total	147.7	138.8

Numbers of staff with salaries above £70,000 (including Chief Executive)	2019	2018
£85,001 - £90,000	1	-
£70,001 - £85,000	-	1

Board Member and Staff Costs (Note 7)	Note	2019	2018
		£	£
Board Members Fees		146,394	143,532
Social Security Costs		3,648	3,472
Total Board Members		150,042	147,004
Permanent Staff Salaries		3,559,159	3,239,706
Social Security Costs		342,389	309,364
Pension Costs		654,557	592,390
Total Permanent Staff		4,556,105	4,141,460
Other Staff Salaries		890,139	779,727
Social Security Costs		64,770	57,943
Pension Costs		133,707	100,564
Total Other Staff		1,088,616	938,234
Apprenticeship Levy		7,573	5,698
Deduct: Included in Programme and Project figures		(188,743)	(93,931)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(155,543)	(126,124)
Total Permanent and Other Staff costs before adjustments for pensions reporting		5,308,008	4,865,337
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	21	1,542,000	1,294,000
Less: Employer's Contribution	21	(791,000)	(694,000)
Total Permanent and Other Staff costs after adjustments for pensions reporting		6,059,008	5,465,337
Total Board Member and Staff Costs		6,209,050	5,612,341

Wellbeing*

During the year, the National Park Authority recorded an average loss of 7.10 days per employee for sickness absence. This is a reduction from last year's figure of 10.7 days. We have a proactive process embedded in the organisation to assist with the management of absence along with new wellbeing initiatives this year, such as fit for life, training mental health first aiders and providing wellbeing training opportunities for staff. We believe this proactive approach from top down has helped us achieve the reduction in average sick days that we see this year and look forward to working towards a continued downward trend.

Expenditure on Consultancy and Off Payroll Arrangements*

The Authority had no consultancy remuneration or off payroll arrangements in the year ended 31 March 2019 (2017/18 – nil).

2.3 PARLIAMENTARY ACCOUNTABILITY REPORT*

This report outlines the regularity of expenditure and the nature of fees charged by the Authority in its operations.

Regularity of Expenditure

Gifts and Charitable Donations

Gifts totalling £620 were made in the year (2017/18 - £493). There were no charitable cash donations made in the year (2017/18- nil).

Losses, Special Payments and Write-offs

There were no bad debt write offs and no bad debt provisions in the year (2017/18 - £125 bad debt write off and £29,281 bad debt provision). There were no stock write-offs, no other losses and no special payments in the year (2017/18 – nil).

Remote Contingent Assets and Liabilities

There were no remote contingent assets and liabilities as at 31 March 2019.

Fees and Charges

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

Boat Registration and Launch Fees

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

Launch fees apply to all motorised vessels who wish to launch from our facilities. A day launch or annual launch ticket can be purchased. A single launch or recovery can also be arranged. The monies generated are invested into the work of the Authority, ultimately helping to improve the visitor experience.

A review of the launch fee structure has been undertaken. The fee structure has not changed since it was first introduced eight years ago. Increasing the charges will generate vital income to help us continue providing high quality public facilities and services, as well as ensuring that the National Park Authority is not significantly undercutting other privately run similar services on the loch. The slipway is primarily a facility for the public but we recognise that it is used by some commercial users. The introduction of a separate charge for commercial craft is in keeping with other similar services around the loch and other popular locations and will help to ensure that recreational users' access to this service is protected. The new fee structure was introduced for 2019.

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

Camping Management Income

The Authority charges for seasonal camping permits from 1 March to the 30 September each year, which apply to four Camping Management Zones across the National Park. Permit charges are £3 per permit per night.

There are also three campsites managed by the Authority (Inchcailloch, Loch Chon and Loch Achray). The bookings for the campsite at Loch Lubnaig were administered by the Authority, however from 1st April 2019 in line with changes to the lease, this is now being managed directly by our tenant.

The charge for campsite pitches ranges from £5 to £7 per adult per night, dependent on the level of facilities on offer at the site, with no charge for children.

Litter and Fly-tipping Fixed Penalty Notices

The Authority charges for litter and can issue fly-tipping fixed penalty notices, with the level of the fees assigned to the notices determined by Scottish Government: a minimum of £80 for littering and £200 for fly-tipping.

Toilets and Parking Charges

The Authority charges for the use of the toilet facilities (30p) at two of our busiest sites; Balmaha Visitor Centre and Luss Toilets. We also charge for car parking (up to £4 per day) at our visitor sites at Inveruglas and Loch Lubnaig, with the intention of extending car parking charges to other busy sites in the future.

Planning Fees

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

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

Gordon Watson
Chief Executive and Accountable Officer
[] June 2019

2.4 INDEPENDENT AUDITOR'S REPORT

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

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Loch Lomond & The Trossachs National Park Authority for the year ended 31 March 2019 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Cash Flows, Statement of changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis of opinion

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

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accountable Officer for the financial statements

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

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

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

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

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

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Joanne Brown, (for and on behalf of Grant Thornton UK LLP)

**110 Queen Street
Glasgow
G1 3BX**

[] June 2019

3. ANNUAL ACCOUNTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Year ended 31 March 2019

	Note	2019 £	2018 £
Expenditure			
Programme Expenditure	4	200,333	12,081
Project Expenditure	5	1,109,929	1,260,443
Board Members and Staff Costs	7	6,209,050	5,612,341
Other Operating Costs	8	1,607,210	1,504,377
Depreciation	10/11	470,609	534,397
Provision for Impairment of Assets		266,425	706,016
Net Loss on Disposal of Property, Plant and Equipment		15,600	-
		<u>9,879,156</u>	<u>9,629,655</u>
Income			
Planning Fees		259,923	179,901
Programme Income	4	200,333	12,081
Project Income		530,666	766,678
Other Income	6	524,449	272,745
Profit on Disposal of Disposal of Property, Plant and Equipment		-	9,500
Total Income		<u>1,515,371</u>	<u>1,240,905</u>
Net Expenditure		8,363,785	8,388,750
Less: Interest Receivable		<u>(2,392)</u>	<u>(502)</u>
Net Expenditure for Year		<u>8,361,393</u>	<u>8,388,248</u>
Other Comprehensive Net Expenditure			
Net (Gain)/Loss on Revaluation of Property		(134,772)	1,708,176
(Gain) on Indexation of Property		-	(206,476)
Actuarial Loss/(Gain) on Pension Scheme		<u>1,388,000</u>	<u>(4,857,000)</u>

No activities were discontinued during the year.

The notes on pages 33 to 53 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2019

	Note	2019 £	2018 £
Non-current Assets			
Property, plant and equipment	10	10,053,544	9,601,157
Intangible assets	11	20,154	44,556
Investments	12	-	-
Trade and other receivables	13	2,383	5,030
Total Non-current Assets		10,076,081	9,650,743
Current Assets			
Inventories		4,771	6,101
Trade and other receivables	13	326,480	243,857
Cash and cash equivalents	14	514,643	277,768
Total Current Assets		845,894	527,726
Total Assets		10,921,975	10,178,469
Current Liabilities			
Trade and other payables	15	1,124,820	799,541
Total Current Liabilities		1,124,820	799,541
Non-current Assets less Net Current Liabilities		9,797,155	9,378,928
Non-current Liabilities			
Trade and other payables	15	171,052	172,368
Pension fund liability	21	4,529,000	2,320,000
Total Non-current Liabilities		4,700,052	2,492,368
Total Liabilities		5,824,872	3,291,909
Assets less Liabilities		5,097,103	6,886,560
Taxpayers' Equity			
General Reserve		3,843,569	3,722,098
Revaluation Reserve		5,774,534	5,476,962
Donated Asset Reserve		8,000	7,500
Pension Reserve	21	(4,529,000)	(2,320,000)
Total Taxpayers' Equity		5,097,103	6,886,560

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

Gordon Watson
Chief Executive & Accountable Officer

The Accountable Officer authorised these financial statements for issue on June 2019.
The notes on pages 33 to 53 form part of these Accounts.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Cash Flows from Operating Activities			
Net Expenditure before Interest		(8,363,785)	(8,388,750)
Adjustments for items not involving the Movement of Cash			
Pension adjustments in Other Income	6	73,000	181,000
Net pension adjustments in Staff Costs	7	751,000	600,000
Depreciation	10/11	470,609	534,397
Provision for impairment of assets		266,425	706,016
Loss/(Gain) on sale of property, plant & equipment		15,600	(9,500)
Movements in Working Capital			
(Increase)/Decrease in trade and other receivables		(82,623)	119,270
Increase/(Decrease) in trade and other payables		325,279	(458,333)
Decrease in inventories		1,330	1,695
Movement in Non-current Assets and Liabilities			
Decrease in trade and other receivables > 1 year		2,647	10,572
(Decrease) in trade and other payables > 1 year		(1,316)	(1,316)
Net Cash Outflow from Operating Activities		<u>(6,541,834)</u>	<u>(6,704,949)</u>
Cash Flows from Investing Activities			
Bank interest received		2,392	502
Purchase of property, plant and equipment and intangible assets	10/11	(713,283)	(1,104,932)
Proceeds from sale of property, plant and equipment		<u>9,600</u>	<u>9,500</u>
Net Cash Outflow before Financing		(7,243,125)	(7,799,879)
Cash flows from Financing Activities			
Cash allocation applied to Operating Costs	3	6,520,000	6,220,000
Cash allocation applied to Capital Expenditure	3	960,000	860,000
Grants and other funding for Capital Expenditure			111,226
Net Increase/ (Decrease) in Cash and Cash Equivalents		<u>236,875</u>	<u>(608,653)</u>
Cash and cash equivalents at the beginning of the period	14	<u>277,768</u>	<u>886,421</u>
Cash and Cash Equivalents at the End of the Period	14	<u>514,643</u>	<u>277,768</u>

The notes on pages 33 to 53 form part of these Accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
For the Year Ended 31 March 2019

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	Total £
Balance at 1 April 2017	3,908,747	7,208,035	7,500	(6,399,000)	4,725,282
Cash Allocation*	7,080,000	-	-	-	7,080,000
Other grants	111,226	-	-	-	111,226
Net Expenditure after interest	(8,388,248)	-	-	-	(8,388,248)
(Loss) on revaluation of property	-	(1,708,176)	-	-	(1,708,176)
Transfer of annual depreciation charge on assets with revaluation reserve	171,646	(171,646)	-	-	-
Gain on indexation of property	57,727	148,749	-	-	206,476
Pension fund actuarial gain	-	-	-	4,857,000	4,857,000
Other pension fund gains	-	-	-	3,000	3,000
Net return on pension assets	181,000	-	-	(181,000)	-
Transfer to net fund pension liabilities	600,000	-	-	(600,000)	-
Balance at 31 March 2018	3,722,098	5,476,962	7,500	(2,320,000)	6,886,560
Balance at 1 April 2018	3,722,098	5,476,962	7,500	(2,320,000)	6,886,560
Cash Allocation*	7,480,000	-	-	-	7,480,000
Net Expenditure after interest	(8,361,393)	-	-	-	(8,361,393)
Gain on revaluation of property	-	134,272	500	-	134,772
Transfer of annual depreciation charge on assets with revaluation reserve	137,741	(137,741)	-	-	-
Write back of depreciation on revaluation	41,123	301,041	-	-	342,164
Pension fund actuarial gain	-	-	-	(1,388,000)	(1,388,000)
Other pension fund gains	-	-	-	3,000	3,000
Net return on pension assets	73,000	-	-	(73,000)	-
Transfer to net fund pension liabilities	751,000	-	-	(751,000)	-
Balance at 31 March 2019	3,843,569	5,774,534	8,000	(4,529,000)	5,097,103

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

NOTES TO THE ACCOUNTS
For the Year Ended 31 March
2019

1. Accounting Policies

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

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

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.

1.1 Accounting Convention

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

1.2 Accounting Period

The accounting period commenced on 1 April 2018 and ended on 31 March 2019.

1.3 Non-Current Assets: Property, Plant and Equipment

Property, Plant and Equipment

Expenditure is capitalised on the acquisition or creation of property, plant and equipment

- (i) only where it is probable that the future economic benefits associated with the item will flow to the Authority
- (ii) and the cost of the asset can be measured reliably.

On initial recognition, property, plant and equipment are valued at cost, including any costs directly attributable to bringing them into working condition. The capitalisation threshold is £500 for individual or pooled assets.

Subsequent Expenditure

Operational land and buildings are valued at current value in existing use:

- The value of non-specialised assets is assessed as market value based on quinquennial valuation supplemented by an interim professional valuation in year 3.
- The value of specialised assets is assessed as depreciated replacement cost (DRC) based on quinquennial valuation supplemented by an interim professional valuation in year 3 and annual indexation in years 1, 2 and 4 using published indices.

More details on valuation are provided in Note 1.21.

Depreciated historical cost, less any impairment, is used as a proxy for current value in existing use based on the low carrying value of: Vehicles and Marine Vessels; Equipment, Plant and Machinery; Furniture and Fittings; IT Hardware and Infrastructure.

Subsequent expenditure

Expenditure on improvements, repairs and renewals of non-current assets is charged as an expense, unless it is considered to have replaced part of an asset. If it has replaced part of an asset, it will be capitalised and the cost and cumulative depreciation or amortisation of the asset it has replaced will be removed.

Assets under construction

Assets in course of completion are valued at cost. On completion they are transferred to the appropriate asset category and reviewed for impairment, which for any property assets will include valuation in accordance with the policy above. No depreciation or amortisation is charged until the asset is in operational use and any impairment or gain has been recognised.

Intangible assets

Expenditure on intangible assets, which includes copyright, IT systems and software, and our website, has a threshold for capitalisation of £500. The FReM directs users to value intangibles at fair value and recommends DRC as an appropriate method. We do not index our intangible assets as this would not give a reliable estimation of the replacement cost of the asset. Therefore these assets are carried at amortised historical cost less any impairment.

Depreciation and amortisation

Depreciation or amortisation is provided on a straight-line basis on all non-current assets (other than freehold land) at rates calculated to write down the cost or valuation of each asset over its estimated useful life, as detailed in the table below. Depreciation and amortisation is charged to the Statement of Comprehensive Net Expenditure on the carrying value of the non-current assets with a full year being charged in both the year of acquisition and disposal. Any element of depreciation or amortisation arising from any increase in valuation and in excess of the depreciation or amortisation that would be charged on the historic cost value of the asset is taken to the Revaluation Reserve.

Type of Asset	Asset lives (years)
Freehold Land	Not depreciated
Freehold Buildings	50 or expected life determined by valuer if shorter
Leasehold Buildings	50 or period of lease if shorter
IT Hardware	3 – 5
IT Infrastructure	5
Vehicles	5
Vessels	5 – 25
Machinery, Equipment, Furniture & Fittings	3 – 5
Copyright	5
Website, IT systems and software	3

Impairment

We assess at each reporting date, and when any assets in the course of completion transfer into use, whether there is an indication that any assets may be impaired. This assessment is made through discussions with property and other colleagues to identify any events which have occurred that would indicate that impairment may have taken place, and also from the quinquennial, interim and initial valuations undertaken in accordance with the valuation policies above.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and written down to its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure, except for assets previously revalued, where the revaluation increase was taken to the asset revaluation reserve. In this case the impairment is recognised in the revaluation reserve up to the amount of any previous revaluation.

Leased Assets

We classify leases where substantially all of the risks and rewards of ownership have been transferred to us as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value or the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay. Subsequent to initial recognition, the asset is accounted for in line with the valuation policy above.

There are two leased assets being held under a finance lease, with the minimum rent on these assets being £1 and £5 per year. Given the non-material nature of the finance lease creditor (£133), this has not been recognised. Other leases are operating leases and are not recognised in the Statement of Financial Position.

1.4 Investments

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

1.5 Inventories

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

1.6 Corporation Tax

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

1.7 Value Added Tax (VAT)

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

1.8 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

The annual finance expense that would be allocated to the two assets held under a finance lease is £1. The minimum lease payments have not been apportioned between the finance expense and the reduction of the outstanding liability.

(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 the Scottish Government, known as Departmental Expenditure Limit or DEL, to finance the cash costs of capital and operating expenditure, net of other income sources and depreciation. 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 Income and Expenditure Recognition

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

Where income or expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position. Where cash has been received or paid in advance of the activity or expenditure, no income or expense is recognised and a payable or receivable for the corresponding amount is recorded in the Statement of Financial Position.

1.11 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 participates in a Local Government Pension Scheme, Strathclyde Pension Fund, which is administered by Glasgow City Council and is a defined benefit scheme. Employer's contributions to the pension fund and the pension liability are accounted for under the requirements of IAS 19, Employee Benefits. Pension disclosures are contained in Note 20.

1.13 Short-term Employee Benefits

A liability and expense are recognised for accrued but unused annual leave and flexitime as at 31 March 2019.

1.14 Cash and Cash Equivalents

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

1.15 Trade Receivables

All material amounts due as at 31 March 2019 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.16 Trade Payables

All material amounts due as at 31 March 2019 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.17 Financial Instruments

The Authority does not hold any complex financial instruments. The only financial instruments are financial assets in the form of investments in other entities, cash, trade receivables and accrued income, and financial liabilities in the form of trade payables and accruals.

Financial instruments are recognised in accordance with IAS 37; Provisions, contingent liabilities and contingent assets, IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments 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. Contingent assets and liabilities are recognised in line with the definitions under IAS 37.

1.18 Assets Held on Behalf of Third Parties

Where the Authority holds an asset on behalf of a third party and the Authority does not have beneficial rights to the asset and cannot use the asset for its own purposes, the asset is not recognised on the Statement of Financial Position. However, disclosure of the nature and extent of these assets and the underlying activity is included in the Accounts.

Where the Authority holds an asset on behalf of a third party that are controlled by the Authority and there is a present obligation as a result of past events, both the asset and liability are recognised in the Statement of Financial Position.

1.19 Segmental Reporting

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

1.20 Interest in Other Entities

IFRS12 requires disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Authority is a Designated Member of National Parks Partnerships LLP and holds an equal share in the Partnership, along with the other 14 UK National Parks (Note 12). This investment does not meet the criteria of a subsidiary, joint venture or associate and has been recognised as an investment, in line with the investment policy (Note 1.4).

1.21 Critical Judgements and Estimates

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

- Valuation of Land and Buildings

As detailed in Note 1.3, all land and buildings are valued using professional valuations in accordance with IAS 16 every five years. Valuations are also carried out on initial recognition of new land and buildings. The quinquennial valuation was carried out as at 31 March 2019. Ryden LLP provided the property valuations. Ryden LLP is a RICS Regulated firm and must ensure that all processes and valuations are fully compliant with the RICS Valuation – Global Standards 2017 (The Red Book) with the latest edition having taken effect from 1st July 2017. Assets are valued on the basis of either Fair Value or Depreciated Replacement Cost.

- Actuarial Assumptions used in Pension Valuations

The pension valuations are provided by the pension scheme's actuaries, Hymans Robertson. The pension liability has been calculated by the actuary in line with IAS 19 requirements. The actuary conducts a formal triennial valuation of the fund, the most recent valuation being conducted as at 31 March 2017. The formal valuation calculates the employer's assets and liabilities on a detailed basis using individual member data and calculates the required rate of employer's contributions to the fund for the period from 1 April 2018 to 31 March 2021. The balance sheet position as at 31 March 2019 and the projected cost for 2019/20 are based on the roll forward from the valuation at 31 March 2017. The roll forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period. The assets are valued at bid value as required by IAS 19 and the projected unit credit method of valuation is used. The pension liabilities are valued on an actuarial basis, using the actuary's standard assumptions, appropriate for the Authority's liability profile.

1.22 Changes in Accounting Standards

(a) Standards, amendments and interpretations effective in 2018/19.

To be updated for IFRS 9 and IFRS 15 and IFRS 16 postponed (GT to provide wording) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure of information on the expected impact of new accounting standards that have been issued but not yet in effect. The following standards (amendments) which are expected to be relevant to the Authority have been issued but are not yet effective; IAS 7 Statement of Cash Flows (amendment); IAS 28 Investments in Associates and Joint Ventures (amendment); IFRS 12 Disclosure of interests in other entities (amendment); IFRS 9 Financial Instruments (IAS 39 Financial Instruments: Recognition and Measurement - replacement); IFRS 15 Revenue from Contracts with Customers (IAS 18 Revenue – replacement). It is not anticipated that the amendments to standards noted above will have any material effect on the accounts of the Authority.

IFRS 16 Leases was published by the International Accounting Standards Board in January 2016 and is applicable for accounting periods beginning on or after 1 January 2020 for public bodies. For the Authority, the standard will be effective for the year ending 31 March 2021. IFRS 16 will require leases to be recognised on the SoFP as an asset which reflects the right to use the underlying asset and a liability which represents the obligation to make lease payments. At the date of authorisation of these financial statements, IFRS 16 has not been adopted for use in the public sector and has not been included in the FReM. As such it is not yet possible to quantify the impact of IFRS 16 accurately.

(b) Standards, amendments and interpretation early adopted in 2018/19.

There are no new standards, amendments or interpretations early adopted this year.

3. Scottish Government Departmental Expenditure Limit (DEL)		2019	2018
		£	£
Cash DEL allocated to meet operational expenditure		6,536,000	6,236,000
Cash DEL allocated to meet capital expenditure		960,000	860,000
		7,496,000	7,096,000
Deduct amounts earmarked for specific operational projects		(16,000)	(16,000)
Total cash DEL received (resource and capital DEL)		7,480,000	7,080,000

4. Programme Income & Expenditure		Income	Expenditure	Net
		£	£	£
West Highland Way		11,536	11,536	-
Callander Landscape Partnership		188,797	188,797	-
Total 2018/19		200,333	200,333	-
West Highland Way		12,081	12,081	-
Total 2017/18		12,081	12,081	-

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

The Authority is a member of the Callander Landscape Partnership, alongside 14 other partners from across the community, public bodies, voluntary sector organisations, local businesses and landowners. The Partnership was successful in securing £1,430,300 of National Heritage Lottery Funding to turn the town of Callander into the outdoor capital of the National Park, with a more accessible and conserved landscape ready for visitors and locals to enjoy and explore. The Authority is the lead partner and manages the programme income and expenditure, which is used only for this specific purpose.

5. Analysis of Net Expenditure by Segment

	Board members and staff costs £	Other operating & programme costs £	Project Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	3,820,487	1,083,112	721,697	(836,731)	4,788,565
Conservation	834,126	25,775	184,358	(157,831)	886,428
Rural Development	1,554,437	698,656	203,874	(593,809)	1,863,158
Total 2018/19	6,209,050	1,807,543	1,109,929	(1,588,371)	7,538,151

	Board members and staff costs £	Other operating & programme costs £	Project Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	3,454,782	1,053,868	840,291	(838,031)	4,510,910
Conservation	671,311	43,525	220,523	(186,441)	748,918
Rural Development	1,486,248	419,065	199,629	(387,933)	1,717,009
Total 2017/18	5,612,341	1,516,458	1,260,443	(1,412,405)	6,976,837

Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

	£
Net Segmental Expenditure as above	7,538,151
Items not attributable to segmental activity:	
Deficit of return on pension assets over interest	73,000
Depreciation	470,609
Provision for impairment of assets	266,425
Loss on disposal of fixed assets	15,600
Interest receivable	(2,392)
Net Expenditure for Year	8,361,393

6. Other Income		2019	2018
		£	£
Shared Services recharge		45,000	45,000
Modern Apprenticeship programme contribution		9,138	8,365
Boat registration and launch fees		55,220	49,730
Sale of goods		13,697	6,498
Property rental and recharges		186,115	193,780
Deficit of return on pension assets over interest cost		(73,000)	(181,000)
Legal expenses awarded by Court of Session		113,831	-
Miscellaneous		174,448	150,372
		<u>524,449</u>	<u>272,745</u>
7. Board Members and Staff Costs		Note	
		2019	2018
		£	£
<u>Board Members</u>			
Fees*		146,394	143,532
Social Security Costs		3,648	3,472
		<u>150,042</u>	<u>147,004</u>
<u>Permanent Staff</u>			
Salaries		3,559,159	3,239,706
Social Security Costs		342,389	309,364
Pension Costs		654,557	592,390
		<u>4,556,105</u>	<u>4,141,460</u>
<u>Other Staff</u>			
Salaries		890,139	779,727
Social Security Costs		64,770	57,943
Pension Costs		133,707	100,564
		<u>1,088,616</u>	<u>938,234</u>
Apprenticeship Levy		7,573	5,698
Deduct: Included in Programme and Project figures		(188,743)	(93,931)
Deduct: Included in Fixed Asset additions (capitalised salaries)		(155,543)	(126,124)
Total Permanent and Other Staff Costs before pension adjustments		<u>5,308,008</u>	<u>4,865,337</u>
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	21	1,542,000	1,294,000
Less: Employer Contributions	21	(791,000)	(694,000)
Total Permanent and Other Staff Costs after pension adjustments		<u>6,059,008</u>	<u>5,465,337</u>
Total Board Member and Staff Costs		<u>6,209,050</u>	<u>5,612,341</u>

* Refer to Remuneration Report on page 21

8. Other Operating Costs

	2019	2018
	£	£
Travel & Subsistence	40,035	33,711
Conferences, Courses & Training	55,371	38,345
Other Staff Costs	36,536	44,551
Property Rent & Rates	225,418	236,310
Energy Costs	74,026	58,307
Property Repairs & Development	144,985	92,255
Other Property Costs	250,613	183,957
Grounds Maintenance	70,598	68,190
Tools & Equipment Consumables	22,957	13,609
Transport Costs	115,967	116,270
Uniforms & Clothing	12,918	10,271
Catering & Hospitality	24,319	18,712
Printing & Stationery	15,662	11,413
Published Materials	43,503	37,826
Telecommunications & Data	73,041	88,917
Legal & Professional Fees	147,165	176,205
Software & IT Supplies	191,126	174,968
Goods for Resale	6,672	3,883
Advertising - Statutory	22,374	19,610
- Other Advertising	1,411	1,476
Other Administration Costs	16,438	15,020
Contributions to Other Bodies	24,186	9,225
Audit Fee - Internal	10,000	11,000
- External	11,170	10,940
Bad Debt (Reversal)/ Provision	(29,281)	29,406
	<u>1,607,210</u>	<u>1,504,377</u>

9. Corporation Tax

The Authority has commercial activities which generate taxable income and from 1 April 2015 is obliged to submit a corporation tax computation to HMRC. There is no taxable profit arising from these activities and no tax liability (2017/18 – nil).

10. Property, Plant and Equipment

	Freehold Land & Buildings £	Leasehold Buildings £	Vehicles & Marine Vessels £	Equipment Plant & Machinery £	Furniture & Fittings £	IT Hardware & Infrastructure £	Assets under Construction £	Total Tangible Assets £
Cost or Valuation								
At 1 April 2018	5,686,329	3,408,852	1,179,177	309,434	823,708	1,695,273	316,234	13,419,007
Disposals at Cost	-	-	(101,677)	(88,206)	(1,432)	(939,211)	-	(1,130,526)
Additions at Cost	-	-	53,404	31,132	11,322	89,945	515,130	700,933
Category Transfers	-	-	-	39,232	(39,309)	77	-	-
Transfer Asset into Use	-	527,326	-	-	-	-	(527,326)	-
Impairment Charge	(73,000)	(532,142)	-	-	-	-	(166,506)	(771,648)
Impairment Reversal	352,884	35,978	-	-	-	-	-	388,862
Revaluation (Decrease)/Increase	(36,213)	170,985	-	-	-	-	-	134,772
At 31 March 2019	5,930,000	3,610,999	1,130,904	291,592	794,289	846,084	137,532	12,741,400
Accumulated Depreciation								
At 1 April 2018	109,506	113,580	841,688	300,284	787,616	1,665,176	-	3,817,850
Disposals	-	-	(76,477)	(88,206)	(1,432)	(939,211)	-	(1,105,326)
Category Transfers	-	-	-	30,223	(30,300)	77	-	-
Charge for Year	113,833	121,606	99,261	22,460	21,016	55,681	-	433,857
Written back on Revaluation:								
- Impairment Charge	-	(43,467)	-	-	-	-	-	(43,467)
- Impairment Reversal	(48,902)	(23,992)	-	-	-	-	-	(72,894)
- Revaluation	(174,437)	(167,727)	-	-	-	-	-	(342,164)
At 31 March 2019	-	-	864,472	264,761	776,900	781,723	-	2,687,856
Net Book Values								
31 March 2019	5,930,000	3,610,999	266,432	26,831	17,389	64,361	137,532	10,053,544
31 March 2018	5,576,823	3,295,272	337,489	9,150	36,092	30,097	316,234	9,601,157

The quinquennial revaluation of assets resulted in impairments of £562k, a write back on previous impairments of £462k and net revaluation increases of £477k. Overall, the revaluation of assets resulted in a net increase in the carrying value of property assets of £377k. Assets under construction are assessed for impairment on completion, with an impairment of £167k being recognised.

The revaluation reserve reflects the increase in value of land and buildings over their historical costs

Freehold Land and Buildings contain one piece of land at Kenmore Wood that was donated to the Authority and is valued at £8k on an existing use value. The donated asset reserve reflects the corresponding entry.

11. Intangible Assets

	IT Systems & Software £	Website £	Copyright £	Total Intangible Assets £
Cost or Valuation				
At 1 April 2018	459,803	64,367	33,725	557,895
Disposals at Cost	(221,832)	(2,025)	-	(223,857)
Additions at Cost	7,210	1,500	3,640	12,350
Category Transfers	(29,492)	9,250	20,242	-
At 31 March 2019	215,689	73,092	57,607	346,388
Accumulated Depreciation				
At 1 April 2018	444,032	42,912	26,395	513,339
Disposals	(221,832)	(2,025)	-	(223,857)
Category Transfers	(29,492)	9,250	20,242	-
Charge for Year	10,849	21,955	3,948	36,752
At 31 March 2019	203,557	72,092	50,585	326,234
Net Book Values				
31 March 2019	12,132	1,000	7,022	20,154
31 March 2018	15,771	21,455	7,330	44,556

12. Investments in Other Entities

The Authority holds an investment in National Parks Partnerships LLP (formerly National Park Partnerships LLP). At incorporation, the Authority and the other 14 UK National Parks contributed £10,000 for an equal share in the entity with a further capital call in March 2018.

The investment was fully impaired as at 31 March 2018, as the capital contributions cannot be withdrawn or paid back.

13. Trade Receivables and Other Assets

	2019	2018
	£	£
Amounts falling due within one year:		
Trade receivables	58,754	103,020
Other receivables	3,017	3,962
VAT receivable	-	13,017
Prepayments and accrued income	264,709	123,858
	<u>326,480</u>	<u>243,857</u>
Amounts falling due after one year:		
Prepayments	<u>2,383</u>	<u>5,030</u>

14. Cash and Cash Equivalents

	2019	2018
	£	£
Bank Accounts	513,793	276,743
Imprest Accounts	850	1,025
	<u>514,643</u>	<u>277,768</u>

All balances were held at banks or in hand (2017/2018 - all).

15. Trade Payables and Other Liabilities

	2019	2018
	£	£
Amounts payable within one year:		
Trade payables	228,193	138,951
Accruals and deferred income	870,658	656,205
VAT payable	20,841	-
Funds held for third parties	5,128	4,385
	<u>1,124,820</u>	<u>799,541</u>
Amounts falling due after more than one year:		
Deferred Income	<u>171,052</u>	<u>172,368</u>

16. Capital Commitments, Contingent Assets and Contingent Liabilities

There was £52k committed but unspent capital expenditure at 31 March 2019 (31 March 2018 – £224k). This relates to planned expenditure to enhance facilities on our Estate. There was no committed capital grant expenditure as at 31 March 2019 (31 March 2018 – £105k).

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

17. Assets Held on Behalf of Third Parties

	2019	2018
	£	£
Cash	810,392	0

The Authority holds cash of £810,392 (made up of £537,918.22 for restoration and aftercare and £ 268,692.95 for Greater Cononish Glen management, plus interest accruing) as a planning requirement for the development of a gold and silver mine in Cononish Glen within a 120 day deposit account at 31 March 2019.

Once the Operator's Obligations relating to the Decommissioning and Restoration Obligations and in relation to the Greater Cononish Glen Management Plan have been respectively completed and discharged in accordance with the s75 Agreement, the Authority will repay the respective funds to the Operator.

If the Operator fails to discharge these obligations, the funds are calculated to be sufficient to meet any costs incurred in respectively implementing these obligations and will be used to complete the restoration and land management plans as set out in the s75 Agreement. There is no liability on the Authority exceeding the amount held on deposit and the Authority cannot use the funds for any other purpose other than as set out in the s75 Agreement. Interest accruing on the deposit is deemed to form part of the deposited funds and therefore subject to the same conditions.

At the end of the production either:

- the applicant will complete the restoration works and discharge their obligations and the Authority will return the deposit to them; or
- if the applicant fails to discharge its restoration obligations, the Authority may provide the funds to the landowners and/ or Crown Estate Scotland (Interim Management) to complete this work, failing which the Authority may itself use the funds to restore the site.

The Authority has no beneficial interest or rights to the asset and cannot use the funds for their own discretion. As such, the cash is not included within the Statement of Financial Position as at 31 March 2019.

18. Operating Lease Obligations

The Authority has entered into leases in the normal course of our operating activities.

Obligations under non-cancellable Operating Leases are:

	Land & Buildings	
	2019	2018
	£	£
Within One Year	68,487	72,611
Two to Five Years	172,289	110,528
After Five Years	117,169	120,712

These leases relate to properties for our operations including stores, offices, campsites, visitor facilities and piers and pontoons.

Rents receivable under non-cancellable Operating Leases are:

	Land & Buildings	
	2019	2018
	£	£
Within One Year	136,944	127,255
Two to Five Years	311,096	280,696
After Five Years	211,396	287,403

These leases relate to the rental of properties to commercial operators for the provision of visitor facilities and the sub-lease of office capacity to tenants.

19. Related Party Transactions

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

The Convenor, James Stuart was the Managing Director of Entrepreneurial Scotland until 31 October 2018. During 2018/19, the Authority paid £4,200 for business membership, which allows access to events and career and leadership development opportunities. This is for the year to 30 September 2019, and as such £2,100 has been prepaid. In addition, £708 that was prepaid at 31 March 2018 was incurred for conference attendance in April 2018.

There were no other related party transactions between the Authority, the Executive Team or Board Members during the year.

20. Financial Instruments - Exposure to Risks

The Authority's cash operating and capital expenditure is met from the DEL cash budget allocation from the Scottish Government, from other income sources and from contributions from partner agencies to jointly fund projects. The Authority has no powers to borrow money or to invest surplus funds. Other than financial assets and liabilities which are generated by day-to-day operational activities and the investment in National Parks Partnerships LLP (see Note 12) and the cash held as a planning condition for the development of the gold and silver mine at Cononish Glen, the Authority holds no financial instruments.

Liquidity Risk

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

Credit Risk

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

Foreign Currency Risk

The Authority is not exposed to foreign currency risk.

21. Pension Scheme

The Authority participates in a Local Government Pension Scheme, Strathclyde Pension Fund, which is administered by Glasgow City Council and is a defined benefit scheme. In accordance with International Accounting Standard 19 (IAS19), the Authority is required to disclose information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. The Fund's actuary has provided the pension accounting figures in line with the IAS 19 requirements. The actuary conducts a formal triennial valuation of the fund, the most recent valuation being conducted as at 31 March 2017. The formal valuation calculates the employer's assets and liabilities. The balance sheet position as at 31 March 2019 and the projected cost for 2019/20 are based on the roll forward from the valuation at 31 March 2017. The roll forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period.

In 2018/19, the Authority paid an employer's contribution of £788,264 (2017/18 - £692,954) representing 19.3% (2017/18 - 19.3%) of employees' pensionable pay to the Strathclyde Pension Fund (see Note 7). The employer's contribution rate is determined by the Fund's actuary based on triennial actuarial valuations, which was completed at 31 March 2017. The purpose of the valuation is to assess the value of the assets and liabilities of the Fund and calculate the required rate of employer's contributions from 1 April 2018 to 31 March 2021. The Authority's contribution rate will remain at 19.3%.

The amounts recognised in the Statement of Financial Position are as follows:

	2019	2018
	£000	£000
Fair value of plan assets	25,369	23,207
Present value of funded liabilities	(29,825)	(25,457)
Present value of unfunded liabilities	<u>(73)</u>	<u>(70)</u>
Net pension fund liability	<u><u>(4,529)</u></u>	<u><u>(2,320)</u></u>

The pension reserve within Taxpayers' Equity reflects the corresponding entry to the net pension fund liability.

Movement in present value of defined benefit and unfunded obligations:

	2019	2018
	£000	£000
Opening defined benefit obligation	25,527	28,590
Current service cost	1,542	1,294
Interest cost on defined benefit obligation	709	789
Actuarial loss/(gain) from actuarial remeasurements	2,153	(5,148)
Contributions by members	262	230
Benefits paid	<u>(295)</u>	<u>(228)</u>
Closing defined benefit obligation	<u><u>29,898</u></u>	<u><u>25,527</u></u>

Movement in fair value of plan assets:

	2019	2018
	£000	£000
Opening fair value of plan assets	23,207	22,191
Interest income on plan assets	636	608
Actuarial gain/(loss) from actuarial remeasurements	765	(291)
Contributions by employer	791	694
Contributions by members	262	230
Contributions in respect of unfunded benefits	3	3
Benefits paid	<u>(295)</u>	<u>(228)</u>
Closing fair value of plan assets	<u><u>25,369</u></u>	<u><u>23,207</u></u>

The amounts, excluding the employer contributions, recognised in the Statement of Comprehensive Net Expenditure are as follows:

	2019	2018
	£000	£000
Current service cost	1,542	1,294
Interest cost on obligation	709	789
Interest income on plan assets	<u>(636)</u>	<u>(608)</u>
	<u><u>1,615</u></u>	<u><u>(1,475)</u></u>

The net expense is recognised in the following line items in the Statement of Comprehensive Net Expenditure:

	2019	2018
	£000	£000
Board Member and Staff Costs	1,542	1,294
Other Income – deficit of return on pension assets over interest cost	<u>73</u>	<u>181</u>
	<u><u>1,615</u></u>	<u><u>1,475</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 take into account the appropriate employer rate and this, together with revenues generated from the investments, will be utilised to meet the Fund's commitments.

Fair value of employer assets

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

Asset Category	31 March 2019				31 March 2018			
	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	5,852	15	5,867	23%	6,313	352	6,665	29%
Debt Securities	796	-	796	3%				
Private Equity	-	3,031	3,031	12%	-	2,056	2,056	9%
Real Estate								
UK Property	-	2,296	2,296	9%	-	2,750	2,750	12%
Investment Funds and Unit Trusts								
Equities	7,205	625	7,830	31%	7,379	-	7,379	32%
Bonds	1,109	1,828	2,937	12%	1,003	1,422	2,425	10%
Commodities	13	-	13	0%	-	-	-	0%
Other	-	33	33	0%	826	361	1,187	5%
Derivatives	1	-	1	0%	2	7	9	0%
Cash and Cash Equivalents	1,306	1,259	2,565	10%	-	736	736	3%
Totals	16,282	9,087	25,369	100%	15,523	7,684	23,207	100%

The actuarial gains and losses recognised in the Statement of Changes in Taxpayers' Equity are as follows:

	2019	2018
	£000	£000
Actuarial gain/(loss) arising on the fair value of the plan assets	765	(291)
Actuarial (loss)/gain arising on the defined benefit obligation	(2,153)	5,148
Actuarial (loss)/gain recognised in the Statement of Changes in Taxpayers' Equity	(1,388)	4,857

The balance sheet position as at 31 March 2019 and the projected cost for 2019/20 are based on the roll forward from the valuation at 31 March 2017 performed by the independent actuaries to the Strathclyde Pension Fund. The actuarial assumptions were as follows:

	2019	2018
	% pa	% pa
Inflation/ Pension Increase Rate	2.4%	2.3%
Salary Increase Rate	3.6%	3.5%
Discount Rate	2.5%	2.7%
Life Expectancy at age 65 :		
Current Pensioners Male	21.4	21.4
Current Pensioners Female	23.7	23.7
Future Pensioners Male	23.4	23.4
Future Pensioners Female	25.8	25.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 March 2019	Approximate % increase to Employer Liability	Approximate monetary amount £'000
0.5% decrease in Real Discount Rate	13%	3,981
0.5% increase in the Salary Increase Rate	3%	821
0.5% increase in the Pension Increase Rate	10%	3,077

Information about the Defined Benefit Obligation

	Liability split		Weighted Average Duration
	£'000	Percentage %	
Active members	19,179	64.3%	27.8
Deferred members	6,127	20.5%	26.5
Pensioner members	4,519	15.2%	13.9
Total	29,825	100%	24.5

The figures above are for funded obligations only and do not include any unfunded pensioner liabilities. The durations are as they stood at the latest formal valuation (31 March 2017).

Projected defined benefit cost for the period to 31 March 2020

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 2020.

Period ended 31 March 2020	Assets £'000	Obligations £'000	Net (liability) / asset	
			£'000	% of pay
Projected current service cost *	-	1,722	(1,722)	(42.0%)
Total Service Cost	-	1,722	(1,722)	(42.0%)
Interest income on plan assets	644	-	644	15.7%
Interest cost on defined benefit obligation	-	769	(769)	(18.8%)
Total Net Interest Cost	644	769	(125)	(3.1%)
Total included in Statement of Comprehensive Net Expenditure	644	2,491	(1,847)	(45.1%)

* 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 2017) or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2021 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 2017 actuarial valuation report dated 31 March 2018. The estimate of Employer's contribution for the period to 31 March 2020 is approximately £791,000.



APPENDIX 1

LOCH LOMOND AND THE TROSSACHS NATIONAL PARK AUTHORITY

DIRECTION BY THE SCOTTISH MINISTERS

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

IR HOOPER
Head of Countryside and Natural Heritage Division

Signed by the authority of the Scottish Ministers
Dated: 12 January 2006