

Annual Report and Accounts 2020/21



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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 2020 to 31 March 2021 in accordance with The National Parks (Scotland) Act 2000.

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 (NDPB), 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.

Our mission is to protect and enhance Loch Lomond and the Trossachs National Park. The National Park covers an area of outstanding landscapes, habitats and communities and it’s our job to protect it and reduce the impact of visitor and recreational pressures. As a NDPB we are committed to inspire our communities, visitors and partners to work with us and enhance and promote this iconic National Park.

The National Park (Scotland) Act 2000 provides the legal framework for the creation of National Parks in Scotland. The Authority has legal status as a statutory body with statutory duties for planning and outdoor access. As a Planning Authority, we are responsible for deciding all planning applications in the National Park Area. As an Access Authority, we have a responsibility of upholding access rights as set out in the Land Reform (Scotland) Act 2003 and we encourage responsible access to outdoor spaces, while reducing the impact on habitats and protected species.

Organisational Structure

The National Park Authority Board is made up of seventeen Board Members. Five members are elected by the community and twelve are appointed by Scottish Ministers, six of these following nominations by the Local Authorities. Our Members are led by the Convener and Depute Convener. The Board agree the overall direction of the Authority and oversee the work of the Chief Executive and National Park staff. The executive management of the Authority is undertaken by an Executive team that comprises the Chief Executive and four Directors. More details on our Board and Executive team are on pages 14 and 15.

Chief Executive's Statement on Performance

The COVID-19 pandemic has had an enormous impact on our organisation and the National Park's communities, visitors, and other stakeholders. Over the past year we have worked alongside our partners to deliver on our priorities while adjusting our work plans and actions to address the many challenges created by the pandemic.

Following the onset of the pandemic, we took action to reprioritise our work to focus on the pressures the National Park faced as a result of the pandemic and to support our communities and visitors. We adjusted our Annual Operational Plan including highlighting those parts that were priorities for COVID-19 recovery, and adding a new section on the safe reopening of the National Park following lockdown. The health and wellbeing of our staff has been our number one priority through the pandemic, and in response our staff rose to the occasion to deliver for the National Park. The re-prioritisation occurred despite incredibly challenging conditions. This included the limitations we faced as the majority of our staff worked from home, many with other caring or home-schooling responsibilities, and the need to adjust our field operations in the National Park to operate in a COVID-safe way. It also included a surge in visitors to the National Park when lockdown restrictions eased, putting pressure on our communities, infrastructure, the natural environment, and staff.

Budget pressure featured through the year as our income fell and our costs rose. We were successful in securing extra Grant-in-Aid income from the Scottish Government to meet our financial obligations in 2020/21, while at the same time carefully managing vacancies and other cost drivers. We received a significant uplift in our Grant-in-Aid for 2021/22, reflecting the Scottish Government's recognition of our ability to deliver on priorities, the need to build our organisational resilience after many years of budget restraint, and for our further COVID-19 response.

Our work remains grounded in our National Park Partnership Plan (NPPP) 2018-23. Over the past year we have been limited in our ability to assess progress against the NPPP indicators of success, due to a combination of our own limited internal capacity, and constrained data availability from external providers. We expect that there will be a mixed level of performance against the indicators and that the pandemic will have impacted many of them. We will be engaging our Board in a strategic discussion on the NPPP indicators in autumn 2021 when we expect to have a more complete data set. This will consider what the pandemic might mean for our areas of focus in the remaining years of the NPPP.

The Annual Operating Plan objectives are aligned with the NPPP and the priorities from our 5 Year (Corporate) Plan.

In 2020/21, there were 44 deliverables in the Annual Operating Plan, 17 of which related directly COVID-19 recovery priorities. The majority of the deliverables were completed (31) and significant progress was made on key priorities of the plan such as climate, nature, visitor management and reopening. The remaining 13 deliverables were either postponed or partially met due to COVID-19, or cancelled.

Significant successes during the year included:

- Creating a Mission Zero Route Map for achieving net zero carbon emissions by 2030
- Delivering and supporting nature-related work on invasive species, tree planting, and deer management
- Adopting a new National Park Litter and Waste Strategy
- Undertaking three peatland restoration projects
- Implementing new infrastructure and signage related to water safety in the National Park
- Celebrating the 40th anniversary of the West Highland Way

- Reviewing the way that we support communities including facilitating new roles for the Countryside Trust whilst the Community Partnership wound down.

There was a financial underspend against budget, which arose primarily as a result of the lockdown in the last quarter and affected our delivery capacity, as well as that of our suppliers and partners. The financial position was monitored closely throughout the year and we were able to identify underspends and re-direct budget to priority areas in line with our Mission Zero and visitor management objectives. Whilst we were able to minimise the effect of the lockdown through re-deployment of capital resource, our ability to deliver a balanced budget at the year end was impacted as detailed on pages 7 and 8.

Key Issues and Risks

Through 2020/21, a strategic Corporate Risk Register has been in place, overseen by the Executive Team and Audit & Risk Committee, 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. 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 the Scottish Government.

The COVID-19 pandemic significantly impacted our organisation and changed the risks we faced through the year. The Executive Team and the Board discussed COVID-19 specific risks throughout the early months of the pandemic. Later in the year these were combined into the main Corporate Risk Register which now also reflects the COVID-19 risks.

Increased visitor pressures, the impact of COVID-19 on staff and the challenges of re-opening and operating our sites in a safe manner were all reflected in our risk register, with appropriate actions to mitigate these new risks.

At March 2021 there was one risk identified as 'high': the impact of Climate Change. Failure to adapt to and mitigate against the impacts of the Climate Emergency would result in threats to the National Park infrastructure, communities and natural capital, including landscapes and habitats. The development and implementation of the Mission Zero Route Map, the embedding of climate emergency considerations into all operational and strategic plans and the strengthening of relationships with key strategic and delivery partners to achieve positive action and change are ongoing and will help manage this risk.

The risk register was expanded to include the nature crisis and health and safety in 2020/21. Other risks in the year included business continuity, visitor pressures and budget risk. More details on the management of performance risk are included in the Performance Analysis on pages 5 and 6 and further information on risk management is included in the Governance statement on page 22.

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 in 2020/21. 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 2020/21 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 2020/21 there were also planned activities that were postponed or cancelled. A number of these were due to the onset of the COVID-19 pandemic.

Our Board approved our 2021/22 Annual Operational Plan at its March 2021 meeting. Our 2021/22 priorities are:

- Taking and inspiring action to address the global climate emergency and nature crisis
- Restoring and protecting nature in the National Park
- Working collaboratively on positive solutions to growing visitor numbers
- Making our organisation, our people, and the National Park more resilient through a green recovery.

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 Authority continues to support the Environment, Climate Change and Land Reform portfolio’s overarching aim to protect and promote Scotland’s environment and to build a strong and sustainable net-zero economy.

The delivery targets for 2020/21 were expressed in an annual operational plan supported by an annual budget that enables delivery and focuses on priorities for the year. Performance against these targets was monitored by the Executive Team and reported to the Board on a quarterly basis.

The Annual Operational Plan focuses on key priorities and was structured around five themes for the year:

1. Taking and inspiring action to address the global climate emergency and nature crisis
2. Enhancing our visitor experience, volunteering, and active living opportunities
3. Addressing the changing challenges posed by substantial visitor numbers
4. Continual improvement in delivering our core functions, including how we plan and use our resources, and meet our statutory requirements and duties
5. Delivering and facilitating a safe recovery and reopening of the National Park during the COVID-19 pandemic.

The Annual Operating Plan details specific activities and deliverables under each theme. Performance reporting to the Board includes a quarterly progress update and rating for each deliverable. Progress is categorised as complete, on track, behind schedule, at risk, postponed or cancelled.

The table below shows the progress made against the Annual Operating Plan deliverables. The final progress report for 2020/21 is available on our [website](#) and highlights the high level of success, especially on our recovery priorities and given the challenging working conditions throughout the pandemic.

| | Recovery priorities | Other deliverables | Total |
|--------------------------------------|---------------------|--------------------|-----------|
| Complete | 16 | 15 | 31 |
| Postponed to 2021/22 due to COVID-19 | 0 | 9 | 9 |
| Target partially met due to COVID-19 | 0 | 1 | 1 |
| Cancelled | 1 | 2 | 3 |
| Total | 17 | 27 | 44 |

As noted in the Performance Overview, the Corporate Risk Register is in place to manage risks in the delivery of our objectives. Risks are managed in the year and the updated Register is reviewed by the Audit & Risk Committee on a quarterly basis. COVID-19 had a significant impact on the risks faced by the Authority, and increased performance risk in delivering the outcomes within the Annual Operating Plan. However, despite the challenges in the year, the majority of deliverables were completed and the Executive and Board were satisfied with the performance and outcomes achieved in the year.

Detailed Analysis

Financial Budget Performance

The results for the year to 31 March 2021 are set out on pages 36 to 67. 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 and amortisation.

| Budget 2020/21 | Resource DEL £000 | Capital DEL £000 | Total DEL Cash Budget £000 | Non-Cash DEL £000 | AME £000 | Total Non-Cash Budget £000 |
|-------------------|-------------------|------------------|----------------------------|-------------------|----------|----------------------------|
| Budget Allocation | 7,127 | 1,333 | 8,460 | 750 | 1,850 | 2,600 |

The DEL cash budget allocation for 2020/21 was £8.46m (2019/20 - £7.70m), which was split as £7.127m (2019/20 - £6.54m) for operational cash costs and £1.333m (2019/20 - £1.16m) for capital cash costs. Funding included additional funding for operational costs and to cover the loss of revenue arising as a direct result of the COVID-19 pandemic, as well as direct funding for work relating to the delivery of peatland restoration, conservation and management in the National Park.

The non-cash budget allocated was £2.6m (2019/20 - £3.25m); £0.7m for DEL to cover our depreciation and amortisation charge for the year (2019/20 - £0.75m), £0.05m to cover expenditure relating to accruing staff benefits (previously within AME) and £1.85m for Annually Managed Expenditure (AME) to cover pension adjustments and impairments during the year (2019/20- £2.5m).

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 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* | 7,562 | | 7,562 |
| Less Non-Cash Adjustments: | | | |
| Movement in holiday accrual | (106) | | (106) |
| Depreciation and amortisation* | (691) | | (691) |

| | | | |
|---|--------------|--------------|--------------|
| Gain on revaluation of asset* | 1,221 | | 1,221 |
| Pension Adjustments (Note 19) | (725) | | (725) |
| Other Adjustments: | | | |
| Cost of Fixed Asset Additions (Notes 8/9) | | 814 | 814 |
| Capital grant funding recognised in 20/21 for Fixed Asset additions | 136 | (136) | - |
| Net capital grants and capital expenditure on others' land | (333) | 333 | - |
| Total Cash Expenditure | 7,064 | 1,011 | 8,075 |
| Total Budget | 7,127 | 1,333 | 8,460 |
| Underspend | 63 | 322 | 385 |

* Refer to Statement of Comprehensive Net Expenditure p36

| Non-Cash Expenditure | Outturn | |
|---|----------------------|--------------|
| | Non-Cash DEL £000 | AME £000 |
| Movement in holiday accrual | 106 | |
| Depreciation and amortisation* | 692 | |
| Gain on revaluation of asset* | | (1,221) |
| Pension Adjustments (Note 19) | | 725 |
| Total Non-Cash Expenditure/ (Income) | 798 | (496) |
| Total Budget | 750 | 1,850 |
| (Over)/ underspend | (48) | 2,346 |

*Refer to Statement of Comprehensive Net Expenditure p36

The budget allocation for the year from the Scottish Government included £173k of capital and £49k of resource to fund Peatland restoration, conservation and management in the National Park. In addition, £400k of resource funding was allocated during the year to fund additional operating costs and the loss of income as a result of the COVID-19 pandemic.

As noted in the Statement of Comprehensive Net Expenditure on page 36, income for 2020/21 was £2.48m (2019/20 - £1.45m) which included contributions from planning fees, property rental income, income from partners, other generated income and recharges. The Authority received grant funding from Visit Scotland under the Rural Tourism Infrastructure Fund, which contributed to the investment in visitor infrastructure at Balmaha Visitor Centre. Programme income included funding from the National Lottery Heritage Fund and other partners towards the Callander Landscape Partnership project and Leader for the West Highland Way 40th anniversary. In addition, the Authority received funding from Sustrans and NatureScot for the development and improvement of paths across the National Park. NatureScot also provided funding towards invasive species control at Inversnaid during the year.

The Statement of Comprehensive Net Expenditure on page 36 details expenditure for the year. Total expenditure was £10.04m (2019/20- £9.97m), which included depreciation and amortisation of £0.69m (2019/20 - £0.47m), net gain on revaluation of assets of £1.22m (2019/20 – net impairment of £0.74m) and pension adjustments of £0.73m (2019/20 - £0.89m).

Capital additions totalled £0.81m during the year (2019/20 - £1.32m) and these included investment in our IT infrastructure and hardware, electrification of our marine and motor fleet and continued in our visitor facilities at our sites on West and East Loch Lomond. The additions are shown in Notes 8 and 9 within Property, Plant and Equipment and Intangible Assets.

In the current year a cash underspend of £385k is reported, with revenue being £63k underspent and capital £322k underspent. Income in 2020/21 includes £118k of capital grant funding from the Rural Tourism Infrastructure Fund for upgrades to visitor facilities at Balmaha Visitor Centre, which was deferred from the prior year and was a known budget variance. With the outbreak of COVID-19 in March 2020, construction works were stopped at Balmaha at the end of the last financial year and the upgrade was not fully completed until later this year. As such, this deferral was a known capital underspend. The remaining capital underspend of £204k and the revenue underspend arose primarily as a result of the winter lockdown in the last quarter of 2020/21. We monitored financial performance closely throughout the year, especially in the last quarter, and pro-actively re-directed forecast underspends to priority areas. As a result, we were able to strengthen our fleet of electric vehicles, in line with our Mission Zero objectives, and invest in electronic visitor management signage. However, with the majority of capital works taking place in the last quarter of the year after the visitor season, lockdown impacted on our ability to complete projects and deliver a balanced capital budget.

During 2020/21, there were a number of savings in operational costs, as a result of the impact of the COVID - 19 pandemic. This included areas such as travel, catering, conferences, energy and rates. However, the Authority incurred significant additional expenditure associated with visitor management as well as a loss in planning, rental and generated income.

The final revenue position was an underspend of £63k, which reflects the variances against budget across operating income, salary costs, operating costs and projects. Forecast underspends were re-allocated to priority Estates repairs, IT and revenue projects to minimise underspend, although not all works could be completed by the end of the financial year, with contractor and staff capacity limited by the winter lockdown.

Although there is an impact of EU exit for the National Park in terms of changes in legislation and funding for land managers, these did not have a significant impact on the Authority's objectives or delivery of outcomes for 2020/21. However the supply chain disruption and port congestion caused by the global pandemic, as well as EU Exit meant it took longer to complete some projects and investments.

Non-cash AME budget is significantly underspent (£2.35m) as a result of pension adjustments and asset revaluations. Following the material uncertainty in property valuations at 31 March 2020 due to the COVID-19 pandemic, a full revaluation of our property portfolio was undertaken at 31 March 2021. We had budgeted £500k for impairment on properties on revaluation. Although there were a number of impairments across the property portfolio, overall there was a net gain on revaluation (£1.22m) following the change in valuation basis of the Gateway Centre to Depreciated Replacement Cost. In addition, the pension adjustments totalled £725k against a budget of £1.35m, resulting in an overall underspend against the AME budget.

The non-cash DEL budget was overspent by £48k primarily as a result of a larger than anticipated increase in the holiday accrual of £106k against a budget of £50k. The accrual increased as staff had more untaken holidays at 31 March 2021, due to the winter lockdown and the ability to carry forward 5 days holiday into 2021.

We managed to achieve £201k (2019/20 - £374k) of efficiency savings in 2020/21 which equates to 3.0% of resource DEL (2019/20 - 5.72%) through:

- Continued robust review of vacant positions, with roles being reviewed and not automatically replaced.
- The implementation of the Scottish Wide Area Network which reduced data charges.
- Continued budget management, with expenditure being closely monitored. Where possible and practical, internal skills were used, rather than hiring consultants or third party providers.

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 2021, the Authority paid 66% (2019/20 – 79%) of all its invoices within the terms of this payment policy. Against the contracted payment terms of 30 days, the Authority paid 94% of invoices against this target (2019/20 – 99%). The increase in the time taken to pay suppliers during the year was primarily as a result of the impact of staff working remotely from home due to the COVID-19 pandemic.

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 2020/21 and we made excellent progress on some key priorities:

- Creating and supporting a National Park Safe Recovery Action Group made up of the local authorities in the National Park, Forestry and Land Scotland, Transport Scotland and Police Scotland. This ensured a coordinated response to pandemic-related visitor pressures
- Participation in the National Visitor Management Steering Group with public bodies across Scotland to strategically coordinate on national visitor issues
- Establishing a National Park litter prevention steering group
- [Peatland Action](#)
- [Callander's Landscape](#)

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 2020/21 CLIF, the maker of CLIF BAR Energy Bars, continued to work 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 River Goil repair project to help stabilise eroding river banks and improve fish spawning habitat on the river. This work was undertaken in partnership with the Argyll Fisheries trust and Lochgoilhead Community Development Trust.

The Authority continues to work in partnership with Vango as our official camping partner. Vango are a leading Scottish camping and outdoor brand. 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. In 20/21 we shared promotion of advice on how to camp responsibly. We also ran a partnership competition aimed at families to practice responsible camping in their gardens during lockdown, in preparation for being able to return to the National Park.

Staff Engagement

During this unprecedented year staff engagement was more crucial than ever as our ways of working changed overnight. Regular and varied communication channels with staff were established as a priority with the opportunity for staff to feed in questions or concerns at any point. This continued throughout the year and a feedback questionnaire was issued. Through this combination of formal and informal initiatives, staff felt that the organisation and managers were providing the support and engagement needed.

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 2020. The report covers the following areas: Governance, Management and Strategy; Emissions, Targets and Project; Adaptation; Procurement and Wider Influence; and Other Notable Activities.

The review of this reporting by Scottish Government in late 2020 highlighted a requirement for public bodies to set and share their individual targets for becoming net zero organisations. We have therefore spent time developing our NPA Mission Zero route map, setting out the key targets and actions required to achieve net zero by 2030. It can be found on our website [here](#). The next phase of work is to create and deliver a detailed Implementation and Engagement Plan, which will outline the steps required to meet our net zero target.

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 Authority's complaints policy was updated in April 2021 to comply with changes to the Model Complaints Handling Policy issued by the SPSO.

The table below shows a breakdown of the number of complaints and information requests received. We achieved 82% compliance with response time limits for complaints during 2020/21 (2019/20 – 90%) and 98% compliance in responding to requests and reviews within statutory deadlines in 2020/21 (2019/20 – 96%). There were no requests for review of information responses in 2020/21.

| | Number received 2020/21 | Responded to within time limit 2020/21 | Number received 2019/20 | Responded to within time limit 2019/20 |
|--|-------------------------|--|-------------------------|--|
| Frontline complaints | 79 | 66 | 90 | 80 |
| Investigation complaints | 19 | 14 | 15 | 14 |
| Total complaints | 98 | 80 | 105 | 94 |
| Data Protection Subject Access Requests | 2 | 2* | 1** | 1 |
| Environmental Information Requests / Freedom of Information Requests | 49 | 48 | 54 | 52 |
| Environmental Information Requests / Freedom of Information Requests | | | | |

| | | | | |
|---|------------|------------|------------|------------|
| Reviews | 0 | 0 | 1 | 1 |
| Total requests and reviews | 51 | 50 | 56 | 54 |
| Total complaints, requests and reviews | 149 | 130 | 161 | 148 |

* 2 Subject Access Requests were received however in both cases the data subject was asked for proof of identification and clarification of their request. In both cases, no further information was provided and the files were closed.

** 2 requests were received however 1 request was withdrawn

There was an increase in the number of complex complaint investigations received, which could not be resolved within the usual 20 working days. In each case the complainer was kept informed and sent updates on the progress of the investigation at the 20 day deadline, with a revised response date given.

The Ranger Service, Estates team and Visitor Operations team processed the majority of frontline complaints. The most common frontline complaints related to the closure of the slipway as a result of the COVID-19 pandemic, as well as litter management and camping areas across the National Park. During 2020/21, 42% of complaint investigations related to planning issues (2019/20 - 53%) and 22% of the total number of information requests related to planning matters (2019/20 -38%).

Community Engagement

The Authority actively engages with local communities as part of its fourth aim to ensure we have resilient, active, empowered communities within the National Park. Engagement last year focussed heavily on addressing visitor management challenges arising from coming out of lockdown and identification of immediate and practical solutions. Core funding was provided to Loch Lomond and The Trossachs Community Partnership to support communities through the COVID-19 pandemic and to coordinate the distribution of funds secured from The Scottish Government's Supporting Sustainable Communities Fund Microgrant Scheme.

An independent review of the Community Partnership and the Countryside Trust was undertaken towards the end of 2020. These are both charitable organisations to which the Authority provides core funding. The review considered current national priorities and policies, the funding landscape and the local operating environment in which capacity, development and funding support to communities is provided. It assessed the opportunities for both organisations going forward, considering viability, funding options, governance and clarity of purpose. The review identified a small number of options and concluded that forming one single charity from the two organisations, with a refocused purpose on green recovery and the climate and nature emergency. Following this, The Community Partnership ceased operating on 31 March 2021, with The Countryside Trust taking on a strengthened role in supporting communities to take action to address climate and nature loss.

Partnership working was ongoing with our communities, and the statutory agencies that serve them, with a largely successful switch to digital engagement methods and techniques. This included support to:

- Killin, Strathfillan, Balquhidder, Lochearnhead and Strathyre communities to prepare their own Community Place Plans
- Callander Landscape Partnership, a National Heritage Lottery funded project for which a 12 month extension was granted
- The Strathard Framework – a co-designed process to prepare land use and planning guidance led by the Strathard Community, the National Park Authority and Stirling Council, with support from Architecture and Design Scotland.

The National Park Grant Scheme is open to individuals, businesses, public bodies, constituted voluntary and community groups, as well as charities. Grants totalling £98,988 were awarded through the scheme during the year (2019/20 - £72,805), with an additional £13,360 being distributed through the tree planting grant

scheme (2019/20 - £11,000). These grants are included in project expenditure within the Statement of Comprehensive Net Expenditure.

Health and Safety Performance

COVID-safe working, and COVID safety measures at our public-facing sites, became central in 2020/21 and led to big changes in how we work. Throughout the year we instituted a culture of COVID-safe working that was embedded in everything from our CEO messages, to brand new policies and procedures, new working groups, trade union liaison, and careful selection of what tasks we would carry out if they couldn't be done from home.

Alongside this we progressed compliance in other areas as lockdown restrictions eased:

- Review of H&S policies
- A new site and visitor risk assessment process
- Water Safety project where a project team is driving the RoSPA recommendations forward, including the installation of new signage and rescue equipment

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. Reporting has dropped dramatically compared to 2019/20. We consider that this is due to far less in person work during the pandemic and staff members' heightened awareness around safety. To ensure that reports continue to be submitted when needed we have been working with staff to raise awareness of the importance and requirement for reporting.

There was one RIDDOR reportable incident involving a member of the public.

| Accidents/ Incidents/ Near Miss and Hazards | Total 2020/21 | RIDDOR Reportable 2020/21 | Total 2019/20 | RIDDOR Reportable 2019/20 |
|--|----------------------|----------------------------------|----------------------|----------------------------------|
| Accident | 3 | 1 | 69 | 1 |
| Incident | 3 | - | 16 | 1 |
| Near Miss | 4 | - | 12 | - |
| Hazard | - | - | 30 | - |
| Total | 10 | 1 | 127 | 2 |

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

Gordon Watson
Chief Executive and Accountable Officer
[]September 2021

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 15. The executive management of the Authority was undertaken by the Executive Team comprising:

- Chief Executive – Gordon Watson
- Director of Environment and Visitor Services* – Simon Jones (previously Director of Conservation & Visitor Operations)
- Director of Engagement & Innovation* – Anna MacLean (previously Head of Communications)
- Director of Place* – Stuart Mearns (previously Director of Rural Development & Planning)
- Director of Corporate Services – Pete Wightman

*Effective 29 March 2021

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 which required disclosure to the Information Commissioner (2019/20 – nil). However, as noted in the Governance Statement on page 23, there were some minor data protection breaches in the early stages of remote working relating to errors made in sending emails. Advice was provided to minimise the risk of these errors recurring. Good practice guidance was issued to ensure ongoing compliance with the processing of personal data in accordance with the General Data Protection (GDPR) and Data Protection Act 2018. In order to test, assess and improve on data security penetration testing is done annually under the Cyber Security Essentials Plus programme. The Authority renewed its Cyber Security Essentials Plus certification in April 2020. The Governance Statement sets out more information on the Authority's range of internal controls and the review mechanisms to ensure data security.

Whistleblowing Policy

No whistleblowing complaints were received during 2020/21 (2019/20 – nil).

National Park Authority Board Members

Our 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](#).

In 2020/21 we sadly lost Board Members Ellen Morton and Graham Lambie following their passing in October and February respectively. The Board used time at its December and March Board meetings to reflect on and recognise the significant contributions they each made to the National Park.

We also welcomed Bobby Good and Iain Shonny Paterson to the Board. They were nominated by Argyll & Bute Council and formally appointed by the Scottish Government, filling vacancies on the Board. Mark Borthwick shadowed the Board until December 2020 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 | CE, D, PI, F | 4/4 | 6/6 | -* |
| Martin Earl | (a) | 05/07/2018 | 06/07/2022 | CE, D, F, PI | 4/4 | 5/6 | -* |
| David McCowan | (a) | 05/07/2018 | 06/07/2022 | A, CE**, PI | 4/4 | 4/6** | 3/4 |
| Willie Nisbet | (a) | 05/07/2018 | 06/07/2022 | CE, D, PI | 4/4 | 6/6 | -* |
| Billy Ronald | (a) | 05/07/2018 | 06/07/2022 | PI, F | 3/4 | 5/5 | -* |
| Claire Chapman | (b) | 01/11/2018 | 31/10/2022 | CE**, PI | 4/4 | 5/6 | -* |
| Sarah Drummond | (b) | 01/11/2018 | 31/10/2022 | D, F | 4/4 | -* | -* |
| Ronnie Erskine | (b) | 01/11/2018 | 31/10/2022 | A, CE, PI | 4/4 | 5/6 | 4/4 |
| Heather Reid | (b) | 01/11/2018 | 31/10/2022 | A, CE, D, F | 4/4 | -* | 4/4 |
| Christopher Spray | (b) | 01/11/2018 | 31/10/2022 | A, CE**, PI | 4/4 | 6/6 | 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 | 4/4 | 4/6 | -* |
| Danny Gibson | (c) | 01/10/2017 | 30/09/2022 | CE**, D | 2/4*** | -* | 1/1 |
| Graham Lambie | (c) | 01/10/2017 | 30/09/2022 (passed away 11/02/21) | A, PI | 3/3 | 6/6 | 3/3 |
| Murray Lyle | (c) | 01/10/2017 | 30/09/2022 | PI | 4/4 | 2/6 | -* |
| Ellen Morton | (c) | 01/10/2017 | 30/09/2022 (passed away 03/10/20) | CE, PI | 1/2 | 0/3 | -* |
| Bobby Good | (c) | 01/03/2020 | 30/09/2022 | PI | 4/4 | 2/2 | -* |
| Ian Shonny Paterson | (c) | 09/11/2020 | 30/09/2022 | PI | 2/2 | 2/2 | -* |

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

** Temporary appointment until 7 Dec 2020

*** Unable to access one meeting due to technical difficulties

**** Partial attendance on one occasion

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/ Futures Group (F)

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

Note the Delivery Group was disbanded during the year and the Futures Group established (refer to p5). Attendance at these Committees is not reported as these are non-statutory committees.

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 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 2020/21 is Grant Thornton UK LLP.

The Independent Auditor's Report is on page 32 and details of the auditors' remuneration are given in Note 7 of the Annual Accounts.

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, discuss emerging issues in relation to the management of governance and priority issues, maintain the sustainability and security of the organisation and advise the Board on risk, control, audit and governance. Each Committee has remit 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.

Board and Committee Structure

The National Park Authority Board is made up of seventeen Board members. The Board agree the overall direction of the Authority and oversee the work of the Chief Executive and National Park staff. The Board meet in public at least three times a year and the members are tasked with ensuring effective and proper governance of the organisation.

We have two statutory committees that are required to meet and are held in public. During 2020/21 meetings were held virtually and were webcast live for public viewing.

- The Planning & Access Committee which normally meets monthly to consider certain planning applications, enforcement actions, policy papers, legal agreements and access matters
- The Audit & Risk Committee which meets up to four times a year to support the Accountable Officer in their responsibilities for issues of risk, control and governance and associated assurance.

In addition, there are two other Committees as at 31 March 2021.

- The Chairs and Executive Group is a standing non-statutory group of the Board and is advisory only. Meetings are timed to ensure effective reporting to and advice on decision-making to the full Board and as a non-statutory group, meetings are not held in public. The meeting provides a responsive grouping of Board members and Executive team staff in order to be able to discuss emerging issues in relation to the management of governance and priority issues or developments; to maintain the sustainability and security of the organisation; and to advise the Board on strategic risk or opportunities. The Chairs and Executive Meetings report to the Board.
- The Futures Group is a non-statutory group of the Board and is not held in public. The Futures Group provides an opportunity for Board members to contribute to early thinking on strategic topics. Further details around the creation of this Group are detailed below.

The Operation of the Board and 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's Committee and Group structure was updated during the year with a view to reducing duplication in reporting and overlap of roles, whilst creating more opportunities to ensure the skills and expertise of Board members are better utilised in strategy and project development.

As a result of this review, the Board approved the dissolution of the Delivery Group and the creation of a new Futures Group.

- The Delivery Group's remit was to oversee delivery of high priority projects and provide assurance of project progress and management to the Board. However, there was duplication in the role of the Delivery Group with that of the Board and of the Audit & Risk Committee, with overlap creating inefficiencies for both Board members and staff.
- At the same time, the Committee and Group structure lacked a frequent formal opportunity for early stage project and idea development. The Futures Group was therefore established to contribute to early thinking on strategic topics or significant projects, prior to further development by staff and subsequent Board decision making.
- The Futures Group has a core membership of up to five, with all Board members and a representative of the Youth Committee being invited to attend meetings, with attendance optional according to whether the topic is of interest.
- Since the Delivery Group no longer exists to provide assurance on project risk, this responsibility now falls to the Audit & Risk Committee, where projects are identified as carrying significant risk management. This enables project risk to be considered in light of the broader Committee work, and the understanding it has of the Authority's assurance and control environment.

The results of these changes is that there are clearer routes through the governance structure to the main Board. The Futures Group provides early input on key strategic projects and the Audit & Risk Committee provides assurance. The Planning and Access Committee continues to cover statutory responsibilities for

these specific functions and the Chairs and Executive Group continues to provide early input on operational planning, budgets and Board business planning.

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

- The Board held four formal virtual meetings which were webcast live for public viewing. These meetings were supplemented by three Board update COVID calls during the first quarter of 20/21 and a strategic development day.
- The Delivery Group met once during the year before being dissolved.
- The Audit & Risk Committee met four times to review corporate risk and governance, fraud risk, the annual accounts, annual report and accounting policies and the work of Internal and External Auditors.
- The Chairs and Executive Group met ten times to discuss emerging issues in relation to governance, financial performance and strategies for the organisation. This was a significant increase in frequency, particularly in the early part of the year, which was as a result of the COVID-19 pandemic. In April 2020, the Terms of Reference were amended temporarily and membership extended to allow the Group to take urgent decisions on behalf of the Board if required, with any formal decisions being reported to the next available Board meeting.
- The Planning and Access Committee met six times to consider certain planning applications, enforcement actions, policy papers, legal agreements and access matters.
- The Futures Group met three times for early stage consideration of strategic topics.

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

- Our Mission Zero Route Map, which presents the rationale and proposed approach by which we aim to achieve net zero in terms of greenhouse gas emissions by 2030.
- Our application to become a signatory of the international Edinburgh Declaration, as part of our commitment to tackling biodiversity (nature) loss and support our ambition to show greater leadership and deliver more for restoring nature in the National Park.
- The Litter Prevention Strategy, with focus on litter and flytipping as an integrated Visitor Management issue.
- The National Park Recovery Plan, incorporating a reprioritised 2020/21 Annual Operating Plan, setting out the adjustment to delivery plans in response to COVID-19.
- A revised Annual Budget for 20/21 taking into account the impact of COVID-19 on both income and costs.
- Ratification of decisions taken by correspondence in accordance with the Standing Orders as a result of the COVID-19 pandemic.
- The dissolution of the Delivery Group and the creation of the Futures Group
- Review and update of temporary COVID-19 governance arrangements.
- The Annual budget and Annual Operating Plan for 2021/22.
- The 2019/20 draft Annual Report and Accounts.
- Approval of the appointments of
 - the Depute Convenor,
 - Chair, Depute Chair and membership of the Planning and Access Committee,
 - Chair, Depute Chair and membership of the Audit and Risk Committee,
 - Chair, Depute Chair and membership of the Futures Group.

Internal Audit

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 Internal Audit function independently follow up on the implementation of recommendations and report their findings to the Audit & Risk Committee. The Audit & Risk Committee reports to the Board on the adequacy and effectiveness of the Authority's internal controls.

The Internal Audit function is an integral element of the Authority's internal control systems. Audit Glasgow, part of the Glasgow City Council internal audit team, were awarded the contract for Internal Audit Services following the procurement process for three years from 1 April 2020 to 31 March 2023, with provision for a two year extension.

The Internal Auditors presented the Internal Audit Annual Plan for 20/21 and the Audit Universe, which details the key areas that they plan on covering over the three year period to the Audit & Risk Committee. Over the course of the year to 31 March 2021, Internal Audit have reported to the Audit & Risk Committee on their independent reviews on Assurance Mapping and Financial Governance. Audits were completed on Fleet Management and IT Governance during the year, with the findings being reported to the Audit & Risk Committee in June 2021.

As part of the internal audit process, each member of the Executive team prepares an annual statement of assurance that is presented to myself as CEO and 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.

External Audit

Grant Thornton LLP are in the fifth year of their five year term as the Authority's External Auditor. The COVID-19 pandemic 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 extended the current audit appointments by one year, 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 extension is through to the audit of the 2021/22 year so the Authority will retain Grant Thornton LLP throughout this period.

Fraud, Bribery and Corruption

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 Fraud Risk Register and Fraud Assessment were re-assessed during the year in light of changes in risk as a result of the pandemic. The results of the review were presented to the Audit & Risk Committee.

Best Value

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 and Risk Committee. The Audit and Risk Committee received the Annual Report on Best Value for 2020/21 in [September 2021] 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.

COVID-19 Governance Arrangements

Shortly prior to the end of March 2020, 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:

- Formal agreement that for the duration of the social distancing restrictions Board, Committee meetings and the Local Review Body would be held virtually, in line with the provisions in the Standing Orders.
- 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 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 allowed 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 were reported to the next available Board meeting.
- These measures were reviewed at the 14 September 2020 Board Meeting, where the amendment of the Terms of Reference of the Chairs and Executive Meeting and the List of Powers was ended.
- The temporary appointments of an additional Vice Convenor/ Vice Chair positions for the Board, Planning and Access Committee and Audit & Risk Committee were extended to 7 December 2020, when these came to an end.
- Board, Committee and Local Review Body meetings continue to be held virtually, until government restrictions on physical distancing and lifted such that in person meetings can be held safely.

The Board Standing Orders were formally updated during the year in light of the COVID-19 pandemic, covering areas such as business continuity and voting in virtual meetings. In addition to the formal governance changes implemented and increased Chairs and Executive meetings in 2020/21, informal conference calls were held with all Board members to ensure all members were 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 the 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. Over the year we re-opened facilities in line with the Scottish Government route map and many field staff have returned to their roles as lockdown and travel restrictions have eased. However, throughout the year, in line with social distancing and government requirements, a significant number of our staff continued to work at home and 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.

As noted in the Overview on page 4, the Executive prepare a Corporate Risk Register, which is reviewed by the Audit & Risk Committee quarterly to provide scrutiny and oversight of the risks throughout the year. The pandemic significantly changed the risks that we face as an organisation and required us to respond swiftly to these changes. In response, a specific COVID-19 Corporate Risk Register was established and reviewed by the Board in June 2020 and the Audit & Risk Committee in September 2020. The COVID-19 and Corporate Risk Register were then re-combined later in the year, ensuring that all key risks were captured and monitored cohesively. Since the dissolution of the Delivery Group, the Project Risk Register has been reviewed by the Audit and Risk Committee. In addition to the COVID-19 risks, risks around the nature crisis and health and safety were added to the Risk Register during the year. There was increased focus on business continuity in terms of key staff and systems and the budget risk also shifted, following the significant uplift in Grant in Aid for 2021/22.

The Risk Register has evolved during the year to reflect the changes the Authority has faced. Our approach to risk continues to advance and a new Risk policy is planned for 2021/22, covering risk management, appetite and tolerance. This policy will continue to ensure that the Audit & Risk Committee provide robust assurance to the Board on the monitoring and review of risk.

As noted in the Performance Analysis on pages 5 and 6, 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 and delivery. Any increased risk to achievement of targets is assessed, reported to the Executive Team, and, where required, remedial action determined and implemented.

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 2020/21 we have continued to implement improvements to increase our data and systems security such as;

- updating End of Life Operating systems and implementing Server 2019
- replacing our single Firewall with a pair of next generation firewalls increasing both our security and resilience
- upgrading our VPN solution in order to maintain secure remote working during the pandemic
- effective security patching
- the implementation of network monitoring appliance.
- upgrading End of Life Wireless Access Points at all sites
- upgrading servers and storage in order to increase capacity for remote working

The Authority has undertaken a review of our cyber resilience over the last three years and we have been delivering beyond the minimum security benchmark that was set by the Scottish Government in the Cyber Resilience Action Plan for 2017/18.

- The Authority's Cyber Essentials Plus certificate was renewed again 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.

- We have implemented the National Cyber Security Centre's Active Cyber Defence programme, which includes protective DNS, email and web site monitoring.
- The ICT team are members of the Cyber Security Information Sharing Partnership, which is a joint industry and government initiative set up to allow UK organisations to share cyber threat information in a secure and confidential environment
- Cyber security training is available to all staff and is now included in the staff induction pack.
- We have implemented Machine Learning based Anti-virus and Network monitoring solutions.
- We have implemented a Cyber Incident Response Plan (CIRP)

With staff being required to work from home during the year, good practice guidance was issued to ensure ongoing compliance with the processing of personal data in accordance with the General Data Protection (GDPR) and Data Protection Act 2018. There were some minor data protection breaches in the early stages of the lockdown relating to errors made in sending emails. There were no cases which required reporting to the Information Commissioner and advice was offered in each case to minimise the risk of errors recurring. There has been a gradual increase in the use of privacy notices and data protection impact assessments, and new staff continue to receive induction training on data protection on a one to one basis.

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 for 2020/21 concluded that the Authority has a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The Internal Auditor's annual report for 2020/21 states that based on the audit work undertaken and the assurances provided by the Executive Team, in the opinion of the Internal Auditors, reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2020/21 within the Authority.

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 2020/21, the Convenor, as authorised by the Board, implemented the 3% 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 Notes 1.21 and 19 of the Annual Accounts.

Disclosure of Remuneration – Chief Executive and Executive Team*

| Year ended 31 March 2021 | Salary band at 31/3/21 £000 | Salary band paid during 2020/21 £000 | Allowances band £000 | Accrued Pension Benefits (1) £000 | Total Remuneration Band £000 |
|---|-----------------------------------|---|-------------------------|---|---------------------------------------|
| Chief Executive Gordon Watson | 90-95 | 90-95 | 0 | 52 | 140-145 |
| Directors | | | | | |
| Simon Jones | 60-65 | 60-65 | 0-5 | 23 | 90-95 |
| Anna MacLean | 55-60 | 50-55 | 0 | 18 | 65-70 |
| Stuart Mearns | 60-65 | 55-60 | 0 | 25 | 80-85 |
| Pete Wightman | 60-65 | 55-60 (2) | 0 | 20 | 75-80 |

(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).

(2) Pro-rata reflects flexible working arrangement

| Year ended 31 March 2020 | Salary band at 31/3/20 £000 | Salary band paid during 2019/20 £000 | Allowances band £000 | Accrued Pension Benefits (1) £000 | Total Remuneration Band £000 |
|---|-----------------------------------|---|-------------------------|---|---------------------------------------|
| Chief Executive Gordon Watson | 85-90 | 85-90 | 0 | 43 | 130-135 |
| Directors and Senior Employees | | | | | |
| Simon Jones | 60-65 | 60-65 | 0-5 | 23 | 85-90 |
| Anna MacLean | 45-50 | 45-50 | 0 | 18 | 65-70 |

| | | | | | |
|-------------------|---------|-------|-----|----|-------|
| Stuart Mearns | 55-60 | 55-60 | 0 | 24 | 75-80 |
| Pete Wightman (1) | 60-65 | 25-30 | 0 | 8 | 30-35 |
| 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 was £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).

There were no other emoluments paid to the Chief Executive and the Executive Team in the year ended 31 March 2021 (2019/20 – nil).

| Year ended 31 March 2021 | Real increase in pension value £000 | Real increase in related lump sum £000 | Total accrued pension at 31 March 2021 £000 | Total related lump sum at 31 March 2021 £000 | Cash equivalent transfer value at 31 March 2021 £000 | Real increase in cash equivalent transfer value (1) £000 |
|-----------------------------|--|---|---|--|--|--|
| Chief Executive | | | | | | |
| Gordon Watson | 2.5-5 | 0-2.5 | 50-55 | 80-85 | 785 | 50 |
| Directors | | | | | | |
| Simon Jones | 0-2.5 | 0-2.5 | 5-10 | 0-5 | 92 | 15 |
| Anna Maclean | 0-2.5 | 0-2.5 | 5-10 | 0-5 | 83 | 9 |
| Stuart Mearns | 0-2.5 | 0-2.5 | 10-15 | 0-5 | 138 | 14 |
| Pete Wightman | 0-2.5 | 0-2.5 | 0-5 | 0-5 | 15 | 6 |

(1) Excluding inflation and Executive contributions

| 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 | | | | | | |
| Simon Jones | 0-2.5 | 0-2.5 | 5-10 | 0-5 | 71 | 17 |
| Anna Maclean | 0-2.5 | 0-2.5 | 5-10 | 0-5 | 69 | 14 |
| Stuart Mearns | 0-2.5 | 0-2.5 | 10-15 | 0-5 | 118 | 22 |
| Pete Wightman (1) | 0-2.5 | 0-2.5 | 0-5 | 0-5 | 4 | 2 |
| 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

Gordon Watson, Simon Jones, Anna Maclean, Stuart Mearns and Pete Wightman 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 2021 (2019/20 – 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 2021 (2019/20 – 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 £31,115 (2019/20 - £27,210). The pay multiple between the mid-point of the highest paid director's banding £84,533 - £95,352 and the median total remuneration of all staff was 3.0 (2019/20 – £82,533- £93,352 and 3.3). The decrease in the multiple is as a result of the increase in the median salary, which reflects the staff mix at 31 March 2021 and the Scottish Government's public sector pay policy.

Analysis of Board Members' Fees and Expenses

| Board member | Nature of appointment | 2020/21 Fees £ | 2020/21 Expenses (2) £ | 2019/20 Fees £ | 2019/20 Expenses (2) £ |
|----------------|-----------------------|-------------------|---------------------------|-------------------|---------------------------|
| Bob Daracott | (a) | 16,353 | - | 9,956 | - |
| Martin Earl | (a) | 10,255 | 15 | 9,956 | 343 |
| David McCowan | (a) | 7,691 | - | 7,467 | - |
| Willie Nisbet | (a) | 15,382 | - | 14,934 | 331 |
| Billy Ronald | (a) | 7,691 | - | 7,467 | - |
| Claire Chapman | (b) | 7,691 | - | 7,467 | 869 |
| Sarah Drummond | (b) | 7,691 | - | 7,467 | 1,527 |

| | | | | | |
|----------------------|-----|----------------|-----------|----------------|---------------|
| Ronnie Erskine | (b) | 10,255 | - | 9,956 | 868 |
| Heather Reid | (b) | 12,773 | - | 7,467 | - |
| Christopher Spray | (b) | 7,691 | - | 7,467 | 744 |
| James Stuart | (b) | 20,509 | - | 19,912 | 5,348 |
| Diane Docherty | (c) | 7,691 | - | 7,467 | - |
| Danny Gibson | (c) | 7,691 | - | 7,467 | - |
| Graham Lambie | (c) | 6,719 | - | 7,467 | - |
| Murray Lyle | (c) | 7,691 | - | 7,467 | 167 |
| Ellen Morton | (c) | 5,748 | - | 14,934 | - |
| Bobby Good | (c) | 6,354 | - | - | - |
| Iain Shonny Paterson | (c) | 3,044 | - | - | - |
| Barbara Morgan(1) | (c) | - | - | 2,790 | - |
| | | 168,920 | 15 | 157,108 | 10,197 |

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

(1) 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.

The increase in Board Member fees arose as a result of the 3% pay award, changes in Board membership and remuneration for additional responsibility assumed by Board Members.

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. Two members of staff at the Authority (1.8 FTE) were Trade Union officials during the year and are paid for facility time. Total facility time for these employees totalled 66 hours, which as a percentage of working hours was between 1 and 50%. The total cost of facility time was £1,589 which represents less than 1% of the total pay bill of £6.3m (excluding board members). 100% of time spent on trade union activities by relevant union officials was paid facility time.

During 2020/21 key matters on which UNISON representatives were consulted were:

- COVID safe working
- Equality and Diversity
- Pay negotiations
- Policy development and review

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. 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. Our [latest mainstreaming report](#) was published in April 2021.

This year we are particularly proud of being awarded a Flexibility Works 'Highly Commended' at the Flexibility Works employer awards which demonstrates our commitment to flexible working. In addition to this we held

our first internal engagement workshop inviting staff to shape our equality outcomes for the next 4 years. The virtual session was followed up by a survey which gave all staff another opportunity to feed into the process. We have also secured 'Promoting equality of opportunity, diversity and inclusion' training which will be rolled out to all staff in 21/22.

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 mainstream equality and diversity in every aspect. We have a ParkForAll working group where representatives from throughout the organisation, chaired by a Director, provide leadership and cultural change support to the organisation to deliver against our equalities duties ensuring equality is embedded into all work areas. Together our policies, strategies and approaches will support us in changing behaviours and culture to create a fully inclusive organisation and becoming representative of the society we serve, at all levels.

The Authority is committed to providing equal opportunities in employment and avoiding unlawful discrimination within the organisation. We are committed to avoiding unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for learning and development, pay, benefits discipline and selection for redundancy. This includes, but is not limited to disabled candidates and employees. We have an Equal Opportunities Policy and ensure that we take reasonable steps to avoid features in our premises or policy or practice which puts a disabled person at a substantial disadvantage compared to people who are not disabled. We welcome applications for employment from all backgrounds. Person specifications are limited to those requirements that are necessary for the effective performance of the job. Candidates are assessed objectively against the requirements of the job, taking account of any reasonable adjustments that may be required for candidates with a disability.

Staff Composition*

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

| Headcount | 31 March 2021 | | | 31 March 2020 | | |
|-----------------|---------------|-----------|------------|---------------|-----------|------------|
| | Female | Male | Total | Female | Male | Total |
| Executive Team | 1 | 4 | 5 | 1 | 4 | 5 |
| Other Employees | 88 | 62 | 150 | 96 | 75 | 171 |
| Total | 89 | 66 | 155 | 97 | 79 | 176 |

Other Staff Details

| Staff Numbers | 2021 | 2020 |
|---|-------|-------|
| Average Number of Board Members during the Year | 17 | 16 |
| Average Number of Full Time Equivalent Employees during the Year | 135.0 | 143.4 |
| Analysis of Average Number of Full Time Equivalent Employees | | |
| Permanent | 110.0 | 110.8 |
| Fixed Term | 17.8 | 25.0 |

| | | |
|--------------|--------------|--------------|
| Seasonal | 7.2 | 7.6 |
| Agency | - | - |
| Total | 135.0 | 143.4 |

| Numbers of staff with salaries above £70,000 (including Chief Executive) | 2021 | 2020 |
|---|-------------|-------------|
| £85,001 - £90,000 | 1 | 1 |
| £70,001 - £85,000 | - | - |

| Board Member and Staff Costs (Note 6)* | Note | 2021 | 2020 |
|--|-------------|------------------|------------------|
| | | £ | £ |
| Board Members' Fees | | 168,920 | 157,108 |
| Social Security Costs | | 5,199 | 4,770 |
| Total Board Members | | 174,119 | 161,878 |
| Permanent Staff Salaries | | 3,684,257 | 3,621,630 |
| Social Security Costs | | 361,595 | 348,724 |
| Pension Costs | | 689,305 | 669,560 |
| Total Permanent Staff | | 4,735,156 | 4,639,914 |
| Other Staff Salaries | | 839,735 | 898,069 |
| Social Security Costs | | 70,526 | 70,107 |
| Pension Costs | | 143,630 | 137,735 |
| Total Other Staff | | 1,053,892 | 1,105,911 |
| Apprenticeship Levy | | 8,777 | 8,312 |
| Increase/ (decrease) in holiday accrual | | 105,779 | (1,017)* |
| Deduct: Included in Programme and Project figures | | (188,927) | (230,704) |
| Deduct: Included in Fixed Assets additions (capitalised salaries) | | (6,187) | (119,028) |
| Total Permanent and Other Staff costs before adjustments for pensions reporting | | 5,708,490 | 5,403,388 |
| <u>Adjustments for Pensions Reporting</u> | | | |
| Add: Current Service Costs | 19 | 1,484,000 | 1,775,000 |
| Add: Past Service Costs | 19 | - | (202,000) |
| Less: Employer's Contribution | 19 | (833,000) | (819,000) |
| Total Permanent and Other Staff costs after adjustments for pensions reporting | | 6,359,490 | 6,157,388 |
| Total Board Member and Staff Costs | | 6,533,609 | 6,319,266 |

Staff Turnover

Staff turnover, excluding seasonal staff was 3% compared to 13% in 2019/20. The fall was as a result of the COVID-19 pandemic and the impact on the labour market.

Wellbeing

During the year, the Authority recorded an average loss of 4.1 days per employee for sickness absence. The sickness absence level for 2020/21 is a decrease from last year's figure of 9.1 days. Like other organisations we have seen a decrease on absences other than those COVID-19 related while working from home restrictions have been in force.

The health and wellbeing of our staff continues to be a priority especially since the outbreak of the COVID-19 pandemic. We continue to have support our staff by providing:

- 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.

Work has begun to establish what our working lives will look like once restrictions have been lifted, we will ensure that we further develop the successful changes forced by the pandemic. Staff will be fully engaged in designing the future ways of working with clear targets for the coming year.

Expenditure on Consultancy and Off Payroll Arrangements

The Authority had no consultancy remuneration or off payroll arrangements in the year ended 31 March 2021 (2019/20 – 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 6 to 9. A net cash underspend of £385k was reported for the year to 31 March 2021, with revenue being £63k underspent and capital £322k underspent. The capital underspends includes £118k of income which was deferred from 2019/20 and was a known underspend. The remaining underspends arose primarily as a result of the unexpected winter lockdown, which impacted the delivery of both capital and revenue projects in the last quarter of the year. Non cash expenditure was £2.3m under budget, as the full revaluation of the property portfolio at 31 March 2021 resulted in a net gain on revaluation, following the change in valuation of the Gateway Centre.

Income for 2020/21 includes planning fees, property rental income, income and grant funding from partners, recharges and generated income, which includes boat registration, launch fees, camping income and car parking charges.

Expenditure for 2020/21 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 and amortisation, impairment on property revaluation, movement in the holiday accrual and pension adjustments.

Gifts and Charitable Donations

Gifts totalling £70 were made in the year (2019/20 - £629). There were no charitable cash donations made in the year (2019/20- nil).

Losses, Special Payments and Write-offs

There was a bad debt provision for £29,051 in the year and no bad debt write offs (2019/20 - nil). There was one special payment of £5,000 in the year and no stock write-offs (2019/20 - nil). There were no losses arising from asset write offs (2019/20- £1,672).

Remote Contingent Liabilities

There were no remote contingent liabilities as at 31 March 2021.

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

Gordon Watson

Chief Executive and Accountable Officer

[] September 2021

DRAFT INDEPENDENT AUDITOR'S REPORT

Reporting 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 2021 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, 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 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2021 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 2020/21 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (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 five 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.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

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

Responsibilities of the Accountable Officer for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result 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.

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.

Reporting on regularity of expenditure and income

Opinion on regularity

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

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, 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.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report

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

Statutory other information

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

Our responsibility is to read all the statutory other information and, in doing so, consider whether the statutory 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this statutory other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

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

Matters on which we are required to report by exception

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

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

Date:

110 Queen Street

Glasgow

G1 3BX

2. ANNUAL ACCOUNTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Year ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|------|---------------------|--------------------|
| Expenditure | | | |
| Programme Expenditure | 3 | (463,355) | (436,859) |
| Project Expenditure | | (691,530) | (477,088) |
| Board Members and Staff Costs | 6 | (6,533,609) | (6,319,266) |
| Other Operating Costs | 7 | (1,661,889) | (1,526,444) |
| Depreciation and Amortisation | 8/9 | (690,838) | (470,316) |
| Provision for Impairment of Assets | | - | (742,779) |
| Loss on Disposal of Property, Plant & Equipment | | - | (1,672) |
| | | <u>(10,041,221)</u> | <u>(9,974,424)</u> |
| Income | | | |
| Planning Fees | | 121,527 | 182,391 |
| Programme Income | 3 | 463,355 | 436,859 |
| Project Income | | 233,989 | 393,918 |
| Other Income | 5 | 430,502 | 417,235 |
| Profit on Disposal of Property, Plant & Equipment | | 8,856 | 15,461 |
| Net Gain on Reversal of Property Impairment on Revaluation of Assets | | <u>1,220,640</u> | <u>-</u> |
| Total Income | | <u>2,478,869</u> | <u>1,445,864</u> |
| Net Expenditure | | (7,562,352) | (8,528,560) |
| Interest Receivable | | <u>408</u> | <u>2,224</u> |
| Net Expenditure for Year | | <u>(7,561,944)</u> | <u>(8,526,336)</u> |
| Other Comprehensive Net Expenditure | | | |
| Net Gain on Revaluation of Property | | 1,119,121 | 107,723 |
| Actuarial Gain on Pension Scheme | | <u>2,629,000</u> | <u>2,843,000</u> |
| | | <u>3,748,121</u> | <u>2,950,723</u> |
| Total Comprehensive Net Expenditure | | <u>(3,813,823)</u> | <u>(5,575,613)</u> |

No activities were discontinued during the year.

The notes on pages 40 to 67 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------|-------------------|
| Non-current Assets | | | |
| Property, plant and equipment | 8 | 11,032,879 | 10,274,153 |
| Intangible assets | 9 | 9,500 | 13,375 |
| Investments | 10 | - | - |
| Trade and other receivables | 11 | 19,443 | 29,455 |
| Total Non-current Assets | | 11,061,822 | 10,316,983 |
| Current Assets | | | |
| Inventories | | 5,074 | 7,788 |
| Trade and other receivables | 11 | 501,919 | 673,261 |
| Cash and cash equivalents | 12 | 1,041,103 | 151,206 |
| Total Current Assets | | 1,548,096 | 832,255 |
| Total Assets | | 12,609,918 | 11,149,238 |
| Current Liabilities | | | |
| Trade and other payables | 13 | 1,583,386 | 1,103,231 |
| Total Current Liabilities | | 1,583,386 | 1,103,231 |
| Non-current Assets less Net Current Liabilities | | 11,026,532 | 10,046,007 |
| Non-current Liabilities | | | |
| Trade and other payables | 13 | 196,665 | 250,518 |
| Pension fund liability | 19 | 6,276,000 | 2,922,000 |
| Total Non-current Liabilities | | 6,472,665 | 3,172,518 |
| Total Liabilities | | 8,056,051 | 4,275,749 |
| Assets less Liabilities | | 4,553,867 | 6,873,489 |
| Taxpayers' Equity | | | |
| General Reserve | | 5,824,334 | 4,053,846 |
| Revaluation Reserve | | 4,997,533 | 5,733,643 |
| Donated Asset Reserve | | 8,000 | 8,000 |
| Pension Reserve | 19 | (6,276,000) | (2,922,000) |
| Total Taxpayers' Equity | | 4,553,867 | 6,873,489 |

The Accountable Officer authorised these financial statements for issue on [] September 2021

Gordon Watson
Chief Executive & Accountable Officer

The notes on pages 40 to 67 form part of these Accounts.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-------------------------|-----------------------|
| Cash Flows from Operating Activities | | | |
| Net Expenditure before Interest | | (7,562,352) | (8,528,560) |
| Adjustments for items not involving the Movement of Cash | | | |
| Pension adjustments in Other Income | 5 | 74,000 | 133,000 |
| Net pension adjustments in Staff Costs | 6 | 651,000 | 754,000 |
| Depreciation and Amortisation | 8/9 | 690,838 | 470,316 |
| Gain in revaluation of assets | | (1,220,640) | |
| Provision for impairment of assets | | - | 742,779 |
| (Gain) on sale of property, plant & equipment | | (8,856) | (13,789) |
| Movements in Working Capital | | | |
| Decrease/(Increase) in trade and other receivables | | 171,342 | (346,781) |
| Increase/ (Decrease) in trade and other payables | | 63,137 | (146,006) |
| Decrease/ (Increase) in inventories | | 2,714 | (3,017) |
| Movement in Non-current Assets and Liabilities | | | |
| Decrease/ (Increase) in trade and other receivables > 1 year | | 10,012 | (27,072) |
| (Decrease)/ Increase in trade and other payables > 1 year | | (53,853) | 79,466 |
| Net Cash Outflow from Operating Activities | | <u>(7,182,658)</u> | <u>(6,885,664)</u> |
| Cash Flows from Investing Activities | | | |
| Bank interest received | | 408 | 2,224 |
| Purchase of property, plant & equipment and intangible assets | | (396,709) | (1,196,458) |
| Proceeds from sale of property, plant & equipment | | <u>8,856</u> | <u>15,461</u> |
| Net Cash Outflow before Financing | | (7,570,103) | (8,064,437) |
| Cash flows from Financing Activities | | | |
| Cash allocation applied to Operating Costs | 2 | 7,127,000 | 6,541,000 |
| Cash allocation applied to Capital Expenditure | 2 | <u>1,333,000</u> | <u>1,160,000</u> |
| Net (Decrease)/ Increase in Cash and Cash Equivalents | | 889,897 | (363,437) |
| Cash and cash equivalents at the beginning of the period | 12 | <u>151,206</u> | <u>514,643</u> |
| Cash and Cash Equivalents at the End of the Period | 12 | <u><u>1,041,103</u></u> | <u><u>151,206</u></u> |

The notes on pages 40 to 67 form part of these Accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
For the Year Ended 31 March 2021

| | General Fund £ | Revaluation Reserve £ | Donated Asset Reserve £ | Pension Fund £ | Total £ |
|---|----------------------|-----------------------------|----------------------------------|----------------------|------------------|
| 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) | - | - | - | (8,526,336) |
| 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 |
| Balance at 1 April 2020 | 4,053,846 | 5,733,643 | 8,000 | (2,922,000) | 6,873,489 |
| Cash Allocation* | 8,460,000 | - | - | - | 8,460,000 |
| Net Expenditure after interest | (7,561,944) | - | - | - | (7,559,948) |
| Loss on revaluation of property | - | (853,900) | - | - | (853,899) |
| Release of revaluation reserve to general reserve to offset increased depreciation on revalued assets | 147,432 | (147,432) | - | - | - |
| Write back of depreciation on revaluation | - | 265,222 | - | - | 265,221 |
| Pension fund actuarial loss | - | - | - | (2,629,000) | (2,629,000) |
| IAS 19 pension adjustment | 725,000 | - | - | (725,000) | - |
| Balance at 31 March 2021 | 5,824,334 | 4,997,533 | 8,000 | (6,276,000) | 4,555,863 |

* 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 direction issued by Scottish Ministers under Section 25 of The National Parks (Scotland) Act 2000 and 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 (FRoM), 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. The Board and Accountable Officer's assessment of the going concern basis has been based on confirmation of Grant in Aid and prudent financial forecasts.

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 to fair value as determined by the relevant accounting standard.

1.2 Accounting Period

The accounting period commenced on 1 April 2020 and ended on 31 March 2021.

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. Assets are subject to formal revaluation with sufficient frequency to ensure that the carrying value is not materially different than if a full revaluation were to be undertaken.

A quinquennial valuation is carried out on land and buildings by a professional valuer. The value of non-specialised assets is assessed as market value based on the 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 the quinquennial valuation supplemented by an interim professional valuation in year 3 and annual indexation in years 1, 2 and 4 using published indices.

A full revaluation is undertaken where there is a risk around material movement in the property valuation. 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.

Following the initial recognition of an intangible asset, where an active (homogeneous) market exists, intangible assets other than those that are held for sale should be carried at current value in existing use at the reporting period date. Where an active market exists current value is based on the market value in existing use. Where no active market exists, intangible assets are revalued, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the asset should be valued using depreciated replacement cost.

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 2023 for the Authority. 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.

1.4 Investments

Investments are recognised in line with IFRS 9 Financial Instruments (Note 1.16) and are recognised when the Authority becomes party to the contractual provisions of the investment.

Investments 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 of ownership are transferred.

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.

1.5 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 2023 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

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

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

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.

All income from contracts with customers is recognised in accordance with IFRS15, which depicts the transfer of goods and services to customers in an amount that reflects the consideration to which the Authority expects to be entitled to in exchange for those goods or services. Revenue is recognised in accordance with that core principle by applying the following steps:

- Identification of contract with a customer
- Identification of the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the performance obligation is satisfied and control of the goods or service has been passed over.

Grant income is recognised in line with IAS 20 when it is receivable. If entitlement of grant income is subject to performance conditions, the income is recognised as the performance conditions are met.

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 grant 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

1.10 Expenditure

Expenditure is accounted for and charged to the Statement of Comprehensive Net Expenditure in the year to which it relates, and not to when cash payments are made or received. Staff costs are accounted for in the year that salaries are earned, together with the employer costs.

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

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 1.21 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 holiday days and flexitime when employees render service that increase their entitlement to these benefits. As a result an accrual has been made for actual holidays and flexitime earned but not yet taken or paid at 31 March 2021.

1.13 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at commercial banks and in hand. Cash received from the Scottish Government DEL cash budget (Grant in Aid), income from other sources and contributions is held as short term, liquid cash at commercial banks. The Authority has no powers to borrow money or to invest surplus funds. The cash held funds the Authority's obligations as these fall due.

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 2021.

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 2021.

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.

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

The preparation of the financial statements requires the Board and the Accountable Officer to make judgements, estimates and assumptions that affect the application of the accounting policies outlined above and the reported amounts of assets, liabilities, income and expenses.

Critical accounting judgements relate to the selection and application of accounting policy, whereas estimates relate to material estimation and associated assumptions, based on historical experience and other factors that are considered to be relevant.

There are limited areas where judgement and estimates have to be made, however these relate to material valuations and disclosure.

Judgements

(a) Valuation of Land and Buildings

As detailed in Note 1.3, assets are subject to formal revaluation with sufficient frequency to ensure that the carrying value is not materially different than if a full revaluation were to be undertaken. All land and buildings are valued using professional valuations in accordance with IAS 16 every five years supplemented by an interim valuation in year three. Valuations are also carried out on initial recognition of new land and buildings and where there is a risk around material movement in property valuations. The quinquennial valuation was carried out as at 31 March 2019. Ryden LLP provide the Authority's property valuations and are a Royal Institute of Chartered Surveyors (RICS) Regulated firm.

In 2019/20 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.

At 31 March 2020, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), a material uncertainty was 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.*'

Although the valuer declared a material valuation uncertainty at 31 March 2020, the valuer continued to exercise professional judgement in preparing the valuation which reflected all evidence available at the time it was carried out and could be relied upon. However, in making judgements on the measurement of assets at 31 March 2021, the Authority recognised that there may be greater uncertainty in markets on which the valuation for assets formally valued at 31 March 2020 and at 31 March 2019 were based. Given this uncertainty, a full revaluation of the property portfolio was conducted at 31 March 2021. Although the next quinquennial valuation was not due until 31 March 2024 under the accounting policy, it was decided that the entire

portfolio should be subject to formal revaluation to ensure that the carrying value was not materially different than if a full revaluation had been undertaken.

The valuer has recommended that a review of the valuations is undertaken in the next 12 months and that the Authority considers the economy and market to ascertain if there is some uncertainty in the market at 31 March 2022.

The Board and Accountable Officer do not consider there to be any other critical accounting judgements requiring disclosure beyond the full revaluation of the property portfolio at 31 March 2021 and the application of the accounting policies above.

Estimates

The following are the critical estimates that have the most significant effect on the amounts recognised in the accounts.

(a) Valuation of Land and Buildings

The valuation report provided at 31 March 2021 highlights that there has been a degree of uncertainty due to COVID-19, however the valuer's opinion is that there is enough evidence to provide robust valuations which are accurate and based on current market activity. In this regard, they do not believe that there is an overriding sense of material uncertainty as at 31 March 2021 and the valuation has sufficient information to provide accurate valuations.

While there remains some uncertainty at 31 March 2021, the valuer has concluded that there is no material variation uncertainty in the current year.

Ryden LLP must ensure that all processes and valuations are fully compliant with the RICS Valuation – Global Standards 2021 (The Red Book), with the latest edition having taken effect from 31 January 2021. Assets are on the basis of either market value in existing use or Depreciated Replacement Cost.

A variance of 10% in the revaluation of land and buildings carried out as at 31 March 2021 would total £101k.

(b) 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 and includes a number of assumptions. Details of assumptions including discount rate, life expectancies and increases in inflation and salary rates are included in Note 19 on p65. The actuary conducts a formal triennial valuation of the fund, the most recent valuation being conducted as at 31 March 2020.

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 2021 to 31 March 2024. The balance sheet position as at 31 March 2021 and the projected cost for 2021/22 are based on the roll forward from the valuation at 31 March 2020. In preparing the valuation, no allowance is made for the effect of changes in membership since the last formal valuation date.

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 2021. The pension liabilities are valued on an actuarial basis, using the actuary's standard assumptions, appropriate for the Authority's liability profile.

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

| Change in assumptions as at 31 March 2021 | Approximate % increase to Employer Liability | Approximate monetary amount £000 |
|--|---|---|
| 0.5% decrease in Real Discount Rate | 12% | 4,762 |
| 0.5% increase in the Salary Increase Rate | 2% | 576 |
| 0.5% increase in the Pension Increase Rate | 11% | 4,082 |

The actuary has allowed for the impact of recent court cases around GMP equalisation and the McCloud judgement (i.e. any active member who was a participant of the Fund as at 1 April 2012 will be given the greater of the final salary pension or CARE pension upon retirement) in the funding valuation position at 31 March 2020. As such these allowances are automatically included within the valuation at 31 March 2021. No allowances have been made for the impact of other recent legal judgements.

1.22 Changes in Accounting Standards

(a) Standards, amendments and interpretations effective in 2020/21

IFRS 16 Leases 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 2020/21 FReM. Following the COVID-19 pandemic, the implementation of this standard has been delayed by another year and it is now applicable for accounting periods beginning on or after 1 January 2022 for public bodies. For the Authority, the standard will be effective from 1 April 2022.

(b) Standards, amendments and interpretation early adopted in 2020/21.

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

| 2. Scottish Government Departmental Expenditure Limit (DEL) | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Cash DEL allocated to meet operational expenditure | 7,143,000 | 6,557,000 |
| Cash DEL allocated to meet capital expenditure | 1,333,000 | 1,160,000 |
| | <u>8,476,000</u> | <u>7,717,000</u> |

| | | |
|--|------------------|------------------|
| Deduct amounts earmarked at source for specific operational projects | (16,000) | (16,000) |
| Total cash DEL received (resource and capital DEL) | 8,460,000 | 7,701,000 |

The cash DEL (Grant in Aid) in 2020/21 included direct funding for peatland restoration, conservation and management in the National Park totalling £222,000, which in previous years was allocated through other NDPB bodies. In addition, cash DEL to meet operational expenditure included an additional £400k to fund additional operating costs and cover the loss of revenue arising as a direct result of the impact of the COVID-19 pandemic.

| 3. Programme Income & Expenditure | Income | Expenditure | Net |
|--|----------------|--------------------|------------|
| | £ | £ | £ |
| West Highland Way | 90,376 | 90,376 | - |
| Callander Landscape Partnership | 372,979 | 372,979 | - |
| Total 2021 | 463,355 | 463,355 | - |
| West Highland Way | 18,772 | 18,772 | - |
| Callander Landscape Partnership | 418,087 | 418,087 | - |
| Total 2020 | 436,859 | 436,859 | - |

The Authority is a member of the West Highland Way Management Group and manages the programme income and expenditure 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 National Heritage Lottery Funding to turn the town of Callander into the outdoor capital of the National Park, with a more accessible and conserved landscape ready for visitors and locals to enjoy and explore. The Authority is the lead partner and manages the programme income and expenditure 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 | 3,815,320 | 853,839 | 226,159 | (488,936) | 4,406,382 |
| Conservation | 993,579 | 69,466 | 409,634 | (198,998) | 1,273,681 |
| Rural Development | 1,724,710 | 1,199,943 | 55,737 | (635,439) | 2,344,951 |
| Total 2021 | 6,533,609 | 2,123,248 | 691,530 | (1,323,373) | 8,025,014 |

| | 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 2020 | 6,319,266 | 1,963,304 | 477,088 | (1,563,404) | 7,196,254 |

| | | |
|--|---|-----------|
| Net Segmental Expenditure as above | £ | 8,025,014 |
| Items not attributable to segmental activity: | | |
| Deficit of return on pension assets over interest | | 74,000 |
| Depreciation and Amortisation | | 690,838 |

| | |
|--------------------------------------|------------------|
| Gain on revaluation of assets | (1,220,640) |
| Net gain on disposal of fixed assets | (8,856) |
| Interest receivable | (408) |
| Net Expenditure for the Year | 7,559,948 |

| 5. Other Income | 2021 | 2020 |
|--|----------------|----------------|
| | £ | £ |
| Shared services recharge | 48,000 | 48,000 |
| Modern Apprenticeship programme contribution | - | 2,533 |
| Boat registration and launch fees | 44,817 | 62,701 |
| Staff secondment | 55,483 | 6,332 |
| Sale of goods | 11,184 | 13,532 |
| Property rental and recharges | 114,299 | 187,867 |
| Deficit of return on pension assets over interest cost | (74,000) | (133,000) |
| Camping charges | 54,028 | 66,834 |
| Car park charges | 13,708 | 7,964 |
| Toilet charges | - | 40,935 |
| Recharges | 29,716 | 37,196 |
| Grants and other miscellaneous income | 133,268 | 76,341 |
| | 430,502 | 417,235 |

| 6. Board Members and Staff Costs | Note | 2021 | 2020 |
|--|-------------|------------------|------------------|
| | | £ | £ |
| <u>Board Members</u> | | | |
| Fees* | | 168,920 | 157,108 |
| Social Security Costs | | 5,199 | 4,770 |
| | | 174,119 | 161,878 |
| <u>Permanent Staff</u> | | | |
| Salaries | | 3,684,257 | 3,621,630 |
| Social Security Costs | | 361,595 | 348,724 |
| Pension Costs | | 689,305 | 669,560 |
| | | 4,735,157 | 4,639,914 |
| <u>Other Staff</u> | | | |
| Salaries | | 839,735 | 898,069 |
| Social Security Costs | | 70,526 | 70,107 |
| Pension Costs | | 143,630 | 137,735 |
| | | 1,053,891 | 1,105,911 |
| Apprenticeship Levy | | 8,777 | 8,312 |
| Increase/ (decrease) in holiday accrual | | 105,779 | (1,017) |
| Deduct: Included in Programme and Project figures | | (188,927) | (230,704) |
| Deduct: Included in Fixed Asset additions (capitalised salaries) | | (6,187) | (119,028) |
| Total Permanent and Other Staff Costs before pension adjustments | | 5,708,490 | 5,403,388 |
| <u>Adjustments for Pensions Reporting</u> | | | |
| Add: Current Service Costs | 19 | 1,484,000 | 1,775,000 |
| Add: Past Service Costs | 19 | - | (202,000) |
| Less: Employer Contributions | 19 | (833,000) | (819,000) |
| Total Permanent and Other Staff Costs after pension adjustments | | 6,359,490 | 6,157,388 |
| Total Board Member and Staff Costs | | 6,533,609 | 6,319,266 |

| 7. Other Operating Costs | 2021 | 2020 |
|--|------------------|------------------|
| | £ | £ |
| Travel & Subsistence | 9,012 | 37,325 |
| Conferences, Courses & Training | 26,819 | 45,545 |
| Other Staff Costs | 27,954 | 45,884 |
| Property Rent & Rates | 234,380 | 237,190 |
| Energy Costs | 55,432 | 87,322 |
| Property Repairs & Development | 126,929 | 100,717 |
| Other Property Costs | 268,031 | 183,973 |
| Grounds Maintenance | 93,712 | 75,329 |
| Tools & Equipment Consumables | 30,020 | 14,198 |
| Transport Costs | 141,354 | 140,016 |
| Uniforms & Clothing | 9,786 | 8,184 |
| Catering & Hospitality | 4,469 | 26,059 |
| Printing & Stationery | 14,705 | 13,758 |
| Published Materials & Subscriptions | 41,864 | 51,465 |
| Telecommunications & Data | 69,460 | 78,322 |
| Legal & Professional Fees | 139,937 | 152,919 |
| Software & IT Supplies | 230,590 | 162,241 |
| Goods for Resale | 6,201 | 7,228 |
| Advertising - Statutory | 21,214 | 20,435 |
| - Other Advertising | 1,478 | 1,173 |
| Other Administration Costs | 14,253 | 11,977 |
| Contributions | 43,194 | 2,363 |
| Audit Fee - Internal | 13,485 | 11,501 |
| - External Audit remuneration for audit services | 13,400 | 11,320 |
| Bad Debt Provision Expense | 24,210 | - |
| | <u>1,661,889</u> | <u>1,526,444</u> |

No non-audit fees were paid to External audit during 2020/21 (2019/20 - £Nil).

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 |

| | Freehold Land & Buildings £ | Leasehold Buildings £ | Vehicles & Marine Vessels £ | Equipment, Plant & Machinery £ | Furniture & Fittings £ | IT Hardware & £ | Assets under Construction £ | Total Tangible Assets £ |
|---------------------------------|--------------------------------------|-----------------------------|--------------------------------------|---|------------------------------|-----------------------|-----------------------------------|----------------------------------|
| Cost or Valuation | | | | | | | | |
| At 1 April 2020 | 5,962,804 | 3,705,947 | 1,050,975 | 266,638 | 842,141 | 826,263 | 533,113 | 13,187,881 |
| Disposals at Cost | - | - | (37,037) | (12,882) | (975) | (54,295) | - | (105,189) |
| Additions at Cost | 5,106 | 27,466 | 266,833 | 120,077 | 14,002 | 100,165 | 275,097 | 808,746 |
| Transfer Asset into Use | 185,635 | 116,459 | - | - | - | 386,082 | (688,176) | - |
| Impairment Charge | (244,635) | (277,923) | - | - | - | - | - | (522,558) |
| Impairment Reversal | 101,041 | 1,397,500 | - | - | - | - | - | 1,498,541 |
| Revaluation (Decrease) | (507,951) | (345,949) | - | - | - | - | - | (853,900) |
| At 31 March 2021 | 5,502,000 | 4,623,500 | 1,280,771 | 373,833 | 855,168 | 1,258,215 | 120,034 | 14,013,521 |
| Accumulated Depreciation | | | | | | | | |
| At 1 April 2020 | 90,692 | 124,492 | 867,252 | 249,034 | 796,070 | 786,188 | - | 2,913,728 |
| Disposals | - | - | (37,037) | (12,882) | (975) | (54,295) | - | (105,189) |
| Charge for Year | 136,187 | 158,508 | 125,803 | 41,931 | 22,443 | 197,110 | - | 681,982 |
| Written back on Revaluation: | | | | | | | | |
| - Impairment Charge | (28,259) | (71,315) | - | - | - | - | - | (99,574) |
| - Impairment Reversal | (62,495) | (82,588) | - | - | - | - | - | (145,083) |
| - Revaluation | (136,125) | (129,097) | - | - | - | - | - | (265,222) |
| At 31 March 2021 | - | - | 956,018 | 278,083 | 817,538 | 929,003 | - | 2,980,642 |
| Net Book Values | | | | | | | | |
| 31 March 2021 | 5,502,000 | 4,623,500 | 324,753 | 95,750 | 37,630 | 329,212 | 120,034 | 11,032,879 |
| 31 March 2020 | 5,872,112 | 3,581,455 | 183,723 | 17,604 | 46,071 | 40,075 | 533,113 | 10,274,153 |

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 existing use value. The donated asset reserve reflects the corresponding entry. As detailed in Notes 1.3 and 1.21 land and buildings are subject to formal revaluation with sufficient frequency to ensure that the carrying value is not materially different from the valuation should a full revaluation be undertaken. Land and buildings are subject to quinquennial revaluation, supplemented by an interim valuation in year 3. Specialised properties are also indexed in years 1,2 and 4 using published indices. A full revaluation is undertaken where there is a risk around material movement in property valuations. At 31 March 2020, there was a material uncertainty in the valuation of land and buildings due to market uncertainties caused by COVID-19. With the risk of material movement in property valuation, a full revaluation of the property portfolio was conducted at 31 March 2021. There were impairments totalling £423k across a variety of properties including Balmaha Visitor Centre, Firkin and the Pontoon at Drumkinnon Bay. However, this was offset by gains on revaluation of £1,644k, primarily at the Gateway Centre, where the basis of valuation was changed to Depreciated Replacement Cost, which reflects the change in condition and use of the property following consultation with the valuer.

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 |
| Cost or Valuation | | | | |
| At 1 April 2020 | 216,555 | 75,672 | 59,947 | 352,174 |
| Disposals at Cost | (27,041) | - | - | (27,041) |
| Additions at Cost | 1,500 | 2,640 | 841 | 4,981 |
| At 31 March 2021 | 191,014 | 78,312 | 60,788 | 330,114 |
| Accumulated Depreciation | | | | |
| At 1 April 2020 | 212,196 | 73,452 | 53,151 | 338,799 |
| Disposals | (27,041) | - | - | (27,041) |
| Charge for Year | 3,882 | 2,240 | 2,734 | 8,856 |
| At 31 March 2021 | 189,037 | 75,692 | 55,885 | 320,614 |
| Net Book Values | | | | |
| 31 March 2021 | 1,977 | 2,620 | 4,903 | 9,500 |
| 31 March 2020 | 4,359 | 2,220 | 6,796 | 13,375 |

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 | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade receivables | 178,409 | 256,303 |
| Less provision for bad debts | (29,051) | - |
| Trade receivables net | 149,358 | 256,303 |
| Other receivables | 4,094 | 2,772 |
| VAT receivable | - | 4,159 |
| Prepayments and accrued income | 348,467 | 410,027 |
| | <u>501,919</u> | <u>673,261</u> |
| Amounts falling due after one year: | | |
| Prepayments | 19,443 | 29,455 |

| 12. Cash and Cash Equivalents | 2021 | 2020 |
|--------------------------------------|------------------|----------------|
| | £ | £ |
| Bank Accounts | 1,040,503 | 150,406 |
| Imprest Accounts | 600 | 800 |
| | <u>1,041,103</u> | <u>151,206</u> |

All balances were held at banks or in hand (2019/2020 - all).

Not included in cash and cash equivalents disclosed above are amounts held by the authority as a custodian on behalf of others of £826,859 (2019/20 - £820,608). These sums are not recognised as cash and cash equivalents as they are not considered assets of the Authority. Further details are provided in Note 15.

| 13. Trade Payables and Other Liabilities | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Amounts payable within one year: | | |
| Trade payables | 69,581 | 95,480 |
| Accruals and deferred income | 1,504,970 | 999,064 |
| VAT payable | 2,298 | - |
| Funds held for third parties | 6,537 | 8,687 |
| | <u>1,583,386</u> | <u>1,103,231</u> |
| Amounts falling due after more than one year: | | |
| Deferred Income | 196,665 | 250,518 |

14. Capital Commitments, Contingent Assets and Contingent Liabilities

Capital Commitments

There was £165k committed but unspent capital expenditure at 31 March 2021 (31 March 2020 – £53k). This relates to delays in completion of construction works and IT projects primarily as a result of the COVID-19 winter lockdown during the last quarter of the financial year. There was £14k of committed capital grant expenditure as at 31 March 2021 (31 March 2019 – £14k) in relation to the Authority's grant scheme, where applicants were unable to complete works following the lockdown.

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.

The Authority is involved in a legal dispute which may result in a contingent liability, depending on the outcome of the case. The dispute relates to a forestry company seeking access rights to transport timber through our visitor site at Glenoglehead. The Forestry Partnership 2008 LLP issued a Court of Sessions Summons against the Authority on 14th of July 2021 and the Authority is defending this action.

| 15. Assets Held on Behalf of Third Parties | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Cash | 826,859 | 820,608 |

The Authority holds cash of £826,859 (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 2021.

As at 31 March 2020 the Authority held cash totalling £820,608 (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 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 2021.

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 | |
|-------------------|----------|--------|------------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Within One Year | 58,009 | 58,009 | 56,163 | 73,016 |
| Two to Five Years | 31,071 | 89,080 | 79,530 | 117,485 |
| After Five Years | - | - | 131,852 | 135,915 |

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 | |
|-------------------|------------------|---------|
| | 2021 | 2020 |
| | £ | £ |
| Within One Year | 85,682 | 87,360 |
| Two to Five Years | 136,229 | 315,163 |
| After Five Years | 4,048 | 135,368 |

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.

During the year, the Authority has had a number of material transactions with other entities for which the Directorate is regarded as the sponsor as below:

- Scottish Environment Protection Agency
- Cairngorms National Park Authority
- NatureScot
- Royal Botanic Garden Edinburgh

In addition, the Authority has had a number of material transactions with other government departments, central government bodies, local government and other non-departmental public bodies during the normal course of business including:

- Argyll & Bute Council
- Audit Scotland
- The Broads National Park Authority
- Convention of Scottish Local Authorities
- Forestry and Land Scotland
- Forth Valley and Lomond Leader
- Glasgow City Council
- Highland Council
- Historic Scotland
- HM Revenue and Customs
- Lake District National Park Authority
- Met Office
- National Heritage Lottery Fund
- Scottish Enterprise
- Scottish Land Commission
- Scottish Police Authority
- Scottish Water
- South Downs National Park Authority
- Stirling Council
- Sustrans
- Tactran
- Visit Scotland
- West Dunbartonshire Council
- West Lothian Council

Details of material transactions with other Government bodies and companies where Board members, Directors and senior staff, have an interest, are disclosed, as follows:

| Board Member/ Director | Organisation | Role | Nature of Supply | Income | Expenditure |
|---|---|--|--|---------|-------------|
| Bob Darracott | Loch Lomond & The Trossachs National Park Community Partnership (1) | Board Member | Contributions | £1,435 | £35,000 |
| Ellen Morton (2) / Bobby Good/ Iain Shonny Paterson | Argyll & Bute Council | Councillor | Rates, waste, built heritage advice | - | £27,324 |
| Billy Ronald | Strathfillan Community Development Trust | Member | Grants | - | £8,403 |
| Danny Gibson, Graham Lambie (3) , Martin Earl | Stirling Council | Councillor | Waste, rates and grant | £500 | £15,250 |
| Danny Gibson | Tactran | Board Member | Contribution | - | £9,000* |
| Diane Docherty | West Dunbartonshire Council | Councillor | Services including rates, rental and repairs | - | £109,001 |
| Gordon Watson | National Park Partnership LLP | Board Member and Interim Chair | Grants and contributions | £10,000 | £12,000 |
| James Stuart | Scottish Tourism Alliance | National Tourism Strategy Strategic Leadership Group | Subscription | - | £1,150** |
| Heather Reid | Loch Lomond & the Trossachs Countryside Trust | Director | Contributions | £1,435 | £54,000 |

(1) Organisation ceased to operate 31st March 2021

(2) Passed away 3rd October 2020

(3) Passed away 11th February 2021

*Included in trade creditors at 31/3/21

** £767 included in prepayments at 31/3/21

The nature of the Authority's operations, and the composition of its Board make it very likely that transactions will take place in the normal course of business with other organisations in which a member may have an interest. All the transactions involving companies, or organisations in which a member may have an interest, are conducted at arm's length in the normal course of business.

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. 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.

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 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

| | 2021 |
|-----------------------------|-----------------------|
| | Amortised Cost |
| | £ |
| Financial Assets | |
| Trade and Other Receivables | 528,200 |
| Cash and Cash Equivalents | 1,041,103 |
| Total Assets | <u>1,569,303</u> |

| | 2021 |
|------------------------------|--------------------------|
| | Other Liabilities |
| | Amortised Cost |
| | £ |
| Financial Liabilities | |
| Trade and Other Payables | 1,784,893 |
| Total Liabilities | <u>1,784,893</u> |

| | 2020 |
|-----------------------------|-----------------------|
| | Amortised Cost |
| | £ |
| Financial Assets | |
| Trade and Other Receivables | 702,716 |
| Cash and Cash Equivalents | 151,206 |
| Total Assets | <u>853,922</u> |

| Financial Liabilities | Other Liabilities Amortised Cost £ |
|------------------------------|---|
| Trade and Other Payables | 1,353,749 |
| Total Liabilities | <u>1,353,749</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 2020. The formal valuation calculates the employer's assets and liabilities. The balance sheet position as at 31 March 2021 and the projected cost for 2021/22 are based on the roll forward from the valuation at 31 March 2020. The roll forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period.

In 2020/21, the Authority paid an employer's contribution of £832,935 (2019/20 - £807,295) 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 2020. 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 2021 to 31 March 2024. Following this valuation, it was confirmed that the Authority's contribution rate would remain at 19.3%.

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

| | 2021 | 2020 |
|---------------------------------------|-----------------------|-----------------------|
| | £000 | £000 |
| Fair value of plan assets | 31,933 | 25,111 |
| Present value of funded liabilities | (38,143) | (27,971) |
| Present value of unfunded liabilities | <u>(66)</u> | <u>(62)</u> |
| Net pension fund liability | <u><u>(6,276)</u></u> | <u><u>(2,922)</u></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:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £000 | £000 |
| Opening defined benefit obligation | 28,033 | 30,247 |
| Current service cost | 1,484 | 1,775 |
| Interest cost on defined benefit obligation | 659 | 778 |
| Past service cost (gain) | - | (202) |
| Actuarial loss/ (gain) from actuarial remeasurements | 8,190 | (4,582) |
| Contributions by members | 275 | 271 |
| Benefits paid | <u>(432)</u> | <u>(254)</u> |
| Closing defined benefit obligation | <u>38,209</u> | <u>28,033</u> |

Movement in the fair value of plan assets:

| | 2021 | 2020 |
|--|---------------|---------------|
| | £000 | £000 |
| Opening fair value of plan assets | 25,111 | 25,369 |
| Interest income on plan assets | 585 | 645 |
| Actuarial gain/ (loss) from actuarial remeasurements | 5,561 | (1,739) |
| Contributions by employer | 830 | 816 |
| Contributions by members | 275 | 271 |
| Contributions by employer for unfunded benefits | 3 | 3 |
| Benefits paid | <u>(432)</u> | <u>(254)</u> |
| Closing fair value of plan assets | <u>31,933</u> | <u>25,111</u> |

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

| | 2021 | 2020 |
|--------------------------------|--------------|--------------|
| | £000 | £000 |
| Current service cost | 1,484 | 1,775 |
| Past service cost (gain) | - | (202) |
| Interest cost on obligation | 659 | 778 |
| Interest income on plan assets | <u>(585)</u> | <u>(645)</u> |
| | <u>1,558</u> | <u>1,706</u> |

Employers contributions totalling £833,000 are also recognised in the Statement of Comprehensive Net Expenditure (2019/20 - £819k), resulting in a total expense of £725k (2019/20 - £887k).

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

| | 2021 | 2020 |
|---|--------------|--------------|
| | £000 | £000 |
| Board Member and Staff Costs | 1,484 | 1,573 |
| Other Income – deficit of return on pension assets over interest cost | <u>74</u> | <u>133</u> |
| | <u>1,558</u> | <u>1,706</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 2021 | | | | 31 March 2020 | | | |
|---|--------------------------------------|--|---------------|-------------|--------------------------------------|--|---------------|-------------|
| | 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 | 7,241 | 38 | 7,279 | 23% | 5,791 | 15 | 5,806 | 23% |
| Debt Securities | - | - | - | 0% | 788 | - | 788 | 3% |
| Private Equity | - | 5,881 | 5,881 | 18% | - | 3,001 | 3,001 | 12% |
| Real Estate | | | | | | | | |
| UK Property | - | 2,598 | 2,598 | 8% | - | 2,274 | 2,274 | 9% |
| Investment Funds and Unit Trusts | | | | | | | | |
| Equities | 293 | 11,020 | 11,313 | 35% | 7,132 | 618 | 7,750 | 31% |
| Bonds | - | 4,150 | 4,150 | 13% | 1,098 | 1,809 | 2,907 | 12% |
| Commodities | - | 12 | 12 | 0% | 13 | - | 13 | 0% |
| Other | - | 102 | 102 | 0% | - | 32 | 32 | 0% |
| Derivatives | (2) | - | (2) | 0% | 1 | - | 1 | 0% |
| Cash and Cash Equivalents | 583 | 17 | 600 | 2% | 1,293 | 1,246 | 2,539 | 10% |
| Total | 8,115 | 23,818 | 31,933 | 100% | 16,116 | 8,995 | 25,111 | 100% |

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

| | 2021 | 2020 |
|---|----------------|--------------|
| | £000 | £000 |
| Actuarial gain/(loss) arising on the fair value of the plan assets | 5,561 | (1,739) |
| Actuarial (loss)/ gain/(loss) arising on the defined benefit obligation | (8,190) | 4,582 |
| Actuarial gain/(loss) recognised in the Statement of Changes in Taxpayers' Equity | <u>(2,629)</u> | <u>2,843</u> |

The balance sheet position as at 31 March 2021 and the projected cost for 2021/22 are based on the roll forward from the valuation at 31 March 2020 performed by the independent actuaries to the Strathclyde Pension Fund. The actuarial assumptions were as follows:

| | 2021 | 2020 |
|----------------------------------|-------------|-------------|
| | % pa | % pa |
| Inflation/ Pension Increase Rate | 2.80% | 1.80% |
| Salary Increase Rate | 3.50% | 2.90% |
| Discount Rate | 2.05% | 2.30% |

| | 2021 | 2020 |
|-----------------------------|-------------|-------------|
| Life Expectancy at age 65 : | | |
| Current Pensioners Male | 19.8 | 20.7 |
| Current Pensioners Female | 22.6 | 22.9 |
| Future Pensioners Male | 21.2 | 22.2 |
| Future Pensioners Female | 24.7 | 24.6 |

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

| Change in assumptions as at 31 March 2021 | Approximate % increase to Employer Liability | Approximate monetary amount £000 |
|--|--|----------------------------------|
| 0.5% decrease in Real Discount Rate | 12% | 4,762 |
| 0.5% increase in the Salary Increase Rate | 2% | 576 |
| 0.5% increase in the Pension Increase Rate | 11% | 4,082 |

Information about the Defined Benefit Obligation

| | Liability split | |
|-------------------|-----------------|--------------|
| | £000 | Percentage % |
| Active members | 22,192 | 58.2% |
| Deferred members | 9,506 | 24.9% |
| Pensioner members | 6,445 | 16.9% |
| Total | 38,143 | 100% |

Projected defined benefit cost for the period to 31 March 2022

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 2022.

| Period ended 31 March 2022 | Assets £000 | Obligations £000 | Net (liability) / asset | |
|---|----------------|---------------------|-------------------------|----------------|
| | | | £000 | % of pay |
| Projected current service cost * | - | 2,167 | (2,167) | (50.4%) |
| Total Service Cost | | 2,167 | (2,167) | (50.4%) |
| Interest income on plan assets | 662 | - | 662 | 15.4% |
| Interest cost on defined benefit obligation | - | 805 | (805) | (18.7%) |
| Total Net Interest Cost | 662 | 805 | (143) | (3.3%) |
| Total included in Statement of Comprehensive Net Expenditure | 662 | 2,972 | 2,310 | (53.7%) |

* 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 2020) or at any other time as instructed to do so by the Administering Authority. The contributions payable over the period to 31 March 2022 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 2020 actuarial valuation report dated 31 March 2021. The estimate of Employer's contribution for the year to 31 March 2022 is approximately £830,000.



APPENDIX 1

LOCH LOMOND AND THE TROSSACHS NATIONAL PARK AUTHORITY

DIRECTION BY THE SCOTTISH MINISTERS

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

IR HOOPER

Head of Countryside and Natural Heritage Division

Signed by the authority of the Scottish Ministers

Dated: 12 January 2006