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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 2019 to 31 March 2020 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 2019/20 is Grant Thornton UK LLP.

The Independent Auditor’s Report is on page 27 and details of the auditors’ remuneration are given in Note 7 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

Over the past year, working alongside our partners, we achieved a considerable amount for and with our communities, our visitors and other stakeholders. Together we have improved the environment, supported our communities, created life-long memories for our visitors, and helped build health and resilience through the National Park.

The end of the 2019/20 financial year, and the period since, has been dominated by the COVID-19 pandemic and our response to it. The pandemic has had wide-ranging impacts on our organisation and the National Park itself, and the health and wellbeing of our staff has been our number one priority since the crisis first began to emerge. As with much of the global response to the pandemic, we have had to react and adapt rapidly and in unprecedented ways. As with most other organisations, we shut down all of our operations within the National Park in late March 2020 and our staff began working from home. The closedown of all of our sites and

transitioning our staff to working from home over a short period of time required a lot of rapid decision making and action, including the establishment of new ways of working to maintain essential services including back office and frontline, including the Planning service. Since then we have been planning for and implementing the reopening of visitor services, as well as considering how best to support recovery from the longer term impacts of the pandemic. This has had to take account that the move away from lockdown will mean having to find ways to deliver services and functions into the medium term that are safe while the virus is still a threat. Partnership working has been critical to us carrying out our work effectively through the pandemic and we are grateful to our partners for their continued close collaboration and effective working.

Our work is grounded in our National Park Partnership Plan (NPPP) 2018-23, and during 2019/20 we assessed the first year's progress against the NPPP's indicators of success. We made good progress in many areas, including peatland restoration, outdoor learning, affordable housing, volunteering, the visitor economy, and community-identified projects. Challenges remain in other areas such as woodland creation, designated site features, water body condition, and sustainable places. Other indicators weren't yet due to report. As we move through 2020/21 and beyond, we expect that COVID-19 will impact delivery of the NPPP. Working with partners, our pandemic recovery focus will look to support the NPPP outcomes.

Other significant successes during the year include:

- Consulting on and adopting a Trees and Woodlands Strategy for the National Park
- Updated Core Paths Plan submitted to Government
- Completion and Board approval of our 3-year report to the Scottish Government on the operation of the camping byelaws. In 2019 we also had a reduction in recorded contraventions of both the camping management and Loch Lomond byelaws.
- Completion of visitor facility upgrades at West Loch Lomond sites, supported by the Rural Tourism Infrastructure Fund
- Handling of a complex and high profile planning application for the West Riverside site in Balloch
- Significant ICT upgrades including completing our migration to the Scottish Wide Area Network bringing service, performance, and security benefits

Key Issues and Risks

Through 2019/20, a strategic Corporate Risk Register has been 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 remain as "high" at March 2020 included:

- Financial constraints impacting on the resources and services needed to deliver National Park Partnership Plan and Annual Operating Plan priorities.
- Managing the impacts of the growing popularity of the National Park.
- Managing the impact of externally generated pressures on our ability to deliver Annual Operating Plan priorities
- Changes and uncertainty in the Scottish, UK and European political landscape.

All Corporate 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.

Nonetheless, the COVID-19 pandemic has significantly changed the risks we face as an organisation. It has also changed the pace of change in the risks we face. The Executive Team (communicating frequently with Board members) is managing the following COVID-19 specific risks:

- Staff, volunteer or visitor illness from COVID-19
- Staff wellbeing impacts, including the potential mental health effects of the pandemic
- Financial pressures arising from lost income and cost increases
- High visitor numbers following the lifting of lockdown restrictions, resulting in irresponsible behaviour and environmental degradation
- Maintaining key stakeholder relationships
- Delivery and business continuity resilience, including for staff and key systems such as Finance or IT.

Performance Summary

The budget for the year and the Annual Operational Plan set out our detailed resource plans, showing the allocation of financial and staff resources against the key priority areas. This includes the specific projects that we aimed to deliver on an annual basis. The budget is prepared based on the Scottish Government's budget allocation to us 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 annual operational plan for 2019/20 was guided by the 2018-23 NPPP and Our 5-Year (Corporate) Plan. The Board reviews performance against Annual Operational Plan and performance against budget. The Chairs & Executive Group reviews financial reporting, the draft Budget and Annual Operational Plan, prior to Board approval.

We had many successes through the year and delivered considerable outputs directly and through continuing extensive partnership working with a wide range of public, private and non-governmental organisations, and local communities. In 2019/20 there were also planned activities that were postponed or cancelled. A number of these were due to the onset of the COVID-19 pandemic. Others arose due to unforeseen external factors and new needs arising through the year, requiring resources to be diverted. Staff capacity, given our challenging financial position and ambitious staff savings target, also played a part.

Our Board approved our 2020/21 Annual Operational Plan at its March 2020 meeting. In June 2020, this was updated and re-approved by the Board to include measures to support the COVID-19 recovery. Our 2020/21 priorities are:

- Taking and inspiring action to address the global climate emergency and nature crisis
- Enhancing our visitor experience, volunteering and active living opportunities
- Addressing the changing challenges posed by substantial visitor numbers
- Continuing to improve in delivering our core functions, including how we plan and use our resources, and meet our statutory requirements and duties.
- Delivering and facilitating a safe recovery and reopening of the National Park

1.2. PERFORMANCE ANALYSIS

Performance Measurement

The Authority sets its delivery targets on an annual basis by reference to the strategy outlined in the NPPP and 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 2019/20 were expressed in an annual budget and annual operational plan. 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 the accounts.

Detailed Analysis

Financial Budget Performance

The results for the year to 31 March 2020 are set out on pages 31 to 59. 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 2019/20	Resource DEL £000	Capital DEL £000	Total DEL Cash Budget £000	Non-Cash DEL £000	AME £000	Total Non- Cash Budget £000
Budget Allocation	6,541	1,160	7,701	750	2,500	3,250

The DEL cash budget allocation for 2019/20 was £7.70m (2018/19 - £7.48m), which was split as £6.54m (2018/19 - £6.52m) for operational cash costs and £1.16m (2018/19 - £0.96m) for capital cash costs. The non-cash budget allocated was £3.25m (2018/19 - £1.95m); £0.75m for DEL to cover our depreciation charge for the year (2018/19 - £0.6m) and £2.5m for Annually Managed Expenditure (AME) to cover pension adjustments and impairments during the year (2018/19- £1.35m).

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	8,526		8,526
Less Non-Cash Adjustments:			
Depreciation	(470)		(470)
Impairments	(743)		(743)
Pension Adjustments	(887)		(887)
Disposals of Non-Current Assets	-	(2)	(2)
Other Adjustments:			
Cost of Fixed Asset Additions	-	1,321	1321
Capital grant funding recognised in 19/20 for Fixed Asset additions	290	(290)	-
Net capital grants and capital expenditure on others' land	(116)	116	-
Total Cash Expenditure	6,600	1,145	7,745
Total Budget	6,541	1,160	7,701
(Over)/ underspend	(59)	15	(44)

Non-Cash Expenditure	Outturn	
	Non-Cash DEL £000	AME £000
Depreciation	470	-
Impairments	-	743
Pension Adjustments	-	887
Total Non-Cash Expenditure	470	1,630
Total Budget	750	2,500
Under/ (Over) spend	280	870

Income for 2019/20 was £1.45m (2018/19 - £1.51m) which included contributions from planning fees, property rental income, income from partners, other generated income and recharges. In addition, grant funding was received from Visit Scotland from the Scottish Rural Tourism Infrastructure Fund, which contributed to investment in a high standard of visitor infrastructure to support the rural economy. Programme income included funding from the National Lottery Heritage Fund and other partners towards the Callander Landscape Partnership project. In addition, the Authority received funding from Sustrans for accessible recreation and the development of paths across the National Park and from Scottish Natural Heritage and the Scottish Government to fund peatland restoration works.

Expenditure for the year totalled £9.97m (2018/19- £10.22m), which includes depreciation of £0.47m (2018/19 - £0.47m), net impairments of £0.74m (2018/19 - £0.27m) and pension adjustments of £0.89m (2018/19 - £1.17m). Capital additions totalled £1.32m during the year (2018/19 - £0.71m) and these included investment in visitor facilities at our sites on West and East Loch Lomond, investment in our IT infrastructure and in our property estate.

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.

In the current year a cash overspend of £44k is reported, which represents 0.6% of total grant in aid. However, income in 2019/20 does not include capital grant funding from the Rural Tourism Infrastructure Fund for upgrades to visitor facilities at Balmaha Visitor Centre. With the outbreak of COVID-19 in March 2020, construction works were stopped and the upgrade was not fully completed at the year end. Grant income of £118k has been deferred to 2020/21, which was not budgeted. In addition to income being less than budgeted, our 2019/20 expenditure was impacted by the COVID-19 pandemic. Though the pandemic only arose late in the financial year, the closure of our offices and sites, halting of construction and IT projects, delays in our supply chain and delays in completion of grant works mean that capital expenditure was lower than budgeted.

During 2019/20 we achieved £374k of efficiency savings (2018/19 - £250k), which equates to 5.8% of resource DEL (2018/19 – 3.8%) through:

- Robust review of vacant positions and timing of recruitment, with roles being reviewed and not automatically replaced.
- Continued budget management, with expenditure being closely monitored and a full budget revision taking place in the middle of the year. Where possible and practical, in house expertise and skills were used on projects and PR, rather than hiring consultants.

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 2020, the Authority paid 79% (2018/19 – 83%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 99% of invoices against this target (2018/19 – 99%).

Partnership Working

The 2018-2023 National Park Partnership Plan (NPPP) is rooted in working together with organisations and partners to secure a successful and sustainable future for the National Park.

Our partnership working has been built through many years of developing and supporting key relationships. Multi-year projects and partnerships have continued through 2019/20 and we continued with excellent progress on some key priorities:

- [Peatland Action](#)
- [Callander's Landscape](#)
- Development of a draft MOU with partners for the management of the West Highland Way
- 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.

Partnership working has also been critical to us carrying out our work effectively through the COVID-19 pandemic. We have been working closely with communities, businesses, local delivery bodies, national partners, and sectoral and non-governmental groups on our response as well as our plans for reopening and recovery. One highlight is our establishment and convening of a National Park Safe Recovery Action Group, including the four Councils, Police Scotland, Transport Scotland and Forestry and Land Scotland. The group provides a crucial mechanism to co-ordinate how and when public facilities are reopened, the responses to visitor pressures, and a shared communication strategy ensuring consistent public messages and maximisation of our collective reach.

We continue to work in collaboration with Cairngorms National Park Authority in relation to a number of internal 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.

The National Parks Partnerships LLP was set up by the UK's 15 National Parks in order to create successful partnerships between the UK National Parks and businesses. During the year, the Authority continued its partnership with Columbia Sportswear, secured by National Parks Partnerships LLP. This five year deal provides uniform for UK National Parks' rangers and staff. In 19/20 CLIF, the maker of CLIF BAR Energy Bars, teamed up with the National Parks Partnerships LLP to fund conservation initiatives and environmental protection across the 15 UK National Parks. The Authority received funding to support the Cowal River Repair Project, which aims to improve and protect riverbanks, water quality and spawning grounds. The Authority also

continues to work in partnership with Vango as our official camping partner. Vango are a leading Scottish camping and outdoor brand and the partnership aims 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 carry out employee engagement surveys biennially and the last one took place in September 2019. We received recognition as one of the Sunday Times Top 100 Best Not for Profit Organisations to Work for 2020, which was really positive. On the back of this, through organisational and team action plans, we will continue to focus on making this a great place to work, in order to attract and retain the best people. The pay award for 2019/20 was focused on maximising the amount available for pay benefits, in particular salary progression.

Anti-corruption and Anti-bribery matters

The Authority has a zero tolerance approach to fraud, bribery and corruption and our policies set out how we work to prevent, detect and manage these risks.

Sustainable Development

The Authority is engaging with the actions and reporting duties linked to the Climate Change (Scotland) Act 2009. Mandatory Public Bodies Climate Change Duties Annual Reporting was completed and submitted to the Scottish Government in November 2019. The report covers the following areas: Governance, Management and Strategy; Emissions, Targets and Project; Adaptation; Procurement and Wider Influence; and Other Notable Activities. The duties require us to monitor CO2 levels generated by our buildings and vehicles. Key activities included running a tree planting grant scheme, and increasing our road fleet to 37% eVehicles or hybrid.

Since our Climate Change Action plan was created for the 2019/20 year, the context around climate and nature emergencies has rapidly evolved. The National Park Board paper in December 2019 outlined how we plan to create a 'Mission Zero Route Map' which will set out how we will deliver Net Zero emissions. When complete the Route Map will replace our current Climate Change Action Plan. The annual progress report was presented to the Board in March 2020, you can find it on our [website](#).

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 as frontline complaints which have a target response time of five working days. Some complaints are immediately escalated to the second stage of the CHP and handled as investigations if they are more complex in nature and cannot reasonably be answered within five working days. A complaint investigation has a twenty working day response time. The Executive Team receive a monthly update of live complaint investigations and information requests.

In January 2020 the SPSO introduced changes to the Model Complaints Handling Procedure. Updates to the Authority's policy and processes for complaints handling will be made to comply with these changes, which are due for implementation by April 2021.

The table below shows a breakdown of the number of complaints and information requests received. We achieved 90% compliance with response time limits for complaints during 2019/20 (2018/19 – 95%) and 96% compliance in responding to requests and reviews within statutory deadlines in 2019/20 (2018/19 – 100%).

Of the total number of information requests received, 38% related to planning matters, and of these 11% were in relation to the West Riverside Development.

	Number received 2019/20	Responded to within time limit 2019/20	Number received 2018/19	Responded to within time limit 2018/19
Frontline complaints	90	80	129	122
Investigation complaints	15	14	15	15
Total complaints	105	94	144	137
Data Protection Subject Access Requests	1*	1	1	1
Environmental Information Requests / Freedom of Information Requests	54	52	48	48
Environmental Information Requests / Freedom of Information Requests Reviews	1	1	1	1
Total requests and reviews	56	54	50	50
Total complaints, requests and reviews	161	148	194	187

* 2 requests were received however 1 request was withdrawn

Litter and toilet issues continue to be the most common frontline complaints. Planning matters are the most common subject of complaint investigations. In January a new process was introduced for recording frontline complaints in a centralised file, which provides a more detailed and effective tool for monitoring complaint trends across all areas of business in the Authority. A new post of Litter Prevention Manager was created to deliver a litter strategy for the Authority. Operational Managers in Estates and Visitor Management respond directly to frontline complaints about litter and toilets.

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. During 2019/20 work included delivery of:

- Provision of direct support to community organisations, mostly Community Development Trusts, as well as signposting to where support can be provided from other organisations,
- Facilitation of networking opportunities between communities to help represent community views and issues and including support to a joint litter summit in collaboration with the National Park Authority,
- Project delivery focussing on the establishment of a Social Enterprise Hub for the National Park and the provision of tailored learning programmes to local communities and businesses,
- Support to Killin and Strathfillan communities to prepare new Community Action Plans.

Grants were made to communities through the National Park 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.

The National Park Grant Scheme is open to individuals, businesses, public bodies, constituted voluntary and community groups, as well as charities. Grants totalling £72,805 were awarded through the scheme during the year (2018/19 - £79,396) and these are included in project expenditure within the Statement of Comprehensive Net Expenditure.

Partnership working was ongoing with our communities, and the statutory agencies that serve them, through the Callander Partnership, Strathard Strategic Partnership and continued joint partner working to deliver improved infrastructure and public realm in Balloch.

Health and Safety Performance

The Authority has continued to improve Health and Safety performance during the year. A key theme for 2019/20 was training, ensuring that staff are equipped with the knowledge and skills they need at work.

Key achievements during 2019/20 are as follows:

- Increased communication and continued engagement
- Further training including IOSH Managing Safely, Work at height, Managing stress/increasing personal resilience and Tree safety and inspection
- Lone Working process improvements continue
- Two automated external defibrillators (AED) available for use by the Boat Team at Duncan Mills Memorial Slipway, which can be deployed across Loch Lomond
- Two public access defibrillators (PAD) available at HQ and Duncan Mills Memorial Slipway.

There are continued levels of Accident, Incident, Near Miss and Hazard reporting with close out implemented to prevent reoccurrence across the Authority. 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 2019/20	RIDDOR Reportable 2019/20	Total 2018/19	RIDDOR Reportable 2018/19
Accident	69	1	53	-
Incident	16	1	31	2
Near Miss	12	-	15	-
Hazard	30	-	39	-
Total complaints	127	2	138	2

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

Gordon Watson
Chief Executive and Accountable Officer
[September 2020]

2. ACCOUNTABILITY REPORT

The Auditors review the Accountability Report for consistency with other financial 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 to 3 May 2019. Pete Wightman from 8 October 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. It is the individual responsibility of Board members and staff to ensure their register of interests are accurate and to advise the Authority of any changes to their register of interests within one month of these occurring in accordance with the Board Members' Code of Conduct and the Staff Register of Interest Policy respectively. 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 (2018/19 – nil). In order to test, assess and improve on data security penetration testing is done annually under the Cyber Security Essentials Plus programme. This testing was due to take place in March 2020 however was slightly delayed as a result of COVID-19. The Authority renewed its Cyber Security Essentials Plus certification in April 2020. During 2019/20 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 during the year.

Whistleblowing Policy

No whistleblowing complaints were received during 2019/20.

National Park Authority Board Members 2019/20

Loch Lomond & The Trossachs National Park Authority's Board is comprised of up to seventeen Members. 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 normally 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 for a four year term.
- 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. Barbara Morgan resigned from the National Park Authority Board on 1 August 2019. Bobby Good has been nominated by Argyll & Bute Council and formally appointed by Scottish Government, filling this vacancy on the Board.
- Mark Borthwick is shadowing the Board through the SG Public Appointments Team and Inclusion Scotland's Board initiative to provide disabled people with valuable experience of Public Body Boards.

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	3/4	7/7	-*
Martin Earl	(a)	05/07/2018	06/07/2022	CE, D, PI	3/4	3/7	-*
David McCowan	(a)	05/07/2018	06/07/2022	A, PI	4/4	7/7	3/4
Willie Nisbet	(a)	05/07/2018	06/07/2022	CE, D, PI	4/4	7/7	-*
Billy Ronald	(a)	05/07/2018	06/07/2022	PI	3/4	6/7	-*
Claire Chapman	(b)	01/11/2018	31/10/2022	PI	3/4	5/7	-*
Sarah Drummond	(b)	01/11/2018	31/10/2022	D	3/4	-*	-*
Ronnie Erskine	(b)	01/11/2018	31/10/2022	A, CE, PI	3/4	5/7	4/4
Heather Reid	(b)	01/11/2018	31/10/2022	A, D	4/4	-*	3/4
Christopher Spray	(b)	01/11/2018	31/10/2022	A, PI	4/4	6/7	4/4
James Stuart	(b)	01/02/2015	31/01/2023	CE	4/4	-*	-*
Diane Docherty	(c)	01/10/2017	30/09/2022	D, PI	1/4	6/7	-*
Danny Gibson	(c)	01/10/2017	30/09/2022	D	3/4	-*	-*
Graham Lambie	(c)	01/10/2017	30/09/2022	A, PI	4/4	6/7	3/4
Murray Lyle	(c)	01/10/2017	30/09/2022	PI	1/4	4/7	-*
Barbara Morgan	(c)	01/10/2017	30/09/2022 (resigned 01/08/19)	A	1/1	-*	1/1
Ellen Morton	(c)	01/10/2017	30/09/2022	CE, PI	2/4	5/7	-*
Bobby Good	(c)	01/03/2020 (accepted 04/06/20)	30/09/2022	To be advised	N/A	N/A	N/A

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

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

Committee/Group membership: (A) Audit & 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, the Scottish Ministers have directed Loch Lomond & The Trossachs National Park Authority ("the Authority") to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of the Authority and of its income and expenditure, Statement of Financial Position 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.

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 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 preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRoM) and in particular to:

- Observe the Accounts Direction issued by the 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- Prepare the accounts on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

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 the Chief Executive as Accountable Officer for Loch Lomond & The Trossachs National Park Authority. The responsibilities of an Accountable Officer, including responsibility for propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Authority's assets are set out in the Memorandum of Accountable Officer responsibilities issued by the Principal Accountable Officer on the appointment of the Accountable Officer. This includes requirement to comply with the guidance set out in the Scottish Public Finance Manual and Managing Public Money published by the HM Treasury.

The Accountable Officer also has 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 of information to auditors by the Accountable Officer

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

Accountable Officer's statement on the Annual Report and Accounts

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 develop policy and strategy, manage 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

The governance structure allows a balance of Board time between the oversight of the organisation's performance, discussion and development of policy and strategy and in engaging with issues and stakeholders in the National Park. The structure ensures that the Board is well informed on organisation performance, whilst delegating more detailed responsibilities appropriately to statutory and non-statutory Committees.

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 strategic development days, business and strategy sessions and 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 governance, the annual accounts, annual report and accounting policies and the work of Internal and External Auditors.
- The Chairs and Executive Group met five times to discuss emerging issues in relation to the management of governance, priority issues, financial performance and strategies for the organisation.

- The Planning and Access Committee met seven times to consider certain planning applications, enforcement actions, policy papers, legal agreements and access matters.

The outcomes from the Board and its Committees during the year included approval of

- The revised Trees and Woodland Strategy, which sets out a clear, ambitious vision for how trees and woodlands are to be protected, enhanced and used within the Loch Lomond & The Trossachs National Park.
- The new Outdoor Recreation Delivery Plan Consultation Document entitled 'Active Park Healthy People'. This would replace the previous Outdoor Recreation Plan 2013-2018 and develop the strategic priorities set out within the National Park Partnership Plan.
- The Annual Update Report on the third season of the operation of The Loch Lomond and The Trossachs National Park Camping Management Byelaws 2017 to submit to Scottish Ministers. The Your Park 3-year report was also approved.
- The Annual budget and Annual Operational Plan for 2020/21
- The Corporate Risk Register for 2019/20
- The Authority's pledge for the Youth Committee's #iwill campaign, which aims to make participation in social action the norm for young people aged 10 to 20.
- James Stuart's reappointment as Convenor of the National Park Authority Board for a further three-year term commencing on 2 March 2020.
- The revised Terms of Reference for the Audit & Risk Committee, which were updated following the publication of the Scottish Government's revised Audit and Assurance Committee Handbook.

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.

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 Audit & Risk Committee. The Audit & Risk Committee will receive the Annual Report on Best Value for 2019/20 in September 2020 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.

The Internal Audit function is an integral element of the Authority's internal control systems. West Dunbartonshire Council were in their fourth year of providing Internal Audit Services, following the extension of

the provision for one further year to 31 March 2020, in accordance with the terms of the Memorandum of Understanding. Audit Glasgow, part of the Glasgow City Council internal audit team were awarded the contract for Internal Audit Services following the procurement process. The contract was awarded for three years from 1 April 2020 to 31 March 2023, with provision for a two year extension.

Over the course of the year to 31 March 2020, the Internal Auditors have reported to the Audit & Risk Committee on their independent reviews on grants and contributions, the boat registration process, controls risk self-assessment (including compliance with GDPR), sickness absence and independent assurance review of the environmental monitoring framework being used to report on The Loch Lomond & The Trossachs National Park Camping Management Byelaws 2017.

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.

Grant Thornton LLP are in their fourth year of their five year term as the Authority's External Auditor. The COVID-19 pandemic has resulted in significant disruption for public bodies and their capacity for financial reporting, and to auditors of the public sector. Due to this, the Auditor General for Scotland and the Audit Commission for Scotland intend to extend the current audit appointments by one year in the first instance. This is in line with provisions in the current contracts that allow for extensions of up to two years. The appointment of Grant Thornton was for the audit for the financial years of 2016/17 to 2020/21 inclusive. The intended extension would be through to the audit of the 2021/22 year. The Auditor General and the Commission will confirm both the extension and the time period in Autumn 2020.

COVID-19 Governance Arrangements

Shortly before the year end, the Authority closed all of our operations within the National Park, including our offices and staff began to work from home. Government restrictions meant that it was not possible to hold in-person Board or Committee meetings from the end of March 2020. Temporary amended governance arrangements were implemented to ensure continuing appropriate Board Member oversight and timely decision making during the pandemic and to facilitate virtual Board and Committee meetings which could be broadcast to the public. These measures included:

- Appointment of additional Vice Convenor/ Vice Chair positions for the Board, Planning and Access Committee and Audit & Risk Committee as a contingency for current office bearers becoming unavailable for meetings
- Formal agreement that for the duration of the social distancing restrictions Board, Committee meetings and the Local Review Body will be held virtually, in line with the provisions in the Standing Orders
- Formal Board approval by correspondence effective from 8 April 2020 to temporarily amend the Terms of Reference and extend the Membership of the Chairs and Executive Meeting and List of Powers. These amendments allow the Chairs and Executive Meeting to take urgent decisions on behalf of the Board and approve temporary amendments to Standing Orders for the Board, Planning and Access Committee and the Local Review Body in response to the COVID-19 crisis. Any formal decisions taken are reported to the next available Board meeting.

[These measures were reviewed at the 14 September 2020 Board Meeting.]

In addition to the formal governance changes implemented and increased Chairs and Executive meetings in 2020/21, informal conference calls have been held with all Board members to ensure all members have been kept up to date with developments arising from the COVID-19 pandemic.

With staff being required to work remotely, business continuity plans were invoked at the end of March 2020 and remote working was implemented immediately on closure of our offices. This included operation of financial and payment systems and processes, statutory planning functions, enforcement of planning, access and byelaws and supervision of our Estate for safety and security. As government lockdown and travel restrictions have eased over the last couple of months and many of our visitor facilities have re-opened, many field staff have been able to return to their roles and site visits have been possible. However, in line with social distancing and government requirements, non-essential work places remain closed. A significant number of our staff remain working at home and continue to perform their duties remotely.

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 the 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 priority projects at their meetings.

The Executive prepare a Corporate Risk Register, which is approved by the Board. The Audit & Risk Committee provide scrutiny and oversight by monitoring and reviewing risk and providing robust assurance in these areas to the Board. The Register is updated quarterly by the Executive team and reviewed by the Audit & Risk Committee on a quarterly basis. In the event of any risk being increased to a “high” status, this is escalated to the Committee at the earliest opportunity. Two new risk areas were included in 2019/20 covering failure to invest in ICT infrastructure and cyber resilience and the effects of the climate emergency on the natural environment of the National Park. As noted on page 4, a number of risks have been identified in relation to COVID-19 and are being managed by the Executive and reported to the Board.

The Authority has also adopted a risk based approach to the management and monitoring of its Annual Operational Plan, 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.

The Authority is in the process of drafting a new Risk Policy, which will cover risk management and risk appetite and tolerance. The principles and scope have been drafted.

The Assurance framework was also reviewed by the Audit & Risk Committee, which is intended to help the Committee support the Board and Accountable Officer in giving attention to the right issues. The Stage 1

Assurance map detailed the sources of assurance across the organisation and reflected the wide range of activities and statutory functions performed by the Authority, with no gaps being identified.

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 2019/20 a number of improvements have been implemented to increase our data and systems security such as; updating End of Life Operating systems such as Server 2008 and Windows 7 onto Server 2016 and Windows 10, replacing End of Life networking equipment and introducing a Cloud based Mobile Device Management system and moving our data connections over the Scottish Wide Area Network (SWAN). The Authority's Cyber Essentials Plus certificate was renewed in April 2020. This certifies that the Authority is 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.

Following on from the implementation of the General Data Protection Regulation (GDPR) and Data Protection Act 2018, the Authority implemented a new Data Protection Procedure for staff, to be used as a reference document for all of the required processes for compliance with the legislation. A review and update of the website privacy and cookie policies has also been completed. Internal Audit performed a control risk self-assessment on GDPR and noted that from the testing conducted, it was their opinion that the Authority are compliant with the regulations. Any data breaches are investigated fully, with recommendations for improvement advised as necessary, and notified to the Information Commissioner as required.

Conclusion

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

- The Executive and 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 also been advised on the effectiveness of the system of internal control by both the Board and the Audit & Risk Committee. Appropriate action is taken to address recommendations made and ensure continuous improvement of our systems. The Internal Auditors review concluded that there is reasonable assurance that risks are being managed and the organisation's key objectives are being met. Evaluated controls identified a generally sound system of internal control with a few specific control weaknesses.

The Internal Auditor's annual report for 2019/20 states that based on the work undertaken over the course of the year, substantially 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 Employment Policies/ Consultation.

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 2019/20, the Convenor, as authorised by the Board, implemented the 2% pay award available to Board Members in line with Scottish Government Pay Policy. Board members receive a set monthly payment based on a daily fee 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 19 of the Annual Accounts. Details of the actuarial assumptions used in pension valuations are included in Note 1.21 of the Annual Accounts.

Disclosure of Remuneration – Chief Executive and Executive Team *

Year ended 31 March 2020	Salary Band at 31/3/20 £'000	Salary paid during 2019/20 £'000	Allowances £'000	Accrued Pension Benefits (4) £'000	Total £'000
Chief Executive Gordon Watson	85-90	85-90	0	43	130-135
Directors and Senior Employees					
Pete Wightman (1)	60-65	25-30	0	8	30-35
Simon Jones	60-65	60-65	0-5	23	85-90
Stuart Mearns	55-60	55-60	0	24	75-80
Anna MacLean	45-50	45-50	0	18	65-70
Jaki Carnegie (2)	N/A (3)	5-10	0-5	6	10-15

(1) Appointed 8 October 2019

(2) Resigned 3 May 2019.

(3) Total annual equivalent salary for the year as £60-65k

(4) 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).

Year ended 31 March 2019	Salary Band at 31/3/19 £'000	Salary paid during 2018/19 £'000	Allowances £'000	Accrued Pension Benefits (1) £'000	Total £'000
Chief Executive Gordon Watson	80-85	80-85	0	26	110-115
Directors and Senior Employees					
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	22	75-80
Anna MacLean	45-50	45-50	0	17	60-65

(1) 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 2020 (2018/19 – nil).

Year ended 31 March 2020	Real increase in pension value £'000	Real increase in related lump sum £'000	Total accrued pension at 31 March 2020 £'000	Total related lump sum at 31 March 2020 £'000	Cash equivalent transfer value at 31 March 2020 £'000	Real increase in cash equivalent transfer value (3) £'000
Chief Executive Gordon Watson	0-2.5	0-2.5	45-50	75-80	720	87
Directors and Senior Employees						
Pete Wightman (1)	0-2.5	0-2.5	0-5	0-5	4	2
Simon Jones	0-2.5	0-2.5	5-10	0-5	71	17
Stuart Mearns	0-2.5	0-2.5	10-15	0-5	118	22
Anna MacLean	0-2.5	0-2.5	5-10	0-5	69	14
Jaki Carnegie (2)	0-2.5	0-2.5	5-10	0-5	96	8

(1) Appointed 8 October 2019

(2) Resigned 3 May 2019

(3) Excluding inflation and Executive contributions

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 (1) £'000
Chief Executive						
Gordon Watson	0-2.5	0-2.5	40-45	70-75	615	28
Directors and Senior Employees						
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

(1) Excluding inflation and Executive contributions

Gordon Watson, Pete Wightman, 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 2020 (2018/19 – 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 2020 (2018/19 – 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 £27,210 (2018/19 - £26,542). The pay multiple between the mid-point of the highest paid director's banding £82,533- £93,352 and the median total remuneration of all staff was 3.3 (2018/19 – £80,933- £91,572 and 3.2).

Analysis of Board Members' Fees and Expenses

Board member	Nature of appointment	2019/20 Fees £	2019/20 Expenses** £	2018/19 Fees £	2018/19 Expenses** £
Bob Daracott	(a)	9,956	-	5,398	940
Martin Earl	(a)	9,956	343	6,154	298
David McCowan	(a)	7,467	-	7,320	-
Willie Nisbet	(a)	14,934	331	14,641	939
Billy Ronald	(a)	7,467	-	9,273	742
David McKenzie	(a)	-	-	1,902	352
David Warnock	(a)	-	-	1,902	-
Claire Chapman	(b)	7,467	869	3,060	561
Sarah Drummond	(b)	7,467	1,527	3,060	57
Ronnie Erskine	(b)	9,956	868	3,816	724
Heather Reid	(b)	7,467	-	3,060	-
Christopher Spray	(b)	7,467	744	3,060	329
James Stuart	(b)	19,912	5,348	19,522	2,759
Angus Allan	(b)	-	-	4,172	-
Colin Bayes	(b)	-	-	4,867	231
Petra Biberbach	(b)	-	-	7,301	460
Lindsay Morrison	(b)	-	-	3,651	-
Diane Docherty	(c)	7,467	-	7,320	164
Danny Gibson	(c)	7,467	-	7,320	390
Graham Lambie	(c)	7,467	-	7,320	-
Murray Lyle	(c)	7,467	167	7,320	221
Barbara Morgan*	(c)	2,790	-	7,320	-
Ellen Morton	(c)	14,934	-	7,635	-
		157,108	10,197	146,394	9,167

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

* Resigned 1 August 2019

**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.

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 also on consulting on new initiatives. Three members of staff at the Authority (3 FTE) were Trade Union officials during the year and are paid for facility time. Total facility time for these employees totalled 220 hours, which as a percentage of working hours was between 1 and 50%. The total cost of facility time was £5,459, which represents less than 1% of the total pay bill of £6.36m (excluding board members). 100% of time spent on trade union activities by relevant union officials was paid facility time.

During 2019/20 key matters on which UNISON representatives were consulted were:

- Implementation of policies and procedures
- Equality and Diversity
- Pay negotiations

Equality and Diversity

We are committed to supporting and promoting diversity on our Board, Executive Team and within our workforce. The Authority is an equal opportunities employer. We are also committed to meeting our duties under the Equality Act 2010. We have committed to publishing a [Mainstreaming report](#) annually, rather than the statutory requirement of every 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 during our Equalities week in November, the availability of published accessibility statements for our premises and our outdoor environments, a gender pay gap of 4.9% in favour of women and the continuing enhancement of 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:

Headcount	31 March 2020			31 March 2019		
	Female	Male	Total	Female	Male	Total
Executive Team	1	4	5	2	3	5
Other Employees	96	75	171	94	82	176
Total	97	79	176	96	85	181

Other Staff Details

Staff Numbers	2020	2019
Average Number of Board Members during the Year	16	17
Average Number of Full Time Equivalent Employees during the Year	143.4	146.3
Analysis of Average Number of Full Time Equivalent Employees		
Permanent	110.8	112.5
Fixed Term	25.0	23.8
Seasonal	7.6	9.6
Agency	-	0.4
Total	143.4	146.3

Numbers of staff with salaries above £70,000 (including Chief Executive)	2020	2019
£85,001 - £90,000	1	1
£70,001 - £85,000	-	-

Board Member and Staff Costs (Note 6)*	Note	2020	2019
		£	£
Board Members' Fees		157,108	146,394
Social Security Costs		4,770	3,648
Total Board Members		161,878	150,042
Permanent Staff Salaries		3,620,613	3,559,159
Social Security Costs		348,724	342,389
Pension Costs		669,560	654,557
Total Permanent Staff		4,638,897	4,556,105
Other Staff Salaries		898,069	890,139
Social Security Costs		70,107	64,770
Pension Costs		137,735	133,707
Total Other Staff		1,105,911	1,088,616
Apprenticeship Levy		8,312	7,573
Deduct: Included in Programme and Project figures		(230,704)	(188,743)
Deduct: Included in Fixed Assets additions (capitalised salaries)		(119,028)	(155,543)
Total Permanent and Other Staff costs before adjustments for pensions reporting		5,403,388	5,308,008
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	19	1,775,000	1,542,000
Add: Past Service Costs	19	(202,000)	345,000
Less: Employer's Contribution	19	(819,000)	(791,000)
Total Permanent and Other Staff costs after adjustments for pensions reporting		6,157,388	6,404,008
Total Board Member and Staff Costs		6,319,266	6,554,050

Wellbeing

During the year, the Authority recorded an average loss of 9.1 days per employee for sickness absence, which included a rise in March 2020 due to the COVID-19 outbreak. The sickness absence level for 2019/20 is an increase from last year's figure of 7.1 days, with the rise due to an increase in long-term absence, with short-term absence remaining stable. We continue have a proactive process embedded in the organisation to assist with the management of absence and in December 2019 reviewed our sickness absence procedure to adopt more structure around the absence trigger process.

The health and wellbeing of our staff has been our number one priority since the outbreak of the COVID-19 pandemic. We have taken a number of steps to support our staff including:

- clear and consistent communication to our staff,
- explicit recognition of the impact of the pandemic on productivity,
- flexible HR policies in response to the pandemic, including temporary adjustment in our sickness, policy to ensure that any staff impacted by the virus have the time off they need without penalty
- Additional HR support to managers and regular wellbeing reminders.

In line with the Scottish Government's Route Map, we expect many of our staff to continue to work from home for the foreseeable future. However, a number of our staff, in particular our field staff, have returned to the workplace, to undertake patrols and litter clearance, as well as to prepare and reopen sites and ensure they are safely operated and properly maintained for visitors. In this, staff safety is a top priority. Following the Scottish Government relaxation on outdoor working and the recent issuing of guidance, we have developed detailed operational guidance for addressing the COVID-19 safety impacts of work outside the home, and we are implementing risk assessments and awareness to ensure we take proportionate measures to protect our staff from COVID-19 in the workplace.

Expenditure on Consultancy and Off Payroll Arrangements

The Authority had no consultancy remuneration or off payroll arrangements in the year ended 31 March 2020 (2018/19 – nil).

2.3 PARLIAMENTARY ACCOUNTABILITY REPORT*

Regularity of Expenditure

Loch Lomond and The Trossachs National Park Authority is held to account by the Scottish Ministers, in accordance with the requirements of the National Parks (Scotland) Act 2000. The Authority is expected to manage its budget in accordance with its Financial Memorandum and the Scottish Public Finance Manual and to deliver an outturn for the year within the Scottish Government budget limits.

The financial budget performance and details on income and expenditure are included on pages 4 and 5. A net cash overspend of £44k was reported for the year to 31 March 2020 (0.6% of total grant in aid). This overspend has arisen because income which partially funded the upgrade of Balmaha Visitor Centre of £119k has been deferred to 20/21. This income will be recognised in 2020/21 on completion of the construction works. Non cash expenditure was £1.15m under budget, as depreciation, impairment and pension adjustments were less than forecast.

Income for 2019/20 includes contributions from planning fees, property rental income, income and grant funding from partners, recharges and generated income, which includes boat registration, launch fees, camping income, toilet and parking charges.

Expenditure for 2019/20 includes Board Member and staff costs, operating costs, project expenditure and programme expenditure in relation to the Callander Landscape Partnership and the West Highland Way. Non-cash expenditure includes depreciation, impairment on property revaluation and pension adjustments.

Gifts and Charitable Donations

Gifts totalling £629 were made in the year (2018/19 - £620). There were no charitable cash donations made in the year (2018/19- nil).

Losses, Special Payments and Write-offs

There were no bad debt write offs and no bad debt provisions in the year (2018/19 nil). There were no stock write-offs and no special payments in the year (2018/19 – nil). There was a loss of £1,672 arising from damage to a people counter during the year, which resulted in the write off of the asset (2018/19- no losses).

Remote Contingent Liabilities

There were no remote contingent liabilities as at 31 March 2020.

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

Gordon Watson
Chief Executive and Accountable Officer
[]September 2020

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

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 2020 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2019/20 Government Financial Reporting Manual (the 2019/20 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2020 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 2019/20 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is four years. 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. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – effects of Covid 19 on the valuation of property, plant and equipment

We draw attention to Note 1 to the financial statements, which describes the key sources of judgement and estimation uncertainty in relation to property, plant and equipment valuations. Our opinion is not modified in respect of this matter.

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.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

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 using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

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 Public Finance and Accountability (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 Public Finance and Accountability (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 Public Finance and Accountability (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 our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Boyd (for and on behalf of Grant Thornton UK LLP)

110 Queen Street

Glasgow

G1 3BX

Date:

3. ANNUAL ACCOUNTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Year ended 31 March 2020

	Note	2020 £	2019 £
Expenditure			
Programme Expenditure	3	(436,859)	(200,333)
Project Expenditure		(477,088)	(1,109,929)
Board Members and Staff Costs	6	(6,319,266)	(6,554,050)
Other Operating Costs	7	(1,526,444)	(1,607,210)
Depreciation	8/9	(470,316)	(470,609)
Provision for Impairment of Assets		(742,779)	(266,425)
Loss on Disposal of Property, Plant & Equipment		<u>(1,672)</u>	<u>(15,600)</u>
		<u>(9,974,424)</u>	<u>(10,224,156)</u>
Income			
Planning Fees		182,391	259,923
Programme Income	3	436,859	200,333
Project Income		393,918	530,666
Other Income	5	417,235	519,449
Profit on Disposal of Property, Plant & Equipment		<u>15,461</u>	<u>-</u>
Total Income		<u>1,445,864</u>	<u>1,510,371</u>
Net Expenditure		(8,528,560)	(8,713,785)
Interest Receivable		<u>2,224</u>	<u>2,392</u>
Net Expenditure for Year		<u>(8,526,336)</u>	<u>(8,711,393)</u>
Other Comprehensive Net Expenditure			
Net Gain on Revaluation of Property		107,723	476,936
Actuarial Gain/ (Loss) on Pension Scheme		2,843,000	(1,387,000)
Other Pension Fund Gains		<u>-</u>	<u>3,000</u>
		<u>2,953,723</u>	<u>(907,064)</u>
Total Comprehensive Net Expenditure		<u>(5,572,613)</u>	<u>(9,618,457)</u>

No activities were discontinued during the year.

The notes on pages 35 to 59 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	2020 £	2019 £
Non-current Assets			
Property, plant and equipment	8	10,274,153	10,053,544
Intangible assets	9	13,375	20,154
Investments	10	-	-
Trade and other receivables	11	29,455	2,383
Total Non-current Assets		10,316,983	10,076,081
Current Assets			
Inventories		7,788	4,771
Trade and other receivables	11	673,261	326,480
Cash and cash equivalents	12	151,206	514,643
Total Current Assets		832,255	845,894
Total Assets		11,149,238	10,921,975
Current Liabilities			
Trade and other payables	13	1,103,231	1,124,820
Total Current Liabilities		1,103,231	1,124,820
Non-current Assets less Net Current Liabilities		10,046,007	9,797,155
Non-current Liabilities			
Trade and other payables	13	250,518	171,052
Pension fund liability	19	2,922,000	4,878,000
Total Non-current Liabilities		3,172,518	5,049,052
Total Liabilities		4,275,749	6,173,872
Assets less Liabilities		6,873,489	4,748,103
Taxpayers' Equity			
General Reserve		4,053,846	3,843,569
Revaluation Reserve		5,733,643	5,774,534
Donated Asset Reserve		8,000	8,000
Pension Reserve	19	(2,922,000)	(4,878,000)
Total Taxpayers' Equity		6,873,489	4,748,103

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 [] September 2020.
The notes on pages 35 to 59 form part of these Accounts.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash Flows from Operating Activities			
Net Expenditure before Interest		(8,528,560)	(8,713,785)
Adjustments for items not involving the Movement of Cash			
Pension adjustments in Other Income	5	133,000	78,000
Net pension adjustments in Staff Costs	6	754,000	1,096,000
Depreciation	8/9	470,316	470,609
Provision for impairment of assets		742,779	266,425
(Gain)/Loss on sale of property, plant & equipment		(13,789)	15,600
Movements in Working Capital			
(Increase) in trade and other receivables		(346,781)	(82,623)
(Decrease)/Increase in trade and other payables		(21,589)	325,279
(Increase)/Decrease in inventories		(3,017)	1,330
Movement in Non-current Assets and Liabilities			
(Increase)/Decrease in trade and other receivables > 1 year		(27,072)	2,647
Increase/(Decrease) in trade and other payables > 1 year		79,466	(1,316)
Net Cash Outflow from Operating Activities		(6,761,247)	(6,541,834)
Cash Flows from Investing Activities			
Bank interest received		2,224	2,392
Purchase of property, plant & equipment and intangible assets	9/10	(1,320,875)	(713,283)
Proceeds from sale of property, plant & equipment		15,461	9,600
Net Cash Outflow before Financing		(8,064,437)	(7,243,125)
Cash flows from Financing Activities			
Cash allocation applied to Operating Costs	2	6,541,000	6,520,000
Cash allocation applied to Capital Expenditure	2	1,160,000	960,000
Net (Decrease)/ Increase in Cash and Cash Equivalents		(363,437)	236,875
Cash and cash equivalents at the beginning of the period	12	514,643	277,768
Cash and Cash Equivalents at the End of the Period	12	151,206	514,643

The notes on pages 35 to 59 form part of these Accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
For the Year Ended 31 March 2020

	General Fund £	Revaluation Reserve £	Donated Asset £	Pension Fund £	Total £
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	(8,711,393)	-	-	-	(8,711,393)
Gain on revaluation of property	-	134,272	500	-	134,772
Release of revaluation reserve to general reserve to offset increased depreciation on revalued assets	137,741	(137,741)	-	-	-
Write back of depreciation on revaluation	41,123	301,041	-	-	342,164
Pension fund actuarial loss	-	-	-	(1,387,000)	(1,387,000)
Other pension fund gains	-	-	-	3,000	3,000
IAS 19 pension adjustment	1,174,000	-	-	(1,174,000)	-
Balance at 31 March 2019	3,843,569	5,774,534	8,000	(4,878,000)	4,748,103
Balance at 1 April 2019	3,843,569	5,774,534	8,000	(4,878,000)	4,748,103
Cash Allocation*	7,701,000	-	-	-	7,701,000
Net Expenditure after interest	(8,526,336)	-	-	-	(8,529,336)
Loss on revaluation of property	-	(83,000)	-	-	(83,000)
Release of revaluation reserve to general reserve to offset increased depreciation on revalued assets	148,613	(148,613)	-	-	-
Write back of depreciation on revaluation	-	17,970	-	-	17,970
Gain on indexation of property	-	172,752	-	-	172,752
Pension fund actuarial gain	-	-	-	2,843,000	2,843,000
IAS 19 pension adjustment	887,000	-	-	(887,000)	-
Balance at 31 March 2020	4,053,846	5,733,643	8,000	(2,922,000)	6,873,489

* 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

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 2019 and ended on 31 March 2020.

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.

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, this has not been recognised. Other leases are operating leases and are not recognised in the Statement of Financial Position.

IFRS 16 Leases will be effective for the year ended 31 March 2022 for the Authority. This standard provide a single lessee accounting model, with a right of use asset and a lease liability being recognised on the commencement of a lease. The distinction between operating and finance leases remains for lessors.

1.4 Investments

Investments are recognised in line with IFRS 9 Financial Instruments. Refer to Note 1.16 for more details.

1.5 Inventories

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

1.6 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

1.7 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 a finance lease in accordance with IAS 17.

As noted above, IFRS 16 Leases will be effective for the year ended 31 March 2022 and replaces IAS 17. This standard provides a single lessee accounting model, with a right of use asset and a lease liability being recognised on the commencement of a lease. The distinction between operating and finance leases remains for lessors.

1.8 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 Reserve 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

1.9 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.

1.10 Other Grants and Income

Where the purchase or construction of capital assets are financed in whole or in part by grants, the funding element is recognised as income and taken through the Statement of Comprehensive Net Expenditure.

Deferral of this income occurs when:

- conditions have been imposed by the funder that require return if not complied with,
- these conditions have not been satisfied at the year end, and
- there is reasonable assurance that the Authority is willing and able to comply with the conditions in future

Once the conditions are satisfied, the income will be recognised immediately

Operating income is income that relates directly to the operating activities of the Authority. It includes fees and charges for services provided to external customers.

1.11 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 International Accounting Standard 19, Employee Benefits.

The expected cost of providing staff pensions to employees contributing to the pension fund is recognised in the Statement of Comprehensive Net Expenditure on a systematic basis over the expected average remaining lives of members of the funds in accordance with IAS 19 Employee Benefits and recognises retirement benefits as the benefits are earned and not when they are due to be paid. The actuary conducts a formal triennial valuation of the fund and calculates the required rate of employer's contributions (notes 1.22 and 19). The contribution charges are recognised in the financial years in which they arise.

1.12 Short-term Employee Benefits

A liability and expense are recognised for accrued but unused annual leave and flexitime as at 31 March 2020.

1.13 Cash and Cash Equivalents

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

1.14 Trade Receivables

In line with the recognition of income, trade and other receivables are recognised in the Statement of Financial Performance where the income relates to the financial year ended 31 March 2020.

1.15 Trade Payables

In line with the recognition of expenditure on an accruals basis, trade and other payables are recognised in the Statement of Financial Performance where the expenditure relates to the financial year ended 31 March 2020.

1.16 Financial Instruments

The Authority does not hold any complex financial instruments. The only financial instruments are financial assets in the form of an investment in other entities, trade and other receivables, and financial liabilities in the form of trade and other payables.

Financial assets and financial liabilities are recognised when the Authority becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Trade and other receivables, which do not have a financing component are measured at the transaction price.

All income and expenses relating to financial assets that are recognised in the Statement of Comprehensive Net Expenditure are presented within finance income (interest received), except for impairment of trade receivables which is presented in other operating costs. Trade receivables are assessed for impairment individually to determine likelihood of payment, with write offs taken to the Statement of Comprehensive Net Expenditure. Trade debtors under review are written off to the bad debt provision.

The investment in National Parks Partnerships LLP is measured at fair value through the Statement of Comprehensive Net Expenditure. The capital contributions are non-refundable and the fair value is assessed as nil.

1.17 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from

the Authority and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Contingent assets are disclosed where a possible asset arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority

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 is 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 4).

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 10). 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 with an interim valuation in year three. 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.

The Authority commissioned professional revaluations for land and buildings where construction works were completed at 31 March 2020 and on land and buildings where there was an indication of impairment. In addition, at 31 March 2020 the Authority applied indexation to other buildings held at Depreciated Replacement Cost using the UK Tender Price Index. Indexation was applied to the buildings from their previous valuation at 31 March 2019.

Valuation uncertainty

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), a material uncertainty has been declared in the valuation report. This is due to market uncertainties caused by COVID-19. The Red Book defines material uncertainty as '*where the degree of uncertainty in a valuation falls outside any parameters that might normally be expected and accepted.*'

The valuation report has been used to inform the measurement of assets in these financial statements. Although the valuer has declared a material valuation uncertainty, the valuer has continued to exercise professional judgement in preparing the valuation. The valuation reflects all evidence available at the time it was carried out. Therefore, this is the best information available to the Authority as at 31 March 2020 and can be relied upon.

In making judgements on the measurement of assets at 31 March 2020, the Authority recognises that there may now be greater uncertainty in markets on which the valuation for assets formally valued at 31 March 2020 and those which were valued as at 31 March 2019 valuation were based. In addition, there may now be greater uncertainty on the asset valuations on which asset measurements reflected in these statements have also been calculated. A variance of 10% in the valuation of land and buildings would total £95k.

- 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 2020 and the projected cost for 2020/21 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. Investment returns on the Fund is based on actual Fund returns for the year to 31 March 2020. The pension liabilities are

valued on an actuarial basis, using the actuary's standard assumptions, appropriate for the Authority's liability profile. The longevity assumption has been updated in the actuarial valuation at 31 March 2020 to take account of the change in the default longevity assumption. This is based on the CMI (Continuous Mortality Investigation) 2018 future improvements (which represents a change from the prior year default longevity improvement assumption which was based on the CMI 2016 model).

As detailed in Note 19, £2.3m (9%) of the Authority's share of the assets in the pension scheme are invested in UK property. There may be a may be a reduced level of certainty that can be attached the valuation of these assets as a result of the COVID-19 coronavirus pandemic.

1.22 Changes in Accounting Standards

(a) Standards, amendments and interpretations effective in 2019/20

The following standard will be relevant to the Authority has been issued but is not yet effective for the Authority:

IFRS 16 Leases was published by the International Accounting Standards Board in January 2016. The standard requires lessees to recognise leases on the Statement of Financial Position as an asset which reflects the right to use the underlying asset and a liability which represents the obligation to make lease payments. This has not been adopted for the 2019/20 FREM. Following the COVID-19 pandemic, the implementation of this standard has been delayed and it is now applicable for accounting periods beginning on or after 1 January 2021 for public bodies. For the Authority, the standard will be effective for the year ending 31 March 2022 and the impact has not yet been quantified.

(b) Standards, amendments and interpretation early adopted in 2019/20.

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

2. Scottish Government Departmental Expenditure Limit (DEL)	2020	2019
	£	£
Cash DEL allocated to meet operational expenditure	6,557,000	6,536,000
Cash DEL allocated to meet capital expenditure	1,160,000	960,000
	<u>7,717,000</u>	<u>7,496,000</u>
Deduct amounts earmarked at source for specific operational projects	(16,000)	(16,000)
Total cash DEL received (resource and capital DEL)	<u><u>7,701,000</u></u>	<u><u>7,480,000</u></u>

3. Programme Income & Expenditure	Income	Expenditure	Net
	£	£	£
West Highland Way	18,772	18,772	-
Callander Landscape Partnership	418,087	418,087	-
Total 2019/20	<u><u>436,859</u></u>	<u><u>436,859</u></u>	<u><u>-</u></u>
West Highland Way	11,536	11,536	-
Callander Landscape Partnership	188,797	188,797	-
Total 2018/19	<u><u>200,333</u></u>	<u><u>200,333</u></u>	<u><u>-</u></u>

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

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 across the three year 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. The Authority is the lead partner and manages the programme income and expenditure, which is used only for this specific purpose.

4. Analysis of Net Expenditure by Segment

	Board members and staff costs £	Other operating & programme costs £	Project Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	3,744,647	872,399	216,330	(611,687)	4,221,689
Conservation	913,209	22,552	228,161	(169,361)	994,561
Rural Development	1,661,410	1,068,353	32,597	(782,356)	1,980,004
Total 2019/20	6,319,266	1,963,304	477,088	(1,563,404)	7,196,254

	Board members and staff costs £	Other operating & programme costs £	Project Expenditure £	Income £	Net Segmental Expenditure £
Visitor Experience	4,032,770	1,083,112	721,697	(836,731)	5,000,848
Conservation	880,473	25,775	184,358	(157,831)	932,775
Rural Development	1,640,807	698,656	203,874	(593,809)	1,949,528
Total 2018/19	6,554,050	1,807,543	1,109,929	(1,588,371)	7,883,151

Reconciliation between Operating Segments and Statement of Comprehensive Net Expenditure

Net Segmental Expenditure as above	£ 7,196,254
Items not attributable to segmental activity:	
Deficit of return on pension assets over interest	133,000
Depreciation	470,316
Provision for impairment of assets	742,779
Net gain on disposal of fixed assets	(13,789)
Interest receivable	(2,224)
Net Expenditure for Year	8,526,336

5. Other Income

	2020 £	2019 £
Shared services recharge	48,000	45,000
Modern Apprenticeship programme contribution	2,533	9,138
Boat registration and launch fees	62,701	55,220
Sale of goods	13,532	13,697
Property rental and recharges	187,867	186,115
Deficit of return on pension assets over interest cost	(133,000)	(78,000)
Legal expenses awarded by Court of Session	-	113,831
Miscellaneous	235,602	174,448
	417,235	519,449

Miscellaneous income includes income from toilet and car parking charges, camping permits and campsite income, meeting room hire and cost recharges.

6. Board Members and Staff Costs	Note	2020 £	2019 £
<u>Board Members</u>			
Fees*		157,108	146,394
Social Security Costs		4,770	3,648
		<u>161,878</u>	<u>150,042</u>
<u>Permanent Staff</u>			
Salaries		3,620,613	3,559,159
Social Security Costs		348,724	342,389
Pension Costs		669,560	654,557
		<u>4,638,897</u>	<u>4,556,105</u>
<u>Other Staff</u>			
Salaries		898,069	890,139
Social Security Costs		70,107	64,770
Pension Costs		137,735	133,707
		<u>1,105,911</u>	<u>1,088,616</u>
Apprenticeship Levy		8,312	7,573
Deduct: Included in Programme and Project figures		(230,704)	(188,743)
Deduct: Included in Fixed Asset additions (capitalised salaries)		(119,028)	(155,543)
Total Permanent and Other Staff Costs before pension adjustments		<u>5,403,388</u>	<u>5,308,008</u>
<u>Adjustments for Pensions Reporting</u>			
Add: Current Service Costs	20	1,775,000	1,542,000
Add: Past Service Costs**	19	(202,000)	345,000
Less: Employer Contributions	19	(819,000)	(791,000)
Total Permanent and Other Staff Costs after pension adjustments		<u>6,157,388</u>	<u>6,404,008</u>
Total Board Member and Staff Costs		<u><u>6,319,266</u></u>	<u><u>6,554,050</u></u>

* Refer to Remuneration Report on page 19

** Estimated impact of McCloud judgement on pension liability. Refer to Note 19.

7. Other Operating Costs	2020	2019
	£	£
Travel & Subsistence	37,325	40,035
Conferences, Courses & Training	45,545	55,371
Other Staff Costs	45,884	36,536
Property Rent & Rates	237,190	225,418
Energy Costs	87,322	74,026
Property Repairs & Development	100,717	144,985
Other Property Costs	183,973	250,613
Grounds Maintenance	75,329	70,598
Tools & Equipment Consumables	14,198	22,957
Transport Costs	140,016	115,967
Uniforms & Clothing	8,184	12,918
Catering & Hospitality	26,059	24,319
Printing & Stationery	13,758	15,662
Published Materials & Subscriptions	51,465	43,503
Telecommunications & Data	78,322	73,041
Legal & Professional Fees	152,919	147,165
Software & IT Supplies	162,241	191,126
Goods for Resale	7,228	6,672
Advertising - Statutory	20,435	22,374
- Other Advertising	1,173	1,411
Other Administration Costs	11,977	16,438
Contributions to Other Bodies	2,363	24,186
Audit Fee - Internal	11,501	10,000
- External	11,320	11,170
Bad Debt Reversal	-	(29,281)
	<u>1,526,444</u>	<u>1,607,210</u>

8. 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 2019	5,930,000	3,610,999	1,130,904	291,592	794,289	846,084	137,532	12,741,400
Disposals at Cost	-	-	(79,929)	(34,508)	(744)	(34,958)	-	(150,139)
Additions at Cost	-	-	-	9,554	4,095	11,093	1,288,279	1,313,021
Transfer Asset into Use	243,504	462,762	-	-	44,501	4,044	(754,811)	-
Impairment Charge	(219,504)	(448,762)	-	-	-	-	(137,887)	(806,153)
Revaluation Decrease	(83,000)	-	-	-	-	-	-	(83,000)
Indexation Increase	91,804	80,948	-	-	-	-	-	172,752
At 31 March 2020	5,962,804	3,705,947	1,050,975	266,638	842,141	826,263	533,113	13,187,881
Accumulated Depreciation								
At 1 April 2019	-	-	864,472	264,761	776,900	781,723	-	2,687,856
Disposals	-	-	(79,929)	(32,836)	(744)	(34,958)	-	(148,467)
Charge for Year	132,044	164,484	82,709	17,109	19,914	39,423	-	455,683
Written back on Revaluation:								
- Impairment Charge	(23,382)	(39,992)	-	-	-	-	-	(63,374)
- Revaluation	(17,970)	-	-	-	-	-	-	(17,970)
At 31 March 2020	90,692	124,492	867,252	249,034	796,070	786,188	-	2,913,728
Net Book Values								
31 March 2020	5,872,112	3,581,455	183,723	17,604	46,071	40,075	533,113	10,274,153
31 March 2019	5,930,000	3,610,999	266,432	26,831	17,389	64,361	137,532	10,053,544

Assets under construction are assessed for impairment on completion. 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 (2018/19 - £8k) on an existing use value. The donated asset reserve reflects the corresponding entry.

9. Intangible Assets

	IT Systems & Software £	Website £	Copyright £	Total Intangible Assets £
Cost or Valuation				
At 1 April 2019	215,689	73,092	57,607	346,388
Disposals at Cost	(2,068)	-	-	(2,068)
Additions at Cost	2,934	2,580	2,340	7,854
At 31 March 2020	216,555	75,672	59,947	352,174
Accumulated Depreciation				
At 1 April 2019	203,557	72,092	50,585	326,234
Disposals	(2,068)	-	-	(2,068)
Charge for Year	10,707	1,360	2,566	14,633
At 31 March 2020	212,196	73,452	53,151	338,799
Net Book Values				
31 March 2020	4,359	2,220	6,796	13,375
31 March 2019	12,132	1,000	7,022	20,154

10. Investments in Other Entities

The Authority holds an investment in National Parks 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. Under IFRS 9, the investment is measured at a fair value through the Statement of Comprehensive Net Expenditure. The fair value is assessed as nil, which is the same as the carrying value in the prior year.

11. Trade Receivables and Other Assets

	2020	2019
	£	£
Amounts falling due within one year:		
Trade receivables	256,303	58,754
Other receivables	2,772	3,017
VAT receivable	4,159	-
Prepayments and accrued income	410,027	264,709
	<u>673,261</u>	<u>326,480</u>
Amounts falling due after one year:		
Prepayments	<u>29,455</u>	<u>2,383</u>

12. Cash and Cash Equivalents

	2020	2019
	£	£
Bank Accounts	150,406	513,793
Imprest Accounts	800	850
	<u>151,206</u>	<u>514,643</u>

All balances were held at banks or in hand (2018/2019 - all).

13. Trade Payables and Other Liabilities

	2020	2019
	£	£
Amounts payable within one year:		
Trade payables	95,480	228,193
Accruals and deferred income	999,064	870,658
VAT payable	-	20,841
Funds held for third parties	8,687	5,128
	<u>1,103,231</u>	<u>1,124,820</u>
Amounts falling due after more than one year:		
Deferred Income	<u>250,518</u>	<u>171,052</u>

14. Capital Commitments, Contingent Assets and Contingent Liabilities

Capital Commitments

There was £53k committed but unspent capital expenditure at 31 March 2020 (31 March 2019 – £52k). This relates to expenditure for completion of constructions works and IT projects that were halted in March 2020 as a result of COVID-19. There was £14k of committed capital grant expenditure as at 31 March 2020 (31 March 2019 – nil) in relation to the Authority's grant scheme, where applicants were unable to complete works following the COVID-19 pandemic.

Contingent Liabilities

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.

15. Assets Held on Behalf of Third Parties	2020	2019
	£	£
Cash	820,608	810,392

The Authority holds cash of £820,608 (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. The cash is held within a 120 day deposit account at 31 March 2020.

As at 31 March 2019 the Authority held cash totalling £810,392 (made up of £537,918.22 for restoration and aftercare and £268,692.95 for Greater Cononish Glen management, plus interest accruing).

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 2020.

16. Operating Leases

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

Obligations under non-cancellable Operating Leases are:

	Vehicles		Land & Buildings	
	2020	2019	2020	2019
	£	£	£	£
Within One Year	58,009	-	73,016	68,487
Two to Five Years	89,080	-	117,485	172,289
After Five Years	-	-	135,915	117,169

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

Rents receivable under non-cancellable Operating Leases are:

	Land & Buildings	
	2020	2019
	£	£
Within One Year	87,360	136,944
Two to Five Years	315,163	311,096
After Five Years	135,368	211,396

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.

17. Related Party Transactions

The Authority is a non-departmental public body of the Scottish Government. The Authority's sponsoring body is the Scottish Government 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. There were no other related party transactions between the Authority, the Executive Team or Board Members during the year.

18. Financial Instruments and 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, the investment in National Parks Partnerships LLP (Note 10) and the cash held as a planning condition for the development of the gold and silver mine at Cononish Glen (Note 15), 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.

The Authority's financial assets and liabilities are categorised by group under IFRS 9

	2020
	Amortised Cost
Financial Assets	£
Trade and Other Receivables	702,716
Cash and Cash Equivalents	151,206
Total Assets	<u>853,922</u>
	2020
	Other Liabilities
	Amortised Cost
Financial Liabilities	£
Trade and Other Payables	1,353,749
Total Liabilities	<u>1,353,749</u>

The financial instruments classifications in the prior year are in accordance with IAS 39 and were:

	2019
	Amortised Cost
	£
Financial Assets	
Trade and Other Receivables	328,863
Cash and Cash Equivalents	514,643
Total Assets	<u>843,506</u>

	2019
	Other Liabilities
	Amortised Cost
	£
Financial Liabilities	
Trade and Other Payables	<u>1,295,872</u>
Total Liabilities	<u>1,295,872</u>

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- cash and cash equivalents
- trade and other payables.

19. Pension Scheme

The Authority participates in a Local Government Pension Scheme (LGPS), 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 2020 and the projected cost for 2020/21 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 2019/20, the Authority paid an employer's contribution of £807,295 (2018/19 - £788,264) representing 19.3% (2018/19 - 19.3%) of employees' pensionable pay to the Strathclyde Pension Fund. 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%.

When the LGPS Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age, which ensures that these members do not lose out from the introduction of the new scheme.

In December 2018 the Court of Appeal upheld a ruling that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. Therefore, LGPS Scotland benefits accrued from 2015 may need to be enhanced so that all eligible members will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation.

In 2019, Government Actuary's Department (GAD) estimated that the impact for the LGPS England & Wales as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. The Strathclyde Pension Fund's actuary adjusted GAD's estimate to better reflect the Fund's local assumptions and circumstances, particularly those for salary increases and withdrawal rates at 31 March 2019. This resulted in around a 1.8% increase in active member liabilities as at 31 March 2019. The impact was an increase of approximately £345k, which is included in past service costs.

On 16th July 2020, the Westminster government released the McCloud consultation on applying the remedy to English & Welsh LGPS funds. The allowance for the impact of the McCloud ruling in the 2018/19 accounts was based on analysis by GAD that everyone active in the scheme was eligible for the protections. However, the proposed remedy now limits eligibility to only members who were active at 31 March 2012. This reduces the size of the allowance and reduces the balance sheet liability. The actuarial valuation was updated after the release of the consultation and the impact is an estimated reduction of £202k in the liability. This is recorded as a past service cost gain in 2019/20.

The Statement of Financial Position recognised the following for the pension scheme:

	2020	2019
	£000	£000
Fair value of plan assets	25,111	25,369
Present value of funded liabilities	(27,971)	(30,174)
Present value of unfunded liabilities	<u>(62)</u>	<u>(73)</u>
Net pension fund liability	<u>(2,922)</u>	<u>(4,878)</u>

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

Movement in the present value of defined benefit and unfunded obligations:

	2020	2019
	£000	£000
Opening defined benefit obligation	30,247	25,527
Current service cost	1,775	1,542
Interest cost on defined benefit obligation	778	714
Past service cost (gain)	(202)	345
Actuarial (gain)/loss from actuarial remeasurements	(4,582)	2,152
Contributions by members	271	262
Benefits paid	<u>(254)</u>	<u>(295)</u>
Closing defined benefit obligation	<u>28,033</u>	<u>30,247</u>

Movement in the fair value of plan assets:

	2020	2019
	£000	£000
Opening fair value of plan assets	25,369	23,207
Interest income on plan assets	645	636
Actuarial (loss)/gain from actuarial remeasurements	(1,739)	765
Contributions by employer	816	791
Contributions by members	271	262
Contributions by employer for unfunded benefits	3	3
Benefits paid	<u>(254)</u>	<u>(295)</u>
Closing fair value of plan assets	<u>25,111</u>	<u>25,369</u>

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

	2020	2019
	£000	£000
Current service cost	1,775	1,542
Past service cost (gain)	(202)	345
Interest cost on obligation	778	714
Interest income on plan assets	<u>(645)</u>	<u>(636)</u>
	<u>1,706</u>	<u>1,965</u>

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

	2020	2019
	£000	£000
Board Member and Staff Costs	1,573	1,887
Other Income – deficit of return on pension assets over interest cost	<u>133</u>	<u>78</u>
	<u>1,908</u>	<u>1,965</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 2020				31 March 2019			
	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	5,791	15	5,806	23%	5,852	15	5,867	23%
Debt Securities	788	-	788	3%	796	-	796	3%
Private Equity	-	3,001	3,001	12%	-	3,031	3,031	12%
UK Property	-	2,274	2,274	9%	-	2,296	2,296	9%
Equities	7,132	618	7,750	31%	7,205	625	7,830	31%
Bonds	1,098	1,809	2,907	12%	1,109	1,828	2,937	12%
Commodities	13	-	13	0%	13	-	13	0%
Other	-	32	32	0%	-	33	33	0%
Derivatives	1	-	1	0%	1	-	1	0%
Cash and Cash Equivalents	1,293	1,246	2,539	10%	1,306	1,259	2,565	10%
Totals	16,116	8,995	25,111	100%	16,282	9,087	25,369	100%

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

	2020	2019
	£000	£000
Actuarial (loss)/gain arising on the fair value of the plan assets	(1,739)	765
Actuarial gain/(loss) arising on the defined benefit obligation	4,582	(2,152)
Actuarial gain/(loss) recognised in the Statement of Changes in Taxpayers' Equity	<u>2,843</u>	<u>(1,387)</u>

The balance sheet position as at 31 March 2020 and the projected cost for 2020/21 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:

	2020	2019
	% pa	% pa
Inflation/ Pension Increase Rate	1.8%	2.4%
Salary Increase Rate	2.9%	3.6%
Discount Rate	2.3%	2.5%
	2020	2019
Life Expectancy at age 65 :		
Current Pensioners Male	20.7	21.4
Current Pensioners Female	22.9	23.7
Future Pensioners Male	22.2	23.4
Future Pensioners Female	24.6	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 2020	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	13%	3,774
0.5% increase in the Salary Increase Rate	3%	716
0.5% increase in the Pension Increase Rate	11%	3,000

Information about the Defined Benefit Obligation

	Liability split	
	£'000	Percentage %
Active members	18,200	65.1%
Deferred members	5,371	19.2%
Pensioner members	4,400	15.7%
Total	27,971	100%

Projected defined benefit cost for the period to 31 March 2021

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 2021.

Period ended 31 March 2021	Assets £000	Obligations £000	Net (liability) / asset	
			£000	% of pay
Projected current service cost *	-	1,459	(1,459)	(34.5%)
Total Service Cost	-	1,459	(1,459)	(34.5%)
Interest income on plan assets	586		586	13.9%
Interest cost on defined benefit obligation		661	(661)	(15.6%)
Total Net Interest Cost	586	665	(75)	(1.7%)
Total included in Statement of Comprehensive Net Expenditure	586	2,120	(1,5384)	(36.2%)

* 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 2021 is approximately £816,000.

20. Post Balance Sheet Events

Since 31st March 2020, the spread of COVID-19 and the measures taken to contain the spread of the virus have triggered significant disruption to businesses. Shortly before the year end, the Authority closed all operations within the National Park and staff began to work from home. As lockdown restrictions have eased, the Authority planned and implemented the re-opening of visitor services in a safe manner. For 2020/21, we are forecasting reduced income from rent, planning fees and charges for services and increased costs associated with COVID-safe workplaces and visitor facilities. These costs will be partially offset by operational savings arising from the shutdown and travel restrictions.

The Authority has deemed that these events are non-adjusting subsequent events. Accordingly, the financial position and results as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact.



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