North York Moors
National Park

Statement of Accounts

2023/24

North York Moors National Park Authority

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Narrative Statement

Introduction

1. The North York Moors National Park Authority was constituted on 1st April 1997 under the Environment Act 1995 and took over the responsibilities previously undertaken by North Yorkshire County Council through its North York Moors National Park Committee.

   The Authority's Accounts for the year ended 31st March 2024 are presented in the format laid down in the "Code of Practice on Local Authority Accounting in the United Kingdom 2023/24" (The Code) - issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the International Accounting Standards Board (IASB) Framework for the preparation and presentation of Financial Statements as interpreted by The Code. The Code is based upon International Financial Reporting Standards (IFRS).

   The Statements included in the Accounts are as follows:

a) **The Narrative Statement** – the purpose of the narrative report is to provide information on the Authority, its main objectives and strategies and the principal risks that it faces. The narrative report should provide a commentary on how the authority has used its resources to achieve its desired outcomes in line with its objectives and strategies. Information on governance is included in the Annual Governance Statement at the end of the Statement of Accounts rather than in the narrative statement.

b) **The Independent Auditor's Report** – this explains the Auditor's responsibilities in relation to the Statement of Accounts. It also expresses an opinion on the Accounts and shows how this opinion was reached. The report also gives a conclusion on value for money in terms of the arrangements for securing economy, efficiency and effectiveness.

c) **The Statement of Responsibilities for the Statement of Accounts** – this outlines the Authority's responsibilities for the Accounts under Local Government legislation and any other requirements. It also shows the legal and professional responsibility for the Accounts of the Chief Financial Officer.

d) **The Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves and other unusable reserves. Usable reserves are available to support the National Park's spending plans. The surplus on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund Reserve before any discretionary transfers to or from Earmarked Reserves undertaken by the

Authority. Unusable reserves are kept to manage the various accounting adjustments required for the accounts to comply with regulations and accounting rules. They are non-cash and consequently are not available for the use in the provision of National Park services.

e) **The Comprehensive Income and Expenditure Statement** – which shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It shows income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services. It includes gains or losses which do not arise out of the operation of the Authority's activities and includes adjustments relating to the revaluation of assets or actuarial valuation of the pension fund assets and liabilities.

f) **The Balance Sheet** – this shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories, the first being Usable Reserves that may be used to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Authority are not able to use to provide services. This includes reserves that hold unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

g) **The Cash Flow Statement** – this shows the change in cash and cash equivalents of the Authority during the reporting period. The Statement shows how the Authority generated and used cash and cash equivalents by classifying cash flows as Operating, Investing and Financing Activities. The amount of net cash flows arising from Operating Activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from Financing Activities are useful in predicting claims on future cash flows by providers of capital to the Authority.

h) **Notes to the Core Financial Statements** – these provide further details and explanation of the figures included in the Core Financial Statements.

i) **Annual Governance Statement** – the Statement sets out the framework for financial control and corporate governance which the Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded. It is provided at the end of this document but does not form part of the Statement of Accounts.

2. The Authority is an admitted body to the North Yorkshire Pension Fund.

Members' attention is drawn to Note 25, which discloses the status of the Authority's position in relation to its participation in the Local Government Pension Scheme (LGPS).

3. There are no non-adjusting post Balance Sheet events to report.

Summary of Revenue Spending

4. The main components of the Latest Budget for 2023/24 and a comparison with the actual position are set out over the page. These figures are based on the annual outturn as reported to the North York Moors National Park Finance, Risk, Audit and Standards Committee (FRASC) in May 2024 (report can be found on the meeting agenda on the Authority website). They do however exclude statutory accounting adjustments such as the use of assets which are reflected in the Comprehensive Income and Expenditure Statement on Page 11.

5. Financial performance in the year resulted in a transfer into reserves of £301k compared to a latest budget surplus reported at Q3 of £78k. The surplus is driven primarily by strong performance in a number of income streams in particular investment interest, planning and external funding for core funded posts and a number of budget underspends. The figure above is adjusted for carried forward budgets of £91k. The underspend of £301k equates to 2.5% of actual gross expenditure.

6. The overall expenditure in the year was £11.9m which is funded from £1.87m of earned income, £2.8m of external funding, £4.381m of DEFRA core grant and £3.134m of S106. DEFRA core grant funded 36.8% of all expenditure in year. Expenditure was £1.8m lower than anticipated in the budget due to underspends on a small number of externally funded projects and weather related delays to core policy D works on the Woodsmith S106 agreement.

7. The most significant items of expenditure incurred by the Authority are employees at £5.2m, which equates to 44% of total expenditure in 2023/24.

8. The Authority has performance indicator to keep expenditure in the corporate and democratic core below 5% of total expenditure excluding S106. The actual for 2023/24 was 3.7%.

	Latest Budget / Q3 Forecast	Actual Outturn	Variance	Commentary
Income	**£k**	**£k**	**£k**	
Cultural Heritage	15	23	8	Additional funding income.
Natural Environment	2,165	1,173	-992	Income matching reduced external funding spend.
Farming in Protected Landscapes	1,047	957	-90	Income aligned to lower project spend.
Recreation Management	1,537	1,468	-69	Access external funding not received. Coast-to-coast underspend.
Promoting Understanding	378	351	-27	Lower visitor centres sales.
Rangers and Volunteers	0	11	11	Volunteers & rangers staff recharge.
Development Management	214	239	25	Higher planning fees.
Forward Planning	0	0	0	-
Corporate and Democratic Core	370	465	95	Investment Interest and Biodiversity net gain new burdens grant.
DEFRA Grant	4,381	4,381	0	-
Total Function Income	**10,107**	**9,068**	**-1,039**	-
S106 Compensation & Mitigation	3,721	3,134	-587	See expenditure
Total Income	**13,828**	**12,202**	**-1,626**	-
Expenditure	**£k**	**£k**	**£k**	-
Cultural Heritage	-273	-275	-2	-
Natural Environment	-2,824	-1,790	1,034	External funded projects spend less than budget.
Farming in Protected Landscapes	-1,047	-932	115	Projects underspend.
Recreation Management	-1,871	-1,791	80	Lower spend as access funding not received.
Promoting Understanding	-1,491	-1,418	73	Visitor Centres cost of sales, rent and utilities underspend.

Rangers and Volunteers	-1,037	-1,038	-1	-
Development Management	-891	-897	-6	-
Forward Planning	-181	-187	-6	-
Corporate and Democratic Core	-414	-439	-25	Higher volunteer and staff costs.
Total Function Expenditure	**-10,029**	**-8,767**	**1,262**	-
S106 Compensation & Mitigation	-3,721	-3,134	587	Core policy D and Boulby underspends.
Total Expenditure	**-13,750**	**-11,901**	**1,849**	-
NET SURPLUS/ DEFICIT	**78**	**301**	**223**	-

9. There are two S106 agreements in place, one for the Woodsmith Mine and one for Boulby Mine. There was £2.669m of spend against the Woodsmith Mine agreement during the year which was lower than budget which was driven by the weather delays on Core Policy D work. £2.926m of spend has been carried forward into 2024/25 compared to £2.765m the year below, but the risk of any payback remains very low. There was £465k of spend on the Boulby mine agreement with £415k carried forward to 2024/25. The agreements run on different financial years to the Authority, Woodsmith running from May to April and Boulby from January to December.

10. External funding continues to be an area of success for the Authority, with £2.817m of delivery in year exceeding the business plan target of £2.35m but this is lower than the anticipated level of spend of £4m. There was significant spend on the Farming in Protected Landscapes programme, Ryevitalise project and Coast to Coast in year. But the Peatland Restoration, Kepwick and Arncliffe LEI, Ryevitalise and Farming in Protected Landscapes projects did spend less than anticipated at quarter 3, driving the underspend compared to budget.

11. The savings programme delivered £458k of savings compared to a £555k target. The main shortfall related to fewer vacancies in year on core posts, falling below the 2% turnover anticipated. Statutory planning fee increases were introduced in December, which was later than the assumption in the budget of October.

12. The Authority has two balance sheet reserves to manage future risk, contingency and general working balance. The budget setting process for 23/24 identified the need to increase this to 10% by 2026/27, with a general working balance reserve of 5% and a contingency reserve of 5%. At the end of 2023/24 this totalled £726k with a further £100k approved as part of the underspend allocation. This £826k equates to 9.42% based on 2023/24 actual spend.

13. The accounting policies are set out formally in the Statement of Accounting Policies on Page 14. The policies adopted in 2023/24 are compliant with the ‘Code of Practice on Local Authority Accounting in the United Kingdom 2023/24’ (The Code).

14. The Authority has never borrowed any money for capital purposes and whilst there are no plans to do so immediately, the option would not be excluded as a means of financing appropriate capital projects in the future. The Treasury Management Strategy does cater for future borrowing should this be required. The Authority has had a facility arrangement with North Yorkshire Council whereby any daily overdraft balances are consolidated into the Council’s Bank Accounts on a daily basis. However, this facility does not represent an overdraft facility, it is used to manage day-to-day cash flow balances (not to fund capital expenditure) and represents an on-going investment of cash balances for investment purposes.

15. The Authority monitors an agreed set of Performance Indicators on a regular basis and the results are reported to the Finance, Risk Audit and Standards Committee (FRASC). These reports can be found in the meeting and agendas section of the Authority website.

Strategy and Key Future Risks

16. The pressures on the economic climate continue although we are starting to see the rate of inflation reduce with the most recent published results for April 2024 showing RPI at 3.3% and CPI at 2.3%. Continuing unrest in both the Middle East and Ukraine still presents a risk to economic stability with the potential for impacts on oil and food prices. Over the last two years, materials, fuel, utilities and insurance in particular have seen substantial increases as a result of inflation. Inflation estimates built into the 23/24 budgets was sufficient to cover, but has put increasing pressure on finances. Budgets for 2024/25 have 4% inflation built in for overheads. Project re-engineering is occurring where possible, and contingencies built into project delivery will help to manage inflation linked overspend risk. Increasing prices do ultimately present a risk to levels of delivery, particularly if we see higher inflation levels again. There are also reserves that can help de-risk higher inflation in the short term. To help combat inflation, the Bank of England has increased interest rates, currently sitting at 5.25%. The Authority currently benefits from this with no borrowings and increasing returns on cash investments. There is a risk if there is any requirement to borrow in the future that this may be at higher rates.

17. Financial pressure from pay increases continues. In 2023/24 the pay award equated to 6% increase for the Authority although this was in line with budget. Savings have had to be implemented to mitigate the effects. The Local Government Association has offered a pay settlement averaging 4% for the Authority staff. The budget set for 2024/25 will cover this offered increase, but any higher pay award will need to be offset by additional savings.

18. DEFRA have announced a core grant freeze for 2024/25, the 6th year in a row. Funding levels beyond this remain uncertain, but longer-term planning continues to be a challenge. The MTFS assumes flat cash settlements throughout the next five years. This means that any increases in costs need to be funded by innovative approaches to income generation or efficiencies. The Authority does rely on core funding to help support generation of earned and external income streams which are key to ensuring that the Authority continues to grow despite falling core grant. Pressure on core resources is a challenge that will need to be addressed if the Authority wants to continue its strategy to grow resources.

19. A new Management Plan and Business Plan were launched beginning in 2023/24. Delivery is focussed on three key areas, climate change, biodiversity and health and wellbeing. The business plan has targets for increasing external funding over the five-year period to enable the Authority to continue to grow and deliver to its ambitious aims. There is also an increased focus on partnerships and working with others to achieve objectives across the National Park. The

business plan is updated annually and the latest report indicating 2023/24 milestones can be found here:-

Business Plan 2024/25 Milestones - [Full-Public-NPA-Agenda-March-2024.pdf (northyorkmoors.org.uk)]

Latest Quarterly Scorecard Update - [Full-Public-FRASC-Agenda-20-May-2024.pdf (northyorkmoors.org.uk)]

20. North Yorkshire Council and the District/Borough Councils within the North Yorkshire area have now undergone Local Government Reorganisation (LGR), with the existing eight Councils having become a single North Yorkshire Council from 1st April 2023. There have been changes of Board Membership from 2023/24. North Yorkshire devolution provides a further dimension and potential partnership and funding opportunities with the Mayoral Combined Authority integrating the functions of the Local Enterprise Partnership with whom the National Park Authority has a strong relationship. But this will require a proactive approach from us to ensure that the MCA recognises the significance of the National Parks to the region and the relevance of its role in delivering Management Plan objectives.

21. Aside from core grant, the business plan and MTFS are built on four other key types of income :

a External Funding. A key component to ensure that the Authority continues to grow in total spend over the next five years is external funding. There are risks of availability of funding as well as the need to allocate and resource match funding. There is a pipeline of projects which forms part of the external funding report which is presented to Members each quarter and is a standing item on the Senior Leadership Team monthly agenda. The Authority continues to work towards becoming more project focussed in its delivery. A key risk to growing external funding delivery is availability of corporate resources to be able to support increased outputs.

b Earned Income. The MTFS and business plan do have some modest growth in earned income over the next five years, with plans to look at new ideas to develop more income streams. As an example, in 2023/24 the car park at Newton-Under-Roseberry has been expanded and developments at Danby Lodge are underway, which will help to deliver increased car park income. A Commercial Manager post is now established in the Authority. Earned income streams can be heavily affected by external factors beyond the Authority's control. Earned income is therefore a potential area of risk for shortfalls. Reporting throughout the year seeks to monitor, forecast and mitigate any shortfalls, in particular in the key areas of car parking, planning and retail. Earned income will be a key area of resources growth in the next few years following on from the success of delivering external funding to help to offset pressures from the core grant remaining frozen.

c S106 income. In 2023/24, the Woodsmith S106 arrangement provided £2.8m of income to deliver compensation and mitigation projects, it increases in line with inflation each year, so has been protected from the recent increases. The Boulby mine agreement which has only recently commenced provided £0.88m of income in 2023/24.

d Farming in Protected Landscapes funding from DEFRA began in 2021/22 and was set to run for three years but has now been extended into 2024/25. Delivery has been very successful to date with a further £957k of expenditure in 2023/24.

22. A project to review the property of the Authority continues. The Beaconsfield property was disposed of in year and a piece of land purchased in Helmsley. The requirement to either refurbish existing premises or move to new premises will lead to significant future costs to ensure the property portfolio is relevant to the Authority's Park priorities and objectives. All funding options are being considered including borrowing, but this will not reach any conclusions until later in 2024/25.

23. As more priorities are delivered through external funding, it does mean that the Authority is sometimes delivering high value capital projects, and as such there is an inherent increase in risk of overspend or unforeseen costs which are not covered by the funder. The Authority has shown that it is very effective at managing these projects, but as part of the budget the S151 Officer reviews reserves to manage risk to ensure that all potential risks can be covered in the short term and the decision taken by Members to increase the risk reserves from the current position of 5% of total expenditure excluding S106 to 10% by 2026/27. At the end of 2023/24 these reserves stand at 9.42% based on 23/24 actual spend.

24. The latest medium term financial strategy (MTFS) was presented to National Park Authority in December 2023 and 2024/25 budget in March 2024. The MTFS operates hand in hand with the Business Plan to ensure that delivery and resources are aligned. It presents a 5-year position which builds in key assumptions around funding, inflation and resources growth. The reality of increasing costs and flat cash core grant settlements means that there is an increasing gap in each year. In particular the impacts from pay and overhead inflation have increased this deficit further. Identified income generation and savings have helped to mitigate this until the end of 2024/25 but there are deficits from 2025/26 which will need to be addressed. The deficit for 2025/26 is currently £0.2m. At present there have been no changes to deliverables in the business plan, but there remains a risk to this if the deficits cannot be offset through increased resources or efficiencies. The link to the latest Medium Term Financial Strategy presented to FRASC can be found below:

Medium Term Financial Strategy - Full-NPA-Public-Agenda-December-2023.pdf (northyorkmoors.org.uk)

2024/25 Budget Setting – March 2024 - Full-Public-NPA-Agenda-March-2024.pdf (northyorkmoors.org.uk)

Changes in Accounting Policies and Presentation of the Accounts

25. There have been no changes in accounting policies or significant changes to the presentation of accounts for 2023/24.

Statement of Responsibilities for the Statement of Accounts

The Authority is required:

a) To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For the Authority, that Officer is the Chief Financial Officer;
b) To manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets;
c) To approve the Statement of Accounts.

The Chief Financial Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices set out in the CIPFA/LASAAC "Code of Practice on Local Authority Accounting in the United Kingdom" (The Code).

In preparing the Statement of Accounts, the Chief Financial Officer has:

a) Selected suitable accounting policies and applied them consistently;
b) Made judgements and estimates that were reasonable and prudent;
c) Complied with The Code.

The Chief Financial Officer has also:

a) Kept proper accounting records that were up to date;
b) Taken reasonable steps for the preventions and detection of fraud and other irregularities.

Certificate of the Chief Financial Officer

I certify that the Statement of Accounts 2023/24 presents a true and fair view of the financial position of the North York Moors National Park Authority as at 31st March 2024.

P Williams
Section 151 Officer and Chief Financial Officer to the North York Moors National Park Authority
North Yorkshire Council
County Hall
Northallerton
DL7 8AD
Date:

Signed on behalf of the North York Moors National Park Authority

I confirm that these accounts were approved by the National Park Authority meeting on xx/xx/2024 following completion of the External Audit

Chair
North York Moors National Park Authority

Movement in Reserves Statement 2023/24

Movements in Reserves during 2023/24	Usable Reserves General £000	Usable Reserves Earmarked £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2023	**818**	**5,120**	**12,018**	**17,956**
Surplus on the provision of services	1,165	0	0	1,165
Other comprehensive income and expenditure	0	0	(1,083)	(1,083)
Total comprehensive income and expenditure	**1,165**	**0**	**(1,083)**	**82**
Adjustments between accounting basis & funding basis under regulations	63	0	(63)	0
Net increase/decrease before transfer to earmarked reserves	**1,228**	**0**	**(1,146)**	**82**
Transfers (to)/from earmarked reserves	(1,364)	1,364	0	0
Increase/decrease in 2023/24	**(136)**	**1,364**	**(1,146)**	**82**
Balance at 31 March 2024	**682**	**6,484**	**10,872**	**18,038**

Movements in Reserves during 2022/23	Usable Reserves General £000	Usable Reserves Earmarked £000	Unusable Reserves £000	Total Reserves £000
				818
Balance at 1 April 2022	**351**	**4,595**	**3,254**	**8,200**
Surplus on the provision of services	415	0	0	415
Other comprehensive income and expenditure	0	0	9,342	9,342
Total comprehensive income and expenditure	**415**	**0**	**9,342**	**9,757**
Adjustments between accounting basis & funding basis under regulations	577	0	(577)	0
Net increase/decrease before transfer to earmarked reserves	**992**	**0**	**8,765**	**9,757**
Transfers (to)/from earmarked reserves	(525)	525	0	0
Increase/decrease in 2022/23	**467**	**525**	**8,765**	**9,757**
Balance at 31 March 2023	**818**	**5,120**	**12,019**	**17,957**

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2024

2022/23 Gross Expenditure	2022/23 Income	2022/23 Net Expenditure		2023/24 Gross Expenditure	2023/24 Income	2023/24 Net Expenditure
1,813	(1,095)	718	Conservation of the Natural Environment	1,755	(1,173)	582
329	(10)	319	Conservation of Cultural Heritage	285	(23)	262
1,891	(1,173)	718	Recreation Management and Transport	1,970	(1,468)	502
2,295	(886)	1,409	Promoting Understanding	1,487	(351)	1,136
1,037	(15)	1,022	Ranger, Estates and Volunteers	994	(11)	983
999	(263)	735	Development Control	879	(239)	640
201	0	202	Forward Planning and Communities	179	0	179
1,909	(2,360)	(451)	Section 106 Compensation & Mitigation	2,329	(3,134)	(805)
240	(39)	201	Corporate and Democratic Core	329	(64)	265
894	(874)	20	Farming in Protected Landscapes	937	(957)	(20)
11,608	**(6,715)**	**4,893**	**Cost of Services**	**11,144**	**(7,420)**	**3,724**
			Other Operating Income & Expenditure			
		(18)	Gain on disposal of fixed assets			(58)
			Financing and Investment Income & Expenditure			
		16	Interest payable and similar charges			16
		(142)	Interest and investment income			(384)
		147	Pensions interest cost and expected return on assets			(82)
			Grant Income			
		(4,822)	National Park Grant			(4,382)
		(489)	Capital contributions			0
		(415)	**(Surplus)/Deficit on Provision of Services**			**(1,166)**
		(1,258)	(Surplus)/deficit on the revaluation of long-term assets			(319)
		(8,101)	Actuarial losses/(gains) on pension assets/liabilities			1,385
		17	Impairment (gains) / losses on non-current assets			17
		(9,342)	**Other Comprehensive Income and Expenditure**			**1,083**
		(9,757)	**Total Comprehensive Income and Expenditure**			**(83)**

Balance Sheet as at 31 March 2024

31 March 2023 £000		Notes	31 March 2024 £000
5,957	Property, Plant & Equipment	5	6,776
4,358	Heritage Assets	5	4,434
585	Assets Held for Sale		0
0	Intangible Assets		0
34	Long Term Debtors	10	17
1,437	Pension Fund Asset	25	0
12,371	**Non-Current Assets**		**11,227**
101	Inventories	8	85
2,140	Short Term Debtors	9	1,879
5,776	Cash and Cash Equivalents	9	7,425
8,017	**Current Assets**		**9,389**
(2,115)	Short Term Creditors	12	(2,258)
0	Short Term Provisions		0
(2,115)	**Current Liabilities**		**(2,258)**
(177)	Finance Lease	22	(177)
0	Provisions	11	0
(139)	Pension Liability	25	(142)
(316)	**Non-Current Liabilities**		**(319)**
17,957	**Net Assets**		**18,039**
818	General Fund Reserve	15	683
5,120	Earmarked Reserves	15	6,484
5,938	**Total Usable Reserves**		**7,167**
6,082	Revaluation Reserve	12	6,367
4,669	Capital Adjustment Account	14	4,677
0	Financial Instruments Adjustment Account	5	0
1,298	Pension Reserve	14	(142)
(30)	Accumulated Absenses Account	15	(30)
12,019	**Total Unusable Reserves**		**10,872**
17,957	**Total Reserves**		**18,039**

Cash Flow Statement for Year Ended 31 March 2024

2022/23 £000		Notes	2023/24 £000
	Operating Activities		
415	Net surplus on the Provision of Services		1,165
	Adjustment to net surplus on the Provision of Services for non-cash movements		
267	Depreciation	5	268
37	Impairment and revaluations	5	0
1,104	Movement in creditors	12	144
(700)	Movement in debtors	9	261
(9)	Movement in inventories	8	16
0	Movement in provisions		0
1,067	Pension liability	25	55
0	Carrying value of non-current assets written out on disposal	5	585
0	Other Non-Cash Items Charged to the Provision of Services		0
1,766			**1,329**
(491)	**Adjustment for items included in the net surplus or deficit on the Provision of Services that are Investing and Financing Activities**		**(625)**
1,690	**Net cash flows from Operating Activities**		**1,869**
	Investing Activities		
(793)	Purchase of property, plant and equipment	5	(843)
508	Other receipts for Investing Activities		642
(285)	**Net cash flows from Investing Activities**		**(201)**
(17)	**Financing Activities**		**(17)**
1,388	**Net increase in cash and cash equivalents**		**1,651**
4,388	Cash and cash equivalents at the beginning of the period	11	5,775
5,776	**Cash and cash equivalents at the end of the period**		**7,426**

Notes to the Core Financial Statements

1. Statement of Accounting Policies

1. General

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of 31st March 2024. These Accounts have been prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2023/24" (The Code): issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting policies adopted have been used consistently throughout the current and prior period. Any significant non-compliance with The Code is disclosed as part of the relevant Financial Statement.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Statement of Accounts is prepared on a going concern basis, as per the requirements of The Code. This means that the accounts are based on the assumption that the Authority will continue in operational existence for the foreseeable future.

2. Accruals of Income and Expenditure

Activity is accounted for in the year it takes place, not simply when the cash payments are made or received. In particular:

- Revenue is defined as income arising as a result of the Authority's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Authority has satisfied a performance obligation by transferring a promised good or service to the service recipient;

- Revenue is measured as the amount of the transaction price which is allocated to that performance obligation;

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, the value of un-used supplies are carried as inventories on the Balance Sheet at year-end;

- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made;

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash equivalents are short-term investments that are of a highly liquid nature. Cash is represented by cash in hand and deposits with financial institutions repayable on short notice without penalty. The Authority has determined that cash equivalents are investments that require no more than 3 months' notice to withdraw.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the financial position or financial performance of the Authority. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service; and
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction between the Capital Adjustment Account (which is shown as a reserve within the Unusable Reserves within the Balance Sheet) and the Movement in Reserves Statement.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the yearend. They include benefits such as salaries, paid annual leave and paid sick leave, for current employees, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of any type of leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus/deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are ultimately charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an Officer's employment before the normal retirement date or an Officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement, when the Authority is demonstrably committed to the termination of the employment of an officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Reserve to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at year-end.

7. Post-Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which provides members with defined benefits earned as employees working for the Authority. For the North Yorkshire area, this is administered by North Yorkshire County Council.

The LGPS is accounted for as a defined benefit scheme:

- The liabilities of the Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method- i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees;

- The assets are included in the Balance Sheet at fair value;
    - quoted securities at current bid price;
    - unquoted securities at professional estimate;
    - unitised securities at current bid price; and
    - property at market value.

- The change in the net pensions liability is analysed into ten components:
    - **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
    - **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, debited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

- **interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing/Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **remeasurement assets** – the improvement in the value of assets held at the start of the year and includes an adjustment following each triennial valuation;
- **remeasurement liabilities** – reflects adjustments made following each triennial valuation, and adjustments due to changes to financial assumptions and to demographic assumptions determined at the start and end of the financial year;
- **gains or losses on settlements and curtailments** – the results of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, debited to the Pensions Reserve;
- **contributions paid to the North Yorkshire Pension Fund** – cash paid by scheme participants and the Authority as determined by the regulations;
- **benefits paid** – transfers to or from the Authority with the associated adjustment to attributable assets and liabilities; and
- **administrative expenses** – the cost of investment and are treated as a reduction in the return on investments.

In relation to retirement benefits, statutory provisions require the General Fund Reserve to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirements benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the LGPS.

8. Financial Instruments

Financial instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

The Authority’s accounting policies that are relevant to financial instruments comply with the requirements of The CIPFA Code of Practice on Treasury Management which sets out a framework of operating procedures in relation to Treasury Management.

The Authority’s accounting policies also comply with the adoption of IFRS 9 Financial Instruments by the CIPFA Code of Practice on Local Authority Accounting. The Authority’s Financial Assets are cash, on-call deposits, and a loan, all of which continue to be carried at amortised cost. As per the requirements of IFRS 9, the Authority now reviews all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For the liabilities that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the relevant agreement

9. Grants

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution has been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (Income in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line or Grant Income in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Reserve in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

The accounting treatment for grants is in accordance with IAS 20 Accounting for Government Grants.

10. Inventories

Inventories have been included in the Accounts at cost price. In general, obsolete and slow moving items are written-off during the year. It is considered that this difference in treatment does not have a material effect on the Accounts.

11. Leases

Leases are classified as Finance Leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as Operating Leases.

The Authority, as lessee, has entered into leasing arrangements of both an Operating and Finance Lease nature. Where it is judged that substantially all of the risks and rewards incidental to the ownership of an asset have been transferred to the National Park Authority, then the lease is classified as a Finance Lease. A Finance Lease gives rise to the recognition of the fixed asset on the Balance Sheet together with a corresponding liability for future payments. Rental payments made under a Finance Lease are apportioned between a charge to write down the lease liability within the Balance Sheet and an element for finance charges. These charges are based upon the original rent payable on the lease agreement.

Rentals paid under Operating Leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

The Authority acts as the lessor on a number of properties under Operating Lease arrangements. Rental income is credited to the Provision of Services on a straight line basis over the period of the lease.

12. Overheads and Support Services

The cost of Support Services such as Finance, Information Technology, Personnel, and Customer Services are recharged to the appropriate functional headings. This is on the basis of various recharge calculations related to the Support Services expenditure being allocated.

All recharges of Support Services costs are consistent with the principles outlined in the CIPFA Service Reporting Code of Practice (SeRCOP).

13. Property, Plant and Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition
All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential i.e. repairs and maintenance is charged as an expense when it is incurred.

Measurement
Assets are initially measured at cost, comprising

- The purchase price; and
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have a commercial substance, where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are initially valued at fair value. The difference between fair value and any consideration paid is credited to the Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Reserve to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the balance sheet at depreciated historical costs or existing use value.

Property, Plant and Equipment is valued on the basis required by CIPFA in accordance with the Statements of Appraisal and Valuation Standard issued by The Royal Institution of Chartered Surveyors (RICS). Asset Valuations are carried out on an agreed on-going basis by Align Property Partners.

Assets are classified into the groupings required by The Code.

Land, operational properties and other operational assets are included in the Balance Sheet at the lower of the net current replacement cost or existing use value, net of depreciation.

Assets included in the Balance Sheet at fair value are re-valued where there have been any material changes in the value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the revenue account.

A full revaluation of property is undertaken every five years. A desktop review of property is also undertaken annually to ensure valuations reflect a true and fair view of the carrying value of assets at the Balance Sheet date.

A Revaluation Reserve for those assets recorded at fair value is held in the Balance Sheet, made up of unrealised revaluation gains relating to individual assets, with movements in valuations being managed at an individual asset level. Any decreases in value of an asset are recorded against the Revaluation Reserve to the extent that a balance of accumulated gains is recorded against the individual asset. Where the decrease in value is in excess of any balance held within the Revaluation Reserve the reduction is then charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains gains recognised since its implementation on 1st April 2007. Gains arising before that date have been consolidated into the Capital Adjustment Account.

On an annual basis, all assets are reviewed for evidence of impairment (a decline in their realisable value due to specific events) by the suitably qualified property professionals of Align Property Partners. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for as follows:

- Where attributable to the clear consumption of economic benefits, the loss is charged to the Comprehensive Income and Expenditure Statement; or
- Otherwise, written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement.

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

De-Minimis
Individual assets below the value of £5k will not be recorded in the asset register and will be charged in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure.

Depreciation
Depreciation is provided for on Buildings, Plant, Equipment and Furniture with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives. Estimates of useful life are determined for each property and where material, for components of those properties as part of the valuation process. 13 Bondgate (Helmsley), Old Vicarage (Helmsley), Sutton Bank Visitor Centre, Danby Lodge (Danby) and Spout House (Chopgate) buildings are depreciated over 40 years, as advised by Align Property Partners. All other buildings are depreciated over 30 years with the exception of the buildings at Sawmill Lane Depot (Helmsley) which are depreciated over 20 years; and

- Vehicles, plant, furniture and equipment are depreciated over a number of years depending on the nature of the asset.

Remaining useful lives are periodically reviewed and the charge to revenue adjusted if appropriate.

Depreciation is calculated using the straight-line method with no residual value at disposal. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components
Where a non-current asset has components whose cost is significant in relation to the total cost of the item (30% or more), or with a difference in economic life of 10 years or more, the components are depreciated separately. Items will be assessed under the above criteria when new assets are acquired, or existing assets are revalued.

Disposal of Property, Plant & Equipment
When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are also credited to the same line in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £5k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve, and will only be used to finance new capital investment. Receipts are appropriated to the General Fund Reserve in the Movement in Reserves Statement.

Revaluation Reserve
The Revaluation Reserve was established with a balance of zero as at 1st April 2007. This reserve has been used solely to account for changes in asset values (either upwards or downwards) following revaluation after 1st April 2007.

The Capital Adjustment Account represents amounts set aside from revenue resources to finance expenditure on fixed assets and certain other capital transactions.

14. Heritage Assets

Heritage assets are non-current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

The Authority has agreed criteria for the acquisition of land in order to achieve statutory purposes. The Authority develops plans for the specific actions in relation to the preservation and management of heritage assets. It is anticipated that any acquisition of heritage assets will be made by donation or acquisition for statutory purposes. Where an item is acquired and it is deemed appropriate, valuations will be sought from an independent external valuer.

Heritage assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency (as indicated in Note 5b) to ensure measurement remains current.

Where the Authority considers that obtaining full valuations for assets would involve a disproportionate cost in comparison to the benefits to the users of the Financial Statements the asset is not recognised in the Balance Sheet but included in the accounts as a disclosure.

Where heritage assets are held within the Balance Sheet, the carrying amounts will be reviewed where there is evidence of impairment i.e. where an item has suffered physical deterioration or breakage or where doubts arise to authenticity. Any impairment is recognised in accordance with the Authority's general policies on impairment.

If it is agreed to dispose of any heritage assets, the proceeds are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements for capital receipts.

Heritage assets are not subject to depreciation as they are considered to have indefinite lives.

15. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

Where payments are then made, they are charged to the provision carried in the Balance Sheet. The provisions are reviewed on an annual basis.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

16. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Reserve in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority; these reserves are explained in the relevant policies. These reserves are 'non-cash' reserves, and do not impact on utilisation of the National Park Grant.

17. Presentation of Accounting Statements

The Accounts are presented in the format required by the CIPFA Code of Practice, and in accordance with the Service Expenditure Analysis developed specifically for National Park Authorities.

18. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

19. Treasury Management

The Authority has an arrangement with North Yorkshire Council whereby the balance of the Authority's bank account is merged each day with the balances of the Council and several other organisations. These balances are then invested by North Yorkshire Council as an overall investment pool and interest is paid to the Authority based on the actual overall average rate of interest achieved.

20. Critical Judgements in Applying Accounting Policy

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events involving the following areas:

- Grant Income - Judgement is required to determine whether the Authority can be reasonably assured that the conditions of grant and contribution income received have been met before recognising them as income in the Comprehensive Income and Expenditure Statement. Where conditions require specified expenditure to have taken place, the grant monies will not be recognised until this has happened. Equally where conditions specify that a grant or contribution must be re-paid in the event of non-expenditure, the income is not recognised until the conditions of the grant have been met.

- Leases - The IFRS Code requires the Authority to consider the classification of leases between the categories of finance and operating on an annual basis. The distinction between the two categories is not clearly defined by the IFRS Code and an element of judgement is required to make the assessment in line with best practice.

- Heritage Assets - Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture. As a result accurate valuations for Heritage Assets may not be available but are measured at valuation where available and the asset is recognised within the Balance Sheet.

As part of the desktop valuation conducted for the 2023/24 accounts, the Levisham Estate has been fully revalued during the year. The estate makes up the majority of value of the Heritage Assets carried in the accounts, therefore the risk involved in the critical judgements should be minimal this year.

21. Assumption Made About the Future and Other Major Sources of Estimation

The Statements of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Property, Plant and Equipment

Assets are depreciated over the useful economic life that the asset (or components of the assets where appropriate) will be operational. The useful economic life of an individual asset is dependent upon maintaining an appropriate level of repair and maintenance expenditure on that asset. Should insufficient expenditure be incurred to properly maintain an asset then it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required.

Pension Liability

Estimation of the net liability to pay future pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. Sensitivity analysis around certain assumptions has identified that the following changes to the current estimated pension position of £0K would occur if alternative assumptions were to be applied:

- A -0.1% p.a. change in the discount rate to be applied would increase the pension obligation by £498k
- A -0.1% p.a. change in pay growth would decrease the pension obligation by £28k
- A -0.1% p.a. change in inflation would decrease the pension obligation by £470k
- An additional 1 year increase in life expectancy would decrease the pension obligation by £747k

A positive change would result in the above movements being reversed.

The net pensions liability was based on the 2023 actuarial valuation. It includes a share of the overall Pension Fund investment assets. The assumptions made to calculate the net liability are affected by a multitude of factors. One such assumption, the discount rate, has seen a significant increase over the year, which has led to an apparent accounting surplus result for the Authority as at 31 March 2024. However, further calculations carried out by the Pension Fund's actuary indicated that it is unclear that the surplus can be recognised under IAS 19 (paragraph 8 & 64) in this case. The Authority has therefore adopted a prudent approach to limit the asset (asset ceiling) and restrict the surplus recognition to nil.

22. Events after the Balance Sheet Date

Under IAS 10 Events after the Reporting Period, the Authority is required to disclose the date that the financial statements are authorised for issue. This establishes the date after which events will not have been recognised in the Statement of Accounts.

The Draft Statement of Accounts for 2023/24 was authorised on 20 June 2024 by the Chief Financial Officer. The Statement of Accounts is then subject to the External Audit process, before being considered and approved by the National Park Authority Members.

23. Future Changes to International Financial Reporting Standards (IFRS)

CIPFA continue to consider the implications of adopting IFRS 16 – Leases. This standard was originally expected to be adopted in the Statements of Accounts for 2020/2021 but was then deferred and expected to be adopted in 2023/24.

However, as a result of only 9% of local authority accounts in England meeting the audit publication deadline of 30 September 2021 the Department of Levelling-up Housing and Communities asked CIPFA in December 2021 to consider ways in which the Code may ameliorate this crisis position. In response, CIPFA issued an emergency consultation on exploratory proposals for making time-limited changes to the Code and subsequently made the decision to defer the implementation of IFRS 16 until 1 April 2024.

Progress continues to be made to ensure that the Authority will be fully compliant with the new standard ahead of its adoption.

2. Expenditure and Funding Analysis

2023/24	Outturn Figures	Capital Charges	Cap Ex Funded from Rev	Pension Adjust with IAS19	Interest Received	Moors Centre	Net Exp in Final Acc
Conservation of the Natural Environment	550	11	0	20	0	0	**581**
Conservation of Cultural Heritage	252	4	0	6	0	0	**262**
Recreation Management and Transport	573	104	-205	30	0	0	**502**
Promoting Understanding	1,101	101	-61	10	0	-16	**1,135**
Rangers, Estate and Volunteers	943	37	-12	15	0	0	**983**
Development Control	616	7	0	17	0	0	**640**
Forward Planning and Communities	174	2	0	3	0	0	**179**
S106 Compensation and Mitigation	-834	0	0	30	0	0	**-804**
Corporate and Democratic Core	-197	1	76	0	384	0	**264**
Farming in Protected Landscapes	-25	0	0	5	0	0	**-20**
Net Cost of Services	**3,153**	**267**	**-202**	**136**	**384**	**-16**	**3,722**
Loss on Disposal							-58
Interest Payable							16
Interest Received							-384
Net Pensions Interest Cost							-82
National Park Grant							-4,382
Capital contributions							0
Deficit on provision of services							**-1,168**
Surplus on revaluation of fixed assets							-319
Actuarial gain/loss on pension assets/liabilities							1,385
Impairment (gains) / losses on non-current assets							17
Total comprehensive income and expenditure							**-85**

Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the CIPFA Code of Practice. This is the same basis used to make decisions about resource allocation, which are taken by the Authority's Finance, Risk, Audit and Standards Committee (FRASC). However, these reports are prepared on a different basis from the accounting policies used in the financial statements.

In particular, no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation Reserve and amortisations are charged in the Comprehensive Income and Expenditure Statement). Actual capital expenditure and income is included in the committee reports but taken out of the Comprehensive Income and Expenditure Statement, which just show revenue.

The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year.

The outturn position reported to committee is summarised in the Explanatory Foreword on Page 6, and therefore the detailed report is not included here

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Expenditure and Funding Analysis

Expenditure and Funding Analysis 2022/23	**Outturn Figures**	**Capital Charges**	**Capital Expenditure Funded from Revenue**	**Pension Adjust with IAS19**	**Interest Received**	**Finance Lease Asset**	**Net Expenditure in Final Accounts**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Conservation of the Natural Environment	**551**	14	0	153	0	0	**718**
Conservation of Cultural Heritage	**271**	5	0	43	0	0	**319**
Recreation Management & Transport	**584**	94	(69)	109	0	0	**718**
Promoting Understanding	**1,116**	141	(47)	215	0	(16)	**1,409**
Rangers, Estate & Volunteers	**1,044**	34	(165)	109	0	0	**1,022**
Development Control	**580**	9	0	146	0	0	**735**
Forward Planning & Communities	**173**	3	0	26	0	0	**202**
S106 Compensation & Mitigation	**(549)**	0	0	98	0	0	**(451)**
Corporate & Democratic Core	**61**	3	(5)	0	142	0	**201**
Farming in Protected Landscapes	**0**	0	0	20	0	0	**20**
Net Cost of Services	**3,831**	**303**	**(286)**	919	**142**	**(16)**	**4,893**
(Gain)/Loss on Disposal							**(18)**
Interest Payable							**16**
Interest Received							**(142)**
Net Pensions Interest Cost							**147**
National Park Grant							**(4,822)**
Capital Contributions							**(489)**
Deficit on Provision of Services							**(415)**
Surplus on Revaluation of Fixed Assets							**(1,258)**
Actuarial (gains) / losses on Pension Assets / Liabilities							**(8,101)**
Impairment (gains) / losses on Non-Current Assets							**17**
Total Comprehensive Income & Expenditure							**(9,757)**

3. Income and Expenditure by Nature

The income and expenditure of the Authority's principal services recorded in the budget for the year are as follows:

	2023/24	2022/23
	£000	£000
Fees, Charges & Service Income	(2,594)	(2,243)
Government Grants	(2,092)	(2,272)
Section 106 Compensation & Mitigation Income	(3,134)	(2,360)
Total Income	**(7,820)**	**(6,875)**
Employee Expenses	5,213	4,682
Other Service Expenses	6,597	6,401
Total Expenditure	**11,810**	**11,083**
Net Expenditure	**3,990**	**4,208**

4. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Usable Reserves

	2023/24		
	General Fund Reserve £000	Capital Receipts Reserve £000	Movement in Unusable Res £000
Adjustments involving the capital adjustment account			
Reversal of items debited or credited to the statement of comprehensive income			
- Charges for depreciation, amortisation and impairment of non-current assets	267		-267
- Carrying value of non-current assets written out on disposal	585		-585
- Transfer of Sale Proceeds Credited as part of the Gain/Loss on Disposal to the CI&E	-643		643
- Capital contributions	-353		353
Insertion of items not debited or credited to the statement of comprehensive income			
- Capital expenditure charged against General Fund	-595		595
- Statutory Provision for the financing of Capital Investment	0		0
- Revenue Expenditure funded by Capital Under Statute	747		-747
Adjustments involving the capital receipts reserve			
Transfer of sales proceeds credited as part of the gain/loss on disposal		642	-642
Use of capital receipts		-642	642
Adjustments involving the pensions reserve			
Reversal of items relating to retirement benefits (Note 25)	689		-689
Employer's pension contribution payable in year (Note 25)	-634		634
Adjustments involving the accumulating compensated absenses adjustment account			
Amount by which officer remuneration charfed to the statement of comprehensive income	0		0
Total adjustments	**63**	**0**	**-63**

Usable Reserves

	2022/23		
	General Fund Reserve £000	Capital Receipts Reserve £000	Movement in Unusable Reserves £000
Adjustments involving the capital adjustment account			
Reversal of items debited or credited to the statement of comprehensive income			
- Charges for depreciation, amortisation and impairment of non-current assets	303		(303)
- Carrying value of non-current assets written out on disposal	0		0
- Transfer of Sale Proceeds Credited as part of the Gain/Loss on Disposal to the CI&E	(19)		19
- Capital contributions	(683)		683
Insertion of items not debited or credited to the statement of comprehensive income			
- Capital expenditure charged against General Fund	(458)		458
- Statutory Provision for the financing of Capital Investment	0		0
- Revenue Expenditure funded by Capital Under Statute	367		(367)
Adjustments involving the capital receipts reserve			
Transfer of sales proceeds credited as part of the gain/loss on disposal		18	(18)
Use of capital receipts		(18)	18
Adjustments involving the pensions reserve			
Reversal of items relating to retirement benefits (Note 25)	1,651		(1,651)
Employer's pension contribution payable in year (Note 25)	(584)		584
Adjustments involving the accumulating compensated absences adjustment account			
Amount by which officer remuneration charged to the statement of comprehensive income	0		0
Total adjustments	**577**	**0**	**(577)**

5. Property, Plant and Equipment and Heritage Assets

a) Movements in Property, Plant and Equipment

Movements in 2023/24	**Land & Buildings**	**Vehicles, Plant & Equipment**	**Total**
	£000	**£000**	**£000**
Historical or Revalued gross Cost	**6,010**	**1,779**	**7,789**
Additions in Year	710	133	843
Cost of Disposals in Year	(585)	(141)	(726)
Gross Asset Disposal	0	0	0
Revaluations			
- Recognised in the Revaluation Reserve	127	0	127
- Recognised in Provision of Services	0	0	0
Gross Value as at 31st March	**6,262**	**1,771**	**8,033**
Depreciation B/fwd	(107)	(1,140)	(1,247)
Depreciation	(109)	(158)	(267)
Accumulated Depreciation of Disposals in Year	0	141	141
gross Asset Disposal			
Revaluations			
- Revaluations in the Revaluation Reserve	116	0	116
- Revaluations in Provision of Service	0	0	0
Transfers out			
- Transfer out to Assets Held for Sale	0	0	0
Net Value as at 31 March	**6,162**	**614**	**6,776**

Movements in 2022/23	**Land & Buildings**	**Vehicles, Plant & Equipment**	**Total**
	£000	**£000**	**£000**
Historical or Revalued gross Cost	**4,642**	**1,827**	**6,469**
Additions in Year	589	204	792
Gross Asset Disposal	0	0	0
Cost of Disposals in Year	0	(251)	(251)
Revaluations			
- Recognised in the Revaluation Reserve	816	0	816
- Recognised in Provision of Services	(37)	0	(37)
Gross Value as at 31st March	**6,010**	**1,780**	**7,789**
Depreciation B/fwd	(82)	(1,230)	(1,312)
Gross Asset Disposal	(585)	0	(585)
Accumulated Depreciation of Disposals in Year	0	251	251
Depreciation for 2021/22	(107)	(161)	(268)
Revaluations	82	0	82
Net Value as at 31 March	**5,318**	**640**	**5,957**

b) Gross Value of Land and Buildings

	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000	2019/20 £000
Gross Value of Land and Buildings					
Value as at 31st March	**6,262**	**6,010**	**4,642**	**5,047**	**4,429**

c) Heritage Assets

Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture.

The following heritage assets held in the Balance Sheet at valuations:

	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000	2019/20 £000
As at 1st April	**4,358**	**3,998**	**2,554**	**2,771**	**2,781**
Revaluation	76	360	1,444	(217)	(10)
As at 31st March	**4,434**	**4,358**	**3,998**	**2,554**	**2,771**

Heritage Assets held by the Authority consist of:

- The Levisham Estate (approximately 1,347 Hectare of moorland, woodland and grassland)
- Spout House, Bilsdale (single storey Grade 1 listed building)
- Cawthorne Moor (approximately 42 Hectares of woodland with Roman Camp and Bronze Age Barrow)

Heritage assets are included within the Balance Sheet at valuation. A full valuation of the Authority's land and buildings (including those classified as Heritage Assets) was undertaken in 2018/19, as part of the 5 year rolling programme of revaluation by RICS registered valuers, Align Property Partners as at 31st March 2019. A desktop valuation of the Authority's land and buildings was undertaken by RICS registered valuers, Align Property Partners as at 31st March 2024, and will be undertaken each year prior to the next full revaluation. In 23/24 this desktop valuation included The Levisham Estate.

d) Current Assets Held for Sale

	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000	2019/20 £000
As at 1st April	**0**	**0**	**0**	**0**	**0**
Transfer to Assets Held for Sale	0	585	0	0	0
As at 31st March	**0**	**585**	**0**	**0**	**0**

Assets Held for Sale are those properties that are currently marketed, and it is anticipated will be sold within 12 months of the reporting period.

e) Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings (but not the land they stand on) Old Vicarage, Sutton Bank Visitor Centre, Danby Lodge & Spout House – 40 years.
- All other buildings – 30 years (with the exception of Saw Mill Lane Depot – 20 years)
- Vehicles – 5 years
- Heritage Assets – infinite lives with no depreciation charge applied

f) Revaluations

The Authority carries out a programme at least every 5 years that ensures all Land and Buildings including Heritage Assets that are required to be measured at fair value are re-valued with the next full valuation of assets expected for 2024/25. Furthermore, in order to ensure the carrying amounts of the Authority's land and buildings are kept up to date, a desktop valuation of Land & Buildings is also undertaken annually. The basis of valuation is disclosed in Policy 13 Statement of Accounting Policies.

g) Financing of Property, Plant and Equipment

The capital expenditure on fixed assets of £1,590k, (£1,159k in 2022/23) was financed as follows:

	31 March 2024 £000	31 March 2023 £000
Revenue	595	458
Capital Contributions	353	194
Capital Receipts	642	18
Capital Grant	0	489
	1,590	**1,159**

h) Capital Schemes

The key capital schemes in 2023/24 were the purchase of a piece of land in Helmsley, projects on the river Rye and Esk and the Peatland project.

	31 March 2024 £000	31 March 2023 £000
Land & Buildings	710	589
Vehicles, Plant & Equipment	112	182
IT & Other Equipment	21	21
REFCUS	747	367
	1,590	**1,159**

6. Capital Expenditure and Capital Financing

The total amount of Capital Expenditure incurred in the year is shown in the next table (including the value of assets acquired under finance leases, together with the resources that have been used to finance it). When Capital Expenditure is to be financed in future years by charges to revenue, as assets are used by the authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed as follows:

	2023/24 £000	2022/23 £000
Opening Capital Financing Requirement	**178**	**179**
Capital Investment		
Property, Plant & Equipment	1,590	1,159
Sources of Finance		
Capital Receipts	(642)	(18)
Capital Contributions	(353)	(194)
Capital Grants	0	(489)
Sums Set Aside from Revenue		
Direct Revenue Contributions	(595)	(458)
Minimum Revenue Provision Finance Lease	0	0
Closing Capital Financing Requirement	**178**	**179**

The Capital Financing Requirement arises as a result of the classification of the building element of Danby Lodge Lease as a Finance Lease under IFRS. The Prudential Framework for Capital Finance establishes a statutory basis for the Minimum Revenue Provision to be charged in relation to Finance Leases. This states that charges should be made to revenue equal to the element of the rental payable for any year to write down the balance sheet liability.

7. Financial Instruments

a) Financial Assets: Cash, Loans and Receivables

The Authority's cash balance includes cash held with North Yorkshire Council (NYC), as well as cash held in a bank account in the name of the Authority. Cash held by the Authority is swept over to the account held by NYC each evening and money in this account is available to the Authority within one day.

Financial Instruments are formerly defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the Authority, this definition covers the instruments used in Treasury Management activity, in the lending of money for investment purposes.

The Authority's Treasury Management is provided via a collaboration arrangement with NYC under the CIPFA Code of Practice on Treasury Management. The code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority.

The CIPFA Code of Practice on Treasury Management requires:

- A Treasury Management Policy Statement (TMPS) stating North Yorkshire Council's policies and objectives for its treasury management activities; and

- A framework of Treasury Management Practices (TMPs) setting out the manner in which North Yorkshire Council will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

The twelve recommended TMPs are reviewed and updated as and when necessary in the light of regulatory and/or local policy changes and cover the following areas:

- ☐ Risk management;
- ☐ Performance measurement;
- ☐ Decision making and analysis;
- ☐ Approved instruments, methods and techniques;
- ☐ Organisation, clarity and segregation of responsibilities and dealing arrangements;
- ☐ Reporting requirements and management information arrangements;
- ☐ Budgeting, accounting and audit arrangements;
- ☐ Cash and cash flow management;
- ☐ Money laundering;
- ☐ Training and qualifications;
- ☐ Use of external service providers; and

- ☐ Corporate governance.

b) Financial Instrument Balances

	31 March 2024	31 March 2023
	£000	£000
Debtors	1,610	2,026
Creditors	996	714
Bank current accounts	(526)	(629)
Short-term deposit with NYCC Treasury	7,950	6,403
	10,030	**8,514**

Long Term Debtors (see Note 10)

Loan	17	34

The figures shown above consist of the nominal value of loans plus accrued interest at that date. This complies with the requirements for financial instruments in accordance with the Code and adoption of IFRS 9.

All Financial Instruments continue to be carried at amortised cost after the adoption of IFRS 9.

c) Fair Value of Assets and Liabilities Carried at Amortised Cost

The fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans receivable, the prevailing benchmark market rates have been used to provide fair value;
- Where an instrument (loan/investment) will mature in the next 12 months, the carrying amount is assumed to approximate fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount; and
- A review of bad debts was performed at the balance sheet date and no impairments have been applied.

d) Disclosure of Nature and Extent of Risk Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks, the key risks being:

- Credit Risk – the possibility that other parties may fail to pay amounts due to the Authority;

- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and

- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rate movements.

e) Procedures for Managing Risk

Through the collaboration arrangement with NYC, the Authority complies with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Department for Communities & Local Government Investment Guidance issued through the Local Government Act 2003. Risk is managed in the following ways:

- By NYC adopting the requirements of the code of practice

- The approved prudential indicator limits set out for the following three years:
    - The Authority's overall borrowing limits
    - Its maximum and minimum exposures to fixed and variable interest rates
    - Its maximum annual exposures to investments maturing beyond a year

Credit Risk
Credit risk arises from deposits with banks and financial institutions as well as exposures to the Authority's customers. Deposits are managed through the collaboration agreement with NYC. Sales of goods are predominantly on a cash basis, and services are not completed unless there is a signed legal grant agreement in place. The Authority receives income predominantly from other Government Bodies reducing commercial risk.

The Authority does not generally allow credit for its debtors. Analysis of invoices outstanding as at 31st March 2024, which are included within the £1,879k short-term debtors, can be analysed by age as per the table below. Please note the short-term debtors note includes income expected from Government Bodies which does not require an invoice, hence not appearing in the table below.

	31 March 2024	**31 March 2023**
	£000	£000
Less than 3 Months	786	195
3 to 6 Months	4	8
6 to 12 Months	0	14
More than 12 Months	14	23
	804	**240**

Liquidity Risk
The Authority has next day access to investments and is funded centrally by DEFRA. Grant funding is known in advance so working balances can be managed. The Authority does not have any external borrowing.

Market Risk
The Authority is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. As the Authority has no borrowings the risk is a loss of earnings on interest income.

Amounts Arising from Expected Credit Loss
As per the requirements of The Code as a result of the adoption of IFRS 9, The Authority has assessed its investments and concluded that any expected credit loss is not material, therefore no allowances have been made.

8. Inventories

The movement in inventories recorded on the balance sheet can be analysed as follows:

	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Type of Stock:	**Stock for Resale**		**Footpath Maintenance Stock**		**Total**	
Balance at 1 April 2023	64	63	37	29	101	92
Purchases	135	122	72	34	207	156
Inventory Utilised Within Year	(132)	(121)	(91)	(26)	(223)	(147)
Balance at 31 March 2024	**67**	**64**	**18**	**37**	**85**	**101**

9. Short Term Debtors

The Short-Term Debtors recorded on the balance sheet can be analysed as follows:

	31 March 2024 £000	31 March 2023 £000
Central Government bodies	870	1,807
Other Local Authorities	136	64
Other entities and individuals	807	215
Payments in Advance	66	54
	1,879	**2,140**

Provision for Doubtful Debt

A £6.75k provision has been made for doubtful debts in 2023/24.

10. Long Term Debtors

A £177k loan over 12 years to Esk Energy (Yorkshire) Limited was advanced in 2012/13 (£20k) and 2011/12 (£157k). This loan arrangement is subject to a formal signed legal agreement. There was a balance of £34k as at 31 March 2023 and a repayment was made in 2023/24 of £17k, thus the balance of this loan is £17k as at 31 March 2024

The loan is also classified as a financial instrument and further information appears in Note 7 Financial Instruments.

11. Cash and Cash Equivalent

The balance of cash and cash equivalents is made up of the Authority's current bank accounts and short-term deposit with North Yorkshire Council (See Note 7b).

12. Short-term Creditors

The short-term creditors recorded on the balance sheet can be analysed as follows:

	31 March 2024 £000	31 March 2023 £000
Central government bodies	94	81
Other local authorities	23	60
Other entities and individuals	976	655
Accumulated Absences	30	30
Income in Advance	1,135	1,289
	2,258	**2,115**

13. Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Re-valued downwards or impaired and the gains are lost;
- Used in the Provision of Services and the gains are consumed through depreciation; or
- Disposed of and the gains realised.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created.

	2023/24 £000	2022/23 £000
Balance at 1 April	**6,082**	**4,855**
Upward revaluation of assets	319	1,258
Difference between fair value depreciation and historical cost depreciation	(34)	(30)
Balance at 31 March	**6,367**	**6,082**

14. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision the Account is debited with the cost of acquisition or enhancement as depreciation; impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

	2023/24 £000	2022/23 £000
Balance at 1 April	**4,670**	**4,165**
Reversal of items relating to capital expenditure debited or credited to I&E		
- Charges for depreciation and impairment of non-current assets	(268)	(266)
- Revaluation losses on Plant, Property and Equipment	0	(36)
- Amounts of non-current assets written off on disposal to Statement of Comprehensive Income	(585)	0
- Write down long term debtor	(16)	(16)
- Revenue Expenditure Funded by Capital under Statute	(747)	(367)
	(1,616)	**(685)**
Adjusting amount written out of the Revaluation Reserve	34	30
Net written out amount of the cost of non-current assets consumed in year	**34**	**30**
Capital financing applied in year:		
- Use of capital receipts	642	18
- Capital Grants & contributions credited to the SCI	0	489
- Capital expenditure charged against the general fund	201	285
- Capital financing utilised as Revenue Expenditure Funded by Capital under Statute	747	367
	1,590	**1,159**
Balance at 31 March	**4,678**	**4,669**

15. Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in its Comprehensive Income and Expenditure Statements as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pay any pensions for which it is directly responsible. The Pension Fund actuary report as at 31 March 2023 indicates a pension asset of £4.302m before the application of surplus restriction calculations. However, with a defined benefit scheme the number recognised in the accounts should be the lower of the above surplus and the asset ceiling calculation. The latter indicates that the surplus should not be recognised, and therefore a figure of nil is accounted for at the end of the year for the funded element of the scheme. The unfunded element of the scheme has a liability of £142k.

The Authority participates in the North Yorkshire Pension Fund.

	2023/24	2022/23
	£000	**£000**
Balance as at 1 April	1,298	(5,737)
Remeasurement of Net Defined Benefit Liability	(1,385)	8,101
Reversal of Items Relating to Retirement Benefits	(689)	(1,650)
Employers Pension Contributions and Direct Payments	634	584
Balance as at 31 March	**(142)**	**1,298**

16. Transfers to/from Earmarked Reserves

This shows the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back into the General Fund 2023/24.

2023/24	Opening Balance at 31 March 2023	Transfer to Reserves	Transfer from Reserves	Net Movement	Closing Balance at 31 March 2024
	£000	£000	£000	£000	£000
Emergency Reserve	435	0	0	0	435
This Exploited Land of Iron Reserve	112	0	0	0	112
Capital & Maintenance Reserve	301	174	-60	114	415
Property Reserve	508	635	-669	-34	474
Woodsmith Section 106 Reserve	2,935	390	-214	176	3,111
Boulby S106 Reserve	0	659	0	659	659
Ryevitalise Reserve	402	167	-15	152	554
Blue Corridor Reserve	42	0	-42	-42	0
Core Signage Reserve	100	0	0	0	100
Future Match Funding Reserve	200	0	0	0	200
Budgets Carried forward from 21/22 to 23/24	0	37	-37	0	0
Project Reserves	85	596	-256	340	425
Total Earmarked Reserves	**5,120**	**2,658**	**-1,293**	**1,365**	**6,485**
General Fund	818	392	-527	-135	683
Total Useable Reserves	**5,938**	**3,050**	**-1,820**	**1,230**	**7,168**

This shows the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back into the General Fund 2022/23.

2022/23

	Opening Balance at 31 March 2022 £'000	Transfers in to Reserves £'000	Transfers out of Reserves £'000	Net Movement of Reserves £'000	Closing Balance at 31 March 2023 £'000
Emergency Reserve	385	50	0	50	435
This Exploited Land of Iron Reserve	115	0	(3)	(3)	112
Capital & Maintenance Reserve	348	131	(178)	(47)	301
Property Reserve	490	50	(32)	18	508
Section 106 Reserve	2,387	569	(21)	548	2,935
Ryevitalise Reserve	402	0	0	0	402
Blue Corridor Reserve	42	0	0	0	42
Core Signage Reserve	100	0	0	0	100
Budgets Carried forward from 21/22 to 22/23	0	97	(97)	0	0
Pension Smoothing Reserve	67	0	(67)	(67)	0
Future Match Funding Reserve	200	0	0	0	200
Project Reserves	60	102	(77)	25	85
Total Earmarked Reserves	**4,596**	**999**	**(475)**	**524**	**5,120**
General Fund	350	715	(247)	468	818
Total Usable Reserves	**4,946**	**1,714**	**(722)**	**992**	**5,938**

17. Agency Services

The Authority has contracts with the following Local Authorities to provide services. Note that following local government reorganisation, Scarborough Borough Council is now part of North Yorkshire Council from 1st April 2023. The charges for 2022/23 and 2023/24 are as follows:

	2023/24	2022/23
	£000	£000
North Yorkshire Council	293	148
Scarborough Borough Council	0	102
	293	**250**

18. Member's Allowance

The total amount of member's allowances paid during 2023/24 was £69K (£65K in 2022/23).

19. Disclosure of Remuneration

The Public Sector Accounts and Audit Regulations 2011 require that the Authority discloses the number of employees whose remuneration falls in each bracket of a scale in multiples of £5,000 starting with £ 50,000. The definition of remuneration includes gross pay and certain expense allowances but excludes NIC's as they do not form part of the individual's remuneration.

	Number of Employees	
Band	**2023/24**	**2022/23**
£50,000 - £54,999	0	0
£55,000 - £59,999	1	1
£60,000 - £64,999	1	2
£65,000 - £69,999	0	1
£70,000 - £74,999	1	0
Over £74,999	3	1

The regulations also require that certain senior employees whose salary is £50,000 or more per year must be listed by way of job title. Please note that the over £50k banding table includes senior officers listed separately below.

The Local Government pension scheme is a contributory scheme and in addition to the payments made by the Authority, employees are required to contribute a percentage calculated in accordance with salary bandings. Employees also have options to make additional contributions to the scheme to increase their benefits against which the Authority makes no further contribution.

	2023/24 £000	2022/23 £000
Chief Executive		
Total Remuneration excluding Pension Contribution	102,780	92,346
Employers Pension Contribution	16,034	14,221
Total Remuneration including Pension Contribution	**118,814**	**106,567**
Director of Planning		
Total Remuneration excluding Pension Contribution	68,665	66,100
Employers Pension Contribution	10,712	10,179
Total Remuneration including Pension Contribution	**79,377**	**76,279**
Director of Recreation & Wellbeing		
Total Remuneration excluding Pension Contribution	53,710	61,750
Employers Pension Contribution	8,236	9,509
Total Remuneration including Pension Contribution	**61,946**	**71,259**
Director of Conservation		
Total Remuneration excluding Pension Contribution	66,405	62,837
Employers Pension Contribution	10,359	9,677
Total Remuneration including Pension Contribution	**76,764**	**72,514**
Director of Corporate Services		
Total Remuneration excluding Pension Contribution	64,145	55,622
Employers Pension Contribution	10,007	8,566
Total Remuneration including Pension Contribution	**74,152**	**64,188**
Senior Minerals Planner		
Total Remuneration excluding Pension Contribution	50,195	0
Employers Pension Contribution	7,830	0
Total Renumeration including Pension Contribution	**58,025**	**0**

20. Exit Packages and Termination Benefits

Details of the Exit Packages / Termination Benefits paid out to employees who were made redundant or took early retirement during the year are set out in the table below.

The table shows the total number of compulsory and other voluntary redundancies / departures and their total cost, broken down into incremental bands.

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in each Band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
							£000	£000
£0 - £39,999	0	0	2	2	2	2	7	45
	0	**0**	**2**	**2**	**2**	**2**	**7**	**45**

21. External Audit cost

The Authority has incurred the following costs in relation to External Audit:

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	2023/24	2022/23
	£000	£000
Fees Payable for External Audit Services	42	20
	42	**20**

22. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/24:

	2023/24 £000	2022/23 £000
Credited to Grant income		
National Park Grant (NPG)	(4,382)	(4,822)
Credited to services		
Natural England	580	348
English Heritage	0	0
Forestry Commission	5	0
Environment Agency	83	128
North Yorkshire County Council	76	75
Redcar and Cleveland Borough Council	0	0
MHCLG (formerly DCLG)	0	6
European Grants	238	127
HMRC	0	0
Rural Payment Agency	16	10
Other Local Authorities	15	0
DEFRA Grants	1,079	1,089
Salix	0	489
Total Government Revenue Grants (excluding NPG)	**2,092**	**2,272**
Lottery Funding	270	443
Other Grants	339	211
Total Revenue Grants (excluding NPG)	**2,701**	**2,926**

23. Related Party Transactions

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority; the bodies identified are:

Central Government has effective control over the general operation of the Authority. It is responsible for providing the statutory framework, within which the Authority operates, provides the majority of its funding and prescribes the terms of many of the transactions with other parties. Details of transactions with government departments in terms of grants are set out in Note 22.

Members of the Authority have direct control over the Authority's financial and operating policies. The Register of Members' Interests, which authorities are required to maintain, in accordance with the National Park Authority Members Code of Conduct, and any disclosures of direct or indirect pecuniary interests made in accordance with section 94 of the Local Government Act 1972, were examined.

The Authority has 20 Members, made up of as follows :-

North Yorkshire County Council - 9 seats
Redcar & Cleveland - 2 seats

Defra appointments Secretary of State appointments – 5 seats
Secretary of State Parish appointments – 4 seats

It should be noted that the Chief Financial Officer (Section 151 Officer) of the Authority is also a Head of Finance for North Yorkshire Council. The Authority's Monitoring Officer is also an employee at North Yorkshire Council. As part of local Government reorganisation, from 1st April 2023 the North Yorkshire County, Borough and District Councils became one entity, North Yorkshire Council. The Chief Finance Officer and the Monitoring Officer services will both continue to be provided under contract by North Yorkshire Council.

Related Parties

	Income	Expenditure	Net
	£	£	£
North York Moors Historical Railway Trust	(74,448)	275	-74,173
North York Moors National Park Trust	(73,389)	0	-73,389
North Yorkshire Council	(67,598)	568,646	501,048
Redcar and Cleveland Borough Council	0	8,476	8,476
Scarborough & Ryedale Mountain Rescue Team	0	1,600	1,600
	(215,435)	578,997	363,562

24. Leases

The Authority has one finance lease for Danby Lodge Visitor Centre in Danby.

A revised lease was negotiated in October 2009 for 63 years, and now carried as Property, Plant and Equipment in the balance Sheet in the following net amounts:

Finance Lease – Assets	**2023/24**	**2022/23**
	£000	**£000**
Other Land and Buildings	537	512
	537	**512**

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability; these minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following future rent reviews.

Finance Lease - Liabilities	**2023/24**	**2022/23**
	£000	**£000**
Non-Current	177	177
Finance Costs Payable in Future Years	601	617
	778	**794**

The minimum lease payments are to be paid over the following periods:

Finance Lease - Interest Payments	**2023/24**	**2022/23**
	£000	**£000**
Not Later than 1 Years	16	16
Later than 1 Year and Not Later than 5 Years	63	63
Later than 5 Years	522	538
	601	**617**

Finance Lease - Principal Repayments	**2023/24**	**2022/23**
	£000	**£000**
Not Later than 1 Years	0	0
Later than 1 Year and Not Later than 5 Years	1	1
Later than 5 Years	176	176
	177	**177**

Operating Lease
As at the 31st March 2024, the Authority was not committed to making any payments under operating leases in 2023/24.

25. Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme. For the North Yorkshire area this is administered by North Yorkshire Council. It is a funded defined benefit career average salary scheme, meaning that the Authority and its employees pay contributions into a fund. These contributions are set, which accumulate in a fund, at a level intended to meet pensions liabilities as they fall due.

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge we are required to make is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Statement of Comprehensive Income and Expenditure and the General Fund Reserve via the Movement in Reserves Statement.

As at 31st March 2024, the Authority has paid all pension contributions due in the 2023/24 financial year, to the North Yorkshire Pension Fund.

Comprehensive Income and Expenditure Statement

2022/23 £000		2023/24 £000
	Net Cost of Service	
(1,483)	Current service cost	(747)
(35)	Past service cost inc. Curtailments	0
(21)	Administrative expenses	(24)
	Financing and Investment Income	
(147)	Net interest expense	82
(1,686)	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Service**	**(689)**
	Remeasurement of the net defined benefit liability	
1,450	Actuarial gains and (losses)	(142)
(236)	**Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement**	**(831)**
	Movement in Reserves Statement	
(1,651)	Reversal of net charges made to the surplus or deficit for the provision of Services for Post-Employment benefits in accordance with the code	(689)
584	Actual amount charged against the General Fund Balance for employer's pension contributions in the year	634
(1,067)		**(55)**

The cumulative amount of actuarial gains/losses recognised in the Comprehensive Income and Expenditure Statement to 31st March 2024 is a gain of £55k (£1.067m in 2022/23).

The line 'Net Interest Expense' under Financing and Investment Income reflects the cost of future pension benefits at the start of the year discounted by one less year, less the assumption for the growth of assets during the year.

The liabilities show the underlying commitments that the Authority has in the long term to pay retirement benefits.

Authority's Net Liability	**2023/24**	**2022/23**
	£000	**£000**
Estimated share of liabilities in the scheme	(28,035)	(27,792)
Estimated share of assets in the scheme	27,893	29,090
Authority's net liability (deficit)/Surplus	**(142)**	**1,298**

Scheme Assets and Liabilities	**2023/24**	**2022/23**
	£000	**£000**
Pension liabilities at beginning of year	(27,792)	(37,679)
Current service cost	(771)	(1,503)
Interest cost	(1,290)	(1,013)
Contributions by scheme participants	(260)	(227)
Actuarial (loss)/gain	1,114	11,963
Curtailments	0	(35)
Benefits paid	964	702
Past service cost	0	0
Pension liabilities at end of year	**(28,035)**	**(27,792)**
Pension assets at beginning of year	**29,090**	**31,943**
Movement in assets in year:		
Interest income	1,372	864
Actuarial (loss)/gain	(2,499)	(3,826)
Employer contributions	634	584
Contributions by scheme participants	260	227
Benefits paid	(964)	(702)
Pension assets at end of year	**27,893**	**29,090**
Deficit/Surplus	**(142)**	**1,298**

The key risks for North Yorkshire Pension Fund are described in the Risk Register for the Fund which can be found on North Yorkshire Council's website. One of these risks is that investment returns will be lower than forecast due to adverse conditions in financial markets. To mitigate this, the Fund invests in a range of asset classes (equities, property, fixed income, alternatives, cash), and in more than one strategy within each asset class, such as global equity, UK equity and Emerging Market equity. Another risk is that solvency will deteriorate either through poor investment returns or adverse changes in the assumptions used to value liabilities. Two options to mitigate this include increasing contribution rates and extending deficit recovery periods. Further details are available at www.nypf.org.uk.

	31 March 2024 Years	**31 March 2023 Years**
Mortality Assumptions:		
Longevity at 65 for current pensioners		
Men	22.1	22.6
Women	24.6	25.0
Longevity at 65 for future pensioners		
Men	22.1	23.5
Women	24.6	26.0

Assets in the Pension Fund are valued at fair value, principally market value for investments, totalling £28.0m at 31st March 2024 (£27.8m at 31st March 2023), and consists of the following categories.

Investments - Fair Value	Fair Value of Scheme Assets 2023/24 £000	Fair Value of Scheme Assets 2022/23 £000
Equity instruments	14,532	14,480
Property	1,785	1,779
government bonds	3,068	3,057
Bonds	2,008	2,001
Cash/liquidity	391	389
Other	4,630	4,613
Multi Asset Credit	1,478	1,473
Total assets	**27,892**	**27,792**

The actuarial gain identified as movements on the Pensions Reserve in 2023/24 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31st March 2024 with comparative data for the previous four financial years:

	2023/24 £000	2022/23 £000	2021/22 £000	2020/21 £000	2019/20 £000
Difference between the expected and actual return on assets	2,499	3,827	41	(5,946)	328
Difference between actuarial assumptions about liabilities and actual experience	344	3,455	117	(315)	1,655
Changes in the financial assumptions used to estimate liabilities	(1,030)	(15,707)	(2,762)	0	8
Changes in the demographic assumptions used to estimate liabilities	(428)	289	(381)	0	(917)
	1,385	**(8,136)**	**(2,985)**	**(6,261)**	**1,074**

The total contribution expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2024 is £634k.

26. Material Contingent Liabilities

There are currently no material contingent liabilities.