

# Exmoor National Park

## Statement Of Accounts 2019/20

**Gordon Bryant**  
Chief Finance Officer

**Sarah Bryan**  
Chief Executive



**AUDITED STATEMENT OF ACCOUNTS****2019/20****CONTENTS**

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## STATEMENT OF ACCOUNTS 2019/20

### NARRATIVE REPORT

#### Introduction

1. The Authority was created and given powers under the Environment Act 1995 and came into existence on 1 April 1997. The Act sets out two primary purposes for Exmoor National Park Authority ('the Authority'):
  - To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park area; and
  - To promote opportunities for understanding and enjoyment of the National Park's special qualities.
2. In carrying out these purposes the Authority also has a duty to seek to foster the social and economic well-being of local communities in the National Park and is the Planning Authority under the Town and Country Planning Acts for the National Park area.
3. Exmoor National Park Authority is required under section 66(1) of the Environment Act 1995 to produce a National Park Management Plan (the 'Partnership Plan') and State of the Park report and review them every five years. The National Park Authority is responsible for preparing the Plan, but it is developed in consultation with partner organizations, communities, visitors and businesses and will be delivered with a wide range of partners. The fundamental basis for the Plan, and for the work of the National Park Authority, are the National Park statutory purposes and duty. Evidence from the updated State of the Park report forms an important basis for the review of the Partnership Plan, and ongoing monitoring. In April 2018 the [Partnership Plan](#) 2018-23 was published by the Authority. This sets out the Vision and Ambitions for the National Park under three themes of 'People, Place and Prosperity'.

#### Governance

4. The Annual Governance Statement is included within this publication but does not form part of the Authority's accounts. The Annual Governance Statement is found at the back of this document and explains the:
  - Scope of responsibilities;
  - Governance Framework; and
  - Significant governance issues and challenges faced by the Authority.
5. An enhanced governance relationship with Defra began in 2019/20. This included an annual formal agreement and additional reporting requirements.

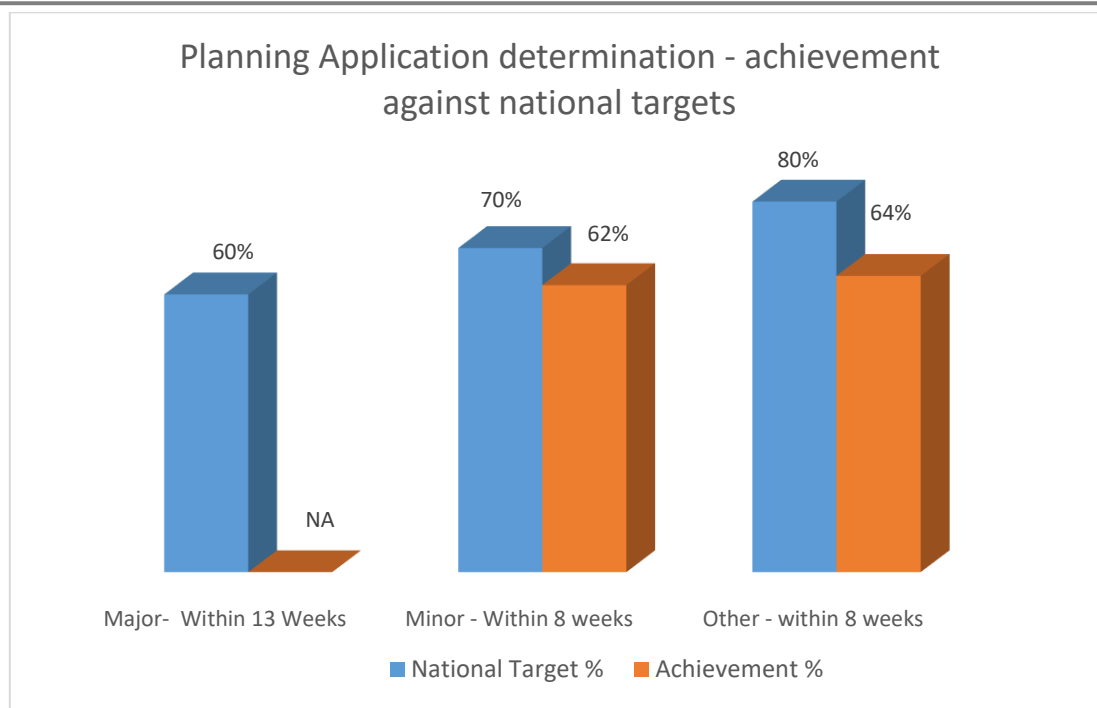
## Organisation

6. To achieve the purposes and duty described in 1 and 2, the organisation is structured in terms of Support to Land Managers, Support to National Park Users and Support to the Community and Business.

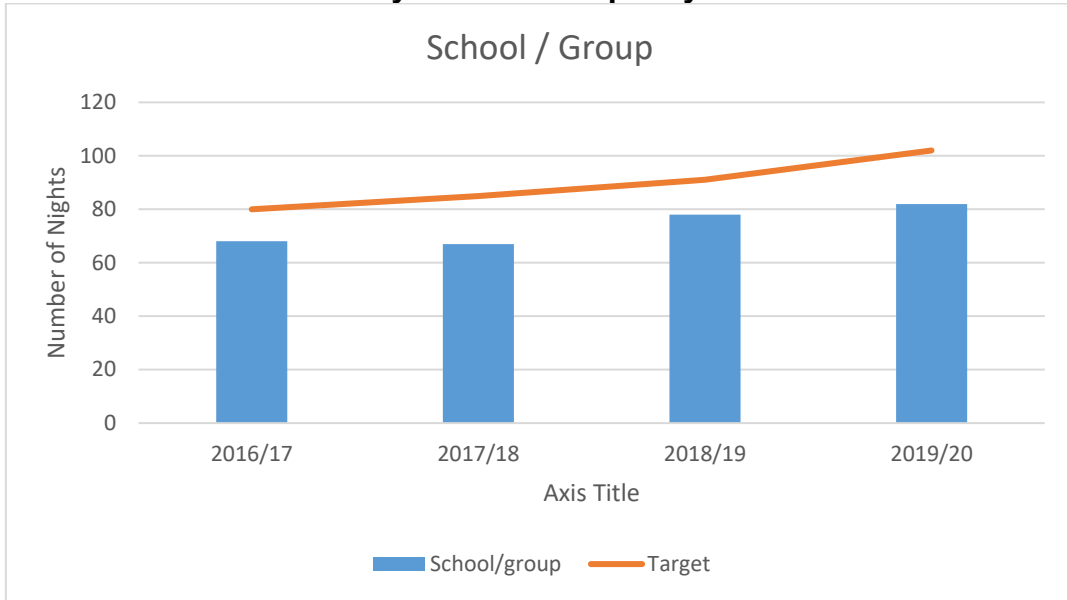
## Performance

7. 2019/20 saw the completion of the single year Corporate plan for the Authority. A mid-year report of progress in implementing the previous Business Plan was taken to the Authority in December 2019, and the full report will go to the Authority in July 2020. Progress against key corporate indicators is given in the charts below. Performance is monitored quarterly by Leadership Team to ensure that the actions within the Corporate Plan are being achieved and, if necessary, to provide an opportunity for resources to be re-allocated or to review the proposed action.
8. Performance against the Key Corporate Indicators begun to be impacted in 2019/20 by the Coronavirus outbreak towards the end of the year. Staff have predominantly been working from home as Exmoor House, the National Park Centres and the Outdoor Education Centre at Pinkery have been closed. However the Authority quickly developed a Covid Response Fund to support local community groups and we are in the process of producing a recovery plan. Performance will be impacted to a greater extent by Coronavirus in 2020/21. For an analysis of performance in 2019/20 that goes beyond the Key Corporate Indicators please look to the Authority report that will be submitted in July.

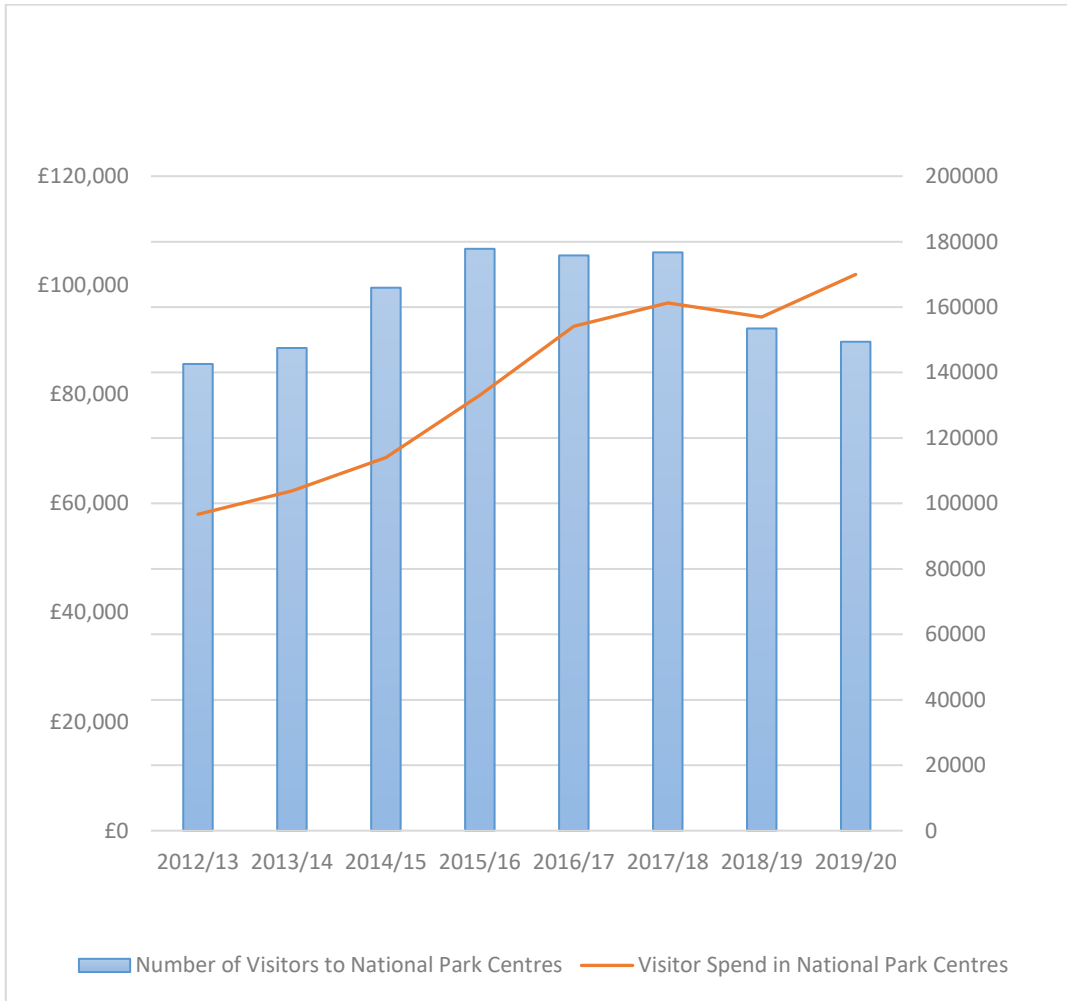
### Key Corporate Indicators 1 April 2019 to 31 March 2020



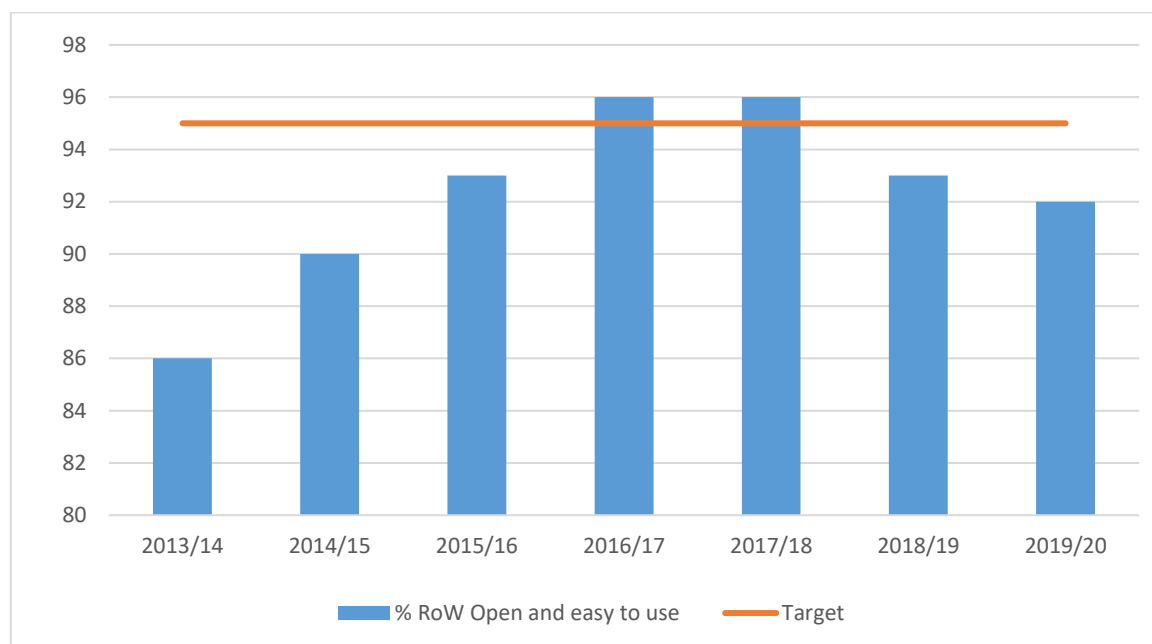
### Pinkery Centre Occupancy rates



### National Park Centre Visitor Numbers and Income Trend



## Rights of Way Open and Easy to Use Score



9. 2019/20 is notable for being the year when significant refurbishment of White Rock Cottage took place, a new planning system was introduced and the Authority began to manage the impact of Ash Die-Back on its Woodland Estate. It was also the final year of the Headwaters program with South West Water to improve water quality in the river Exe and its catchment. Further work was undertaken at Weir Cleave and the Outdoor Education Centre at Pinkery.

## Financial Statements

10. Information relating to financial performance for the year ended 31 March 2020 is contained in the following statements:

### **Comprehensive Income and Expenditure Statement (page 10);**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

The Comprehensive Income & Expenditure Statement shows a surplus for 2019/20 of £0.391m. This contrasts with a surplus of £0.596 for 2018/19.

### **Movement in Reserves Statement (page 11);**

This statement shows the movement in the year on the different reserves held by the authority, analysed between general fund and other 'unusable' reserves. The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to government grants for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

General Fund and earmarked reserves fell by £100k over the course of 2019/20 to £2.884m and unusable increased over the same period to £9.0m from £8.5m. The

reduction in usable reserves was primarily due to the completion of schemes described in section 8 of this Narrative Report.

### **Balance Sheet (page 12)**

This statement shows the values 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.

Exmoor has £11.9m of assets in excess of its liabilities at the end of 2019/20. This is an increase of £0.4m which is primarily due to an increase in the value of Land and Buildings. The Authority owns £18.8m of Property, Plant and Equipment however many of these assets could not be realized at this level. Covenants attached to certain assets mean that they can only be sold to similar organizations and for the notional sum of £1.

### **Cash Flow Statement (page 13)**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The statement shows how the amount of Cash and Cash Equivalents fell by £37k over the course of 2019/20.

## **Financial Performance**

11. The revenue budget for 2019/20 was agreed on the 5 February 2019. Resources were applied to meet the purposes and duty described in 1 and 2. The approved budget was constructed across two themes:
  - A Core Budget with expenditure of £3,599,600 and income of £774,400 giving a net requirement of £2,825,200;
  - A Partnership budget involving expenditure of £386,300 of which £148,600 was top-sliced for priority elements, £50,000 set aside for small grants and £187,700 added to reserves.
  
12. The Authority considered a revised budget and reviewed the elements of the budget at its meeting on 5 November 2019. Funds were shifted between expected underspends and reserves to meet some of the initial costs related to Ash Die-Back, extend six fixed term contracts for a year and meet some of the increase in staff costs due to Job Evaluation.
  
13. The key financial outcomes for the year ended 31 March 2020 are:
  - Transfers from reserves to support spending during the year amounted to £100,000. The most significant involved the use of the Estates and Simonsbath Development Reserve. The Programmes top slice was continued to be used to implement DEFRA's National Park Plan.
  - The revenue outturn for the year recommends that funds are redistributed towards the Contingency, Environmental Resilience and Estates Reserves and to meet Coronavirus related costs and support. These include setting money aside for the anticipated large deficit at the Pinkery Outdoor Education Centre, adaptations to the National Park Centres and further support to community organisations.

- The core budget shows an underspend for the year of £61,000 when compared with the revised budget. The reconciliation between this surplus and that shown in the Comprehensive Income and Expenditure Account is as follows:

	£000	£000
<b>Net Deficit on the Provision of Services in the Comprehensive Income &amp; Expenditure Account</b>		<b>447</b>
<i>Non Cash Transactions</i>		
Reverse Depreciation & Impairment charges	(53)	
Reverse IAS19 Pensions transactions	(519)	
Net transfers from earmarked reserves	(161)	
Add in Capital Expenditure funded from Revenue	243	
Add in Capital Expenditure funded from Capital Grants	88	
Movement in Employee absence Accrual	(13)	
Downwards Revaluation of Assets	(93)	
<b>Management Accounts Budget Surplus</b>		<b>(61)</b>

14. The Authority has an excellent record in managing its financial affairs within its resources, and in 2019/20 has performed well, against the original and revised budgets set.

## Financial Outlook

15. For the previous four years the Authority has had some success in managing resources and meeting obligations in the context of a slightly increasing National Park Grant. This abruptly changed when setting the 2020/21 budget as the underlying, ongoing funding from Defra was reduced by 5%. We do not know what the level of funding will be from 2021/22 onwards and there is no reason to think that the previous level of funding will be reinstated.
16. Funding also had to be found during the 2020/21 budget setting process for the increased costs related to the Pension Fund valuation and for the costs related to the first two years of Job Evaluation being implemented. There are four more years of JE still to be resourced and the staff and members pay award looks likely to come in higher than was forecast.
17. At the point when this Narrative Report is produced, we would hope that the scale and scope of the financial and associated challenges related to the Coronavirus outbreak are known. This has significantly impacted upon traded income at the National Park Centres and at Pinkery. Car parking income is also down. However as described in section 12, we have a plan for meeting these losses and would hope that the usual visiting and trading patterns will return. We are also due to receive over £100k from governmental support related to the pandemic.
18. There are therefore lots of cost pressures and risks to funding in the short and medium term. However, the Authority continues to maintain a solid financial position and opportunities from the Glover Review, the new Agricultural support system and the UK's exit from the European Union will arise.

G Bryant  
Chief Finance Officer  
June 2020



**STATEMENT OF ACCOUNTS 2019/20****2. STATEMENT OF RESPONSIBILITIES****2.1 The Authority's Responsibilities**

The Authority is required 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. In this Authority that officer is the Chief Finance Officer.
- manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- approve the Statement of Accounts.

**2.2 The Chief Finance Officer's Responsibilities**

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

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent, and
- complied with the local authority CODE

The Chief Finance Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

**2.3 Declaration of the Chief Finance Officer:**

**I certify that this Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2015 and that it gives a true and fair view of the financial position of Exmoor National Park Authority as at 31 March 2020 and its income and expenditure for the year ended 31 March 2020.**

**G Bryant**

Chief Finance Officer: ..... *G. Bryant* ..... Date: 6 October 2020

**Approved by Exmoor National Park Authority:**

**This Statement of Accounts was approved by resolution of the Final Accounts Committee on 6 October 2020**

**R Milton**

Chairman: ..... *R Milton* ..... Date: 6 October 2020

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from National Park Grant. National Park Authorities receive National Park Grant and raise other income to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation (government grant) position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2018/19				2019/20		
Gross Expenditure £000	Gross Income £000 (Notes 10 & 11)	Net Expenditure £000		Gross Expenditure £000	Gross Income £000 (Notes 10 & 11)	Net Expenditure £000
1,438	(416)	1,022	Support to Land Managers	1,435	(487)	948
548	(130)	418	Support to the Community	494	(166)	328
1,290	(387)	903	Support to National Park Users	951	(341)	610
1,350	(314)	1,036	Support Services	1,373	(289)	1,084
289	-	289	Corporate Management	263		263
270	(12)	258	Partnership Fund	238	(17)	221
<b>5,185</b>	<b>(1,259)</b>	<b>3,926</b>	<b>Cost of Services</b>	<b>4,754</b>	<b>(1,300)</b>	<b>3,454</b>
7	-	7	Other Operating Expenditure (Note 12)	9	-	9
235	(26)	209	Financing and Investment Income and Expenditure (Note 13)	225	(30)	195
-	(3,157)	(3,157)	Taxation and Non-Specific Grant Income (Note 14)	-	(3,211)	(3,211)
<b>5,427</b>	<b>(4,442)</b>	<b>985</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>4,988</b>	<b>(4,541)</b>	<b>447</b>
		(1,077)	(Surplus) or deficit on revaluation of Property, Plant and Equipment (Notes 22 & 23)			(596)
		(504)	Remeasurement of Net Defined Benefit Liability/ (Asset) (Note 35)			(242)
		<b>(1,581)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(838)</b>
		<b>(596)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(391)</b>

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'General Fund Balance' (i.e. Earmarked Reserves and the General Fund proper which can be applied to fund expenditure) and other 'unusable' reserves. The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to government grants for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

	General Fund Balance £000	Capital Grants Unapplied £000	Total Usable reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2018</b>	<b>3,030</b>	-	<b>3,030</b>	<b>7,902</b>	<b>10,932</b>
<b>Movement in reserves during 2018/19</b>					
Total Comprehensive Income and Expenditure	(985)	-	<b>(985)</b>	1,581	<b>596</b>
Adjustments between accounting basis & funding basis under regulations (Note 20)	939	-	<b>939</b>	(939)	-
<b>Net Increase/(Decrease)</b>	<b>(46)</b>	-	<b>(46)</b>	<b>642</b>	<b>596</b>
<b>Balance at 31 March 2019</b>	<b>2,984</b>	-	<b>2,984</b>	<b>8,544</b>	<b>11,528</b>
<b>Movement in reserves during 2019/20</b>					
Total Comprehensive Income and Expenditure	(447)	-	<b>(447)</b>	838	<b>391</b>
Adjustments between accounting basis & funding basis under regulations (Note 20)	347	-	<b>347</b>	(347)	-
<b>Increase/(Decrease) in 2019/20</b>	<b>(100)</b>	-	<b>(100)</b>	<b>491</b>	<b>391</b>
<b>Balance at 31 March 2019 (Notes 21 and 30)</b>	<b>2,884</b>	-	<b>2,884</b>	<b>9,035</b>	<b>11,919</b>

## Balance Sheet

The Balance Sheet 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 category of reserves are usable reserves, i.e. those reserves the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example 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 in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2019 £000		Notes	31 March 2020 £000
17,985	Property, Plant & Equipment	22	18,765
81	Heritage Assets	23	81
<b>18,066</b>	<b>Long Term Assets</b>		<b>18,846</b>
60	Inventories	-	74
350	Short Term Debtors	26	256
2,800	Cash and Cash Equivalents	27	2,763
80	Assets Held for Sale	24	80
<b>3,290</b>	<b>Current Assets</b>		<b>3,173</b>
(24)	Receipts in Advance	-	(16)
(243)	Short Term Creditors	28	(246)
<b>(267)</b>	<b>Current Liabilities</b>		<b>(262)</b>
(9,561)	Other Long Term Liabilities	35	(9,838)
<b>(9,561)</b>	<b>Long Term Liabilities</b>		<b>(9,838)</b>
<b>11,528</b>	<b>Net Assets</b>		<b>11,919</b>
2,984	Usable Reserves	21,29, 30	2,884
8,544	Unusable Reserves	31	9,035
<b>11,528</b>	<b>Total Reserves</b>		<b>11,919</b>

### Authorised for Issue

These financial statements replace the unaudited financial statements confirmed by Gordon Bryant, Chief Finance Officer (s.151 Officer) on 12 June 2020. The authorised accounts are authorised for issue by Gordon Bryant, Chief Finance Officer (s.151 Officer) on 6 October 2020.

*G. Bryant*

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the authority generates and uses 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 predicating claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

<b>2018/19 £000</b>		<b>2019/20 £000</b>
<b>985</b>	<b>Net (surplus) or deficit on the Provision of Services</b>	<b>447</b>
	<i>Adjustments for-</i>	
(1,095)	Non Cash Movements (Note 36)	(741)
<b>(110)</b>	<b>Net Cash flows from Operating Activities</b>	<b>(294)</b>
255	Investing Activities (Note 37)	331
-	Financing Activities (Note 38)	-
<b>145</b>	<b>Net (increase)/decrease in Cash and Cash equivalents</b>	<b>37</b>
2,945	Cash and Cash Equivalents at the beginning of the reporting period	2,800
<b>2,800</b>	<b>Cash and Cash Equivalents at the end of the reporting period</b>	<b>2,763</b>
<b>145</b>	<b>Net (increase)/decrease in Cash and Cash equivalents</b>	<b>37</b>

## STATEMENT OF ACCOUNTS 2019/20

### NOTES TO THE ACCOUNTS

#### Note 1: Accounting Policies

##### i **General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2019/20 financial year and its position at the year-end 31 March 2020. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the UK 2019/20 (The Code) supported by International Financial Reporting Standards (IRFS) and statutory guidance issued under section 12 of the 2003 Act.

The Statement of Accounts has been prepared using the going concern and accrual basis. The historical cost convention has been applied, modified by the revaluation of certain categories of non-current assets and financial instruments.

##### ii **Accruals of Income and Expenditure**

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

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when 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 or determined by the contract.
- 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.
- Small amounts outstanding at year end are treated on a payments basis. In total, these do not have a material effect on the year's accounts.

iii **Cash and Cash Equivalents (Note 27)**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv **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 Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new 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.

v **Charges to Revenue for Non-Current Assets**

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

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

vi **Employee Benefits (Notes 16,19)**

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) 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 holiday entitlements (or any form of leave e.g. time off in lieu) 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 or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are 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 Service lines in 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 balance 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 to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable at the year-end.

#### Post Employment Benefits

Most employees of the Authority are members of the following pension scheme:

- The Local Government Pensions Scheme, administered by Peninsula Pensions.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Authority.

#### *The Local Government Pension Scheme*

**The Local Government Scheme is accounted for as a defined benefits scheme:**

- The liabilities of the SCC LGPS 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.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond (annualised yield at the 20-year point on the Merrill Lynch AA-rated corporate bond yield curve).
- The assets of SCC pension fund attributable to the Authority are included in the Balance Sheet at their fair values.
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value
- The change in the net pensions liability is analysed into seven components:
- **Service Cost comprising:**
  - Current service cost: the increase in liabilities as a result of years of service earned this year which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
  - Net interest on the defined liability: i.e. net interest expense for the authority – the change during the period in the net defined liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period, taking into account any changes in the net defined liability during the period as a result of contribution and benefit payments.



- **Remeasurement comprising:**
  - The return on plan assets: excluding amounts included in net interest on the net defined liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - 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 – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Somerset County Council pension fund:
  - Cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance 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 Pensions 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 of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

*Discretionary Benefits*

The Authority also has restricted powers to make discretionary awards of retirement 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 Local Government Pension Scheme.

vii **Events After the Balance Sheet Date (Note 5)**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

viii **Financial Instruments (Notes 25)**

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.

Financial assets are classified on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics: there are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit and loss (none)
- Fair value through other comprehensive income (none)

Our business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified at amortised cost (bank deposits and debtors).

Financial assets measured at amortised cost are recognised in the Balance Sheet when we become party to the contractual provisions of the instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits are made to the Financing and Investment Income and Expenditure line in the CIES for interest receivable, based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Any gains and losses that arise on derecognition are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model - we recognise expected credit losses on financial assets held at amortised cost either on a 12-month or lifetime basis and also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors). Impairment losses are calculated to reflect the expectation that the future cash flows might not take place due to default. Credit risk plays an important part in assessing losses. Where risk has increased significantly since initial recognition, losses are assessed on a life-time basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses. If expected losses are not material then no allowance will be made.

**ix Government Grants and Contributions (Note 18)**

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 reasonable assurance that:

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

**x Inventories**

Inventories held for resale at the three National Park Centres are included in the Balance Sheet at cost. The cost of inventories is assigned using the weighted average costing formula.

**xi Property, Plant and Equipment (Note 22)**

Assets that have 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

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.

### De-minimus

Expenditure below £5,000 on property, plant and equipment is treated as revenue expenditure and is charged to the relevant service line in the Comprehensive Income & Expenditure Statement in the year that 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 assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority).

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset

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.

### Disposals

Where an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) 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 disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement) (England and Wales)]. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against National Park Grant, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

### Non-current assets-held-for-sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset-held-for-sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

## xii **Contingent Liabilities and Contingent Assets (Note 35)**

### Contingent Assets

Contingent assets are disclosed by way of note where it is probable that there will be an inflow of economic benefits or service potential.

A contingent asset arises where an event has taken place that gives the Authority a possible asset 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

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 either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

## xiii **Reserves (Notes 20, 21, 29, 30)**

The Authority sets aside specific amounts as reserves for future purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance 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 or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against National Park Grant for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

## xiv **Heritage Assets (Note 23)**

The Authority's Heritage Assets are assets held by the Authority principally for their contribution to knowledge and/or culture. They are recognised and measured in accordance with the Authority's accounting policies on Property, Plant and Equipment. The authority only recognises two Heritage Assets; the Brendon Hill Incline and the Simonsbath Sawmill. These are recognised at historic cost as there is no market for such assets and no estimate could be made for their rebuild costs as such assets are no longer being built.

## **Note 2: Accounting Standards that have been issued but have not yet been adopted**

The 2019/20 Code of Practice on Local Authority Accounting requires the Authority to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the accounts.

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2019/20 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

IFRS16 Finance Leases was to have been introduced in the 2020/21 code. However CIPFA has since deferred the start date until 1 April 2021. The impact of IFRS 16 has not yet been fully assessed and work will be undertaken to inform the impact on the 2021/22 Accounts. Work has been undertaken to identify the number of leases this will cover. This change is not expected to have a material impact on the Authority's financial position or performance.

## **Note 3: Critical Judgements in applying Accounting Policies**

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The accounts have been prepared on a going-concern basis. The concept of going concern assumes that the Authority, its functions and services will continue in operational existence for the foreseeable future. There is no indication that Defra or Central Government intends to abolish National Park Authorities. Defra has also provided a letter of assurance that it will provide funding to National Park Authorities and the Broads Authority to ensure that CV19 financial impacts do not directly result in redundancies or prevent an authority from maintaining a balanced budget in the financial year 2020/21.

## **Note 4: Assumptions about the future and other major sources of estimation uncertainty**

The Statement 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.

Two items in the Authority's Balance Sheet as at 31 March 2020, for which there is a significant risk of material adjustment in forthcoming financial years, is as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
<b>Pensions Liability</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Authority with	The effects of the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £460K. However the assumptions interact in complex ways. During 2019/20, the Authority's actuaries advised that due to estimates being adjusted (as a result of experience and updating the assumptions) the net pension liability had increased by £0.277m.

	<p>expert advice about the assumptions to be applied.</p> <p>The Somerset Pension Fund, of which Exmoor National Park is an admitted body, holds investments in pooled property funds. As a result of Covid-19, the independent valuers added a material uncertainty clause to their 31 March 2020 valuations of the pooled property funds.</p>	<p>The Local Government Pension Scheme property assets attributable to Exmoor National Park Authority are £1.1m, or 10% of total assets.</p>
<b>Property Plant and Equipment</b>	<p>Market uncertainty for opinions of value in response to the potential impact of the Coronavirus pandemic</p>	<p>Valuation decreases would impact on the value of the Authority's balance sheet. The property portfolio is valued at either current value or depreciated replacement cost. Valuations have been undertaken on an annual basis in recent years and there is an expectation that markets will return to normal in time. The situation will be kept under review</p>

#### **Note 5: Events after the Balance Sheet Date**

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 12 June 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

#### **Note 6: Related Parties**

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

##### *Central Government*

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants. Grants received from government departments are set out in the subjective analysis in Note 18 on Grant Income.

##### *Members*

Members of the Authority have direct control over the Authority's financial and operating policies. 12 of the Authority's members are also elected members of other local authorities within Devon and Somerset. The Authority's Standing Orders requires a register to be kept of members disclosable pecuniary interests and declarations of related party transactions in a register of interests. In addition members are asked to declare separately any transactions with the Authority. A summary of the Members' allowances paid in 2019/20 is shown in Note 15.

## Officers

Officers of the Authority are bound by the Authority's Code of Conduct which seeks to prevent related parties exerting undue influence over the Authority. Senior Officers are required to declare any transactions with the Authority. No transactions have been disclosed.

The Authority's transactions with the Somerset County Council Pension Fund are detailed within Note 35 to the Financial Statements.

### Note 7: Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, other grants and contributions, sales, fees and charges) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2018/19				2019/20		
Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding & Accounting basis £000 (Note 8)	Net Expenditure in the CI&ES £000		Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding & Accounting basis £000 (Note 8)	Net Expenditure in the CI&ES £000
870	152	1,022	Support to Land Managers	1,113	(165)	948
380	38	418	Support to the Community	298	30	328
540	363	903	Support to National Park Users	532	78	610
961	75	1,036	Support Services	957	127	1,084
253	36	289	Corporate Management	240	23	263
225	33	258	Partnership Fund	201	20	221
<b>3,229</b>	<b>697</b>	<b>3,926</b>	<b>Net Cost of Services</b>	<b>3,341</b>	<b>113</b>	<b>3,454</b>
(3,183)	242	(2,941)	Other Income & Expenditure	(3,241)	234	(3,007)
<b>46</b>	<b>939</b>	<b>985</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>100</b>	<b>347</b>	<b>447</b>
<b>(3,030)</b>			<b>Opening General Fund Balance</b>	<b>(2,984)</b>		
46			Deficit on General Fund in Year	100		
<b>(2,984)</b>			<b>Closing General Fund Balance</b>	<b>(2,884)</b>		

### Note 8: Note to the Expenditure and Funding Analysis

Adjustments between the Funding and Accounting Basis 2019/20.

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a)	Net change for Pensions Adjustment (note b)	Other Differences (note c)	Total Adjustments
	£000	£000	£000	£000
Support to Land Managers	(254)	85	4	(165)



Support to the Community	2	27	1	30
Support to National Park Users	27	49	2	78
Support Services	40	83	4	127
Corporate Management	-	22	1	23
Partnership Fund	-	19	1	20
<b>Net Cost of Services</b>	<b>(185)</b>	<b>285</b>	<b>13</b>	<b>113</b>
Other Income & Expenditure	-	234	-	234
<b>Surplus/ Deficit on the Provision of Services</b>	<b>(185)</b>	<b>519</b>	<b>13</b>	<b>347</b>

#### Adjustments between the Funding and Accounting Basis 2018/19

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a)	Net change for Pensions Adjustment (note b)	Other Differences (note c)	Total Adjustments
	£000	£000	£000	£000
Support to Land Managers	29	121	2	152
Support to the Community	(6)	44	-	38
Support to National Park Users	288	74	1	363
Support Services	(42)	116	1	75
Corporate Management	-	36	-	36
Partnership Fund	-	32	1	33
<b>Net Cost of Services</b>	<b>269</b>	<b>423</b>	<b>5</b>	<b>697</b>
Other Income & Expenditure	-	242	-	242
<b>Surplus/ Deficit on the Provision of Services</b>	<b>269</b>	<b>665</b>	<b>5</b>	<b>939</b>

**a) Adjustments for Capital Purposes** - this column adds in depreciation and impairment and revaluation gains and losses in the services line

**b) Net Change for Pensions Adjustments** - Net change for removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- **For services** - this represents removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs
- **For Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES

**c) Other Differences** - other differences debited / credited to the CIES and amounts payable / receivable to be recognised under statute i.e. accumulated absences.

#### **Notes Supporting the Comprehensive Income and Expenditure Statement**

##### **Note 9: Material Items of Income and Expenditure**

There are no material items to disclose in 2019/20.

##### **Note 10: Expenditure and Income Analysed by Nature**

2018/19 £000	Expenditure	2019/20 £000
2,500	Employee Benefits Expenses	2,619
2,527	Other Service Expenses	2,027
165	Depreciation, Amortisation & Impairment	117
235	Interest Payments	225
<b>5,427</b>	<b>Total Expenditure</b>	<b>4,988</b>
	<b>Income</b>	
(1,259)	Grants, Fees, Charges and other Service Income	(1,300)
(3,157)	Government Grants & Contributions	(3,211)
(26)	Interest & Investment Income	(30)
<b>(4,442)</b>	<b>Total Income</b>	<b>(4,541)</b>
<b>985</b>	<b>(Surplus)/ Deficit on the provision of service</b>	<b>447</b>

## Note 11: Segmental Income

### 2019/20

	Grants & Contributions £000	Fees & Charges £000	Sales Income £000	Other £000	Total £000
Support to Land Managers	(454)	(28)	-	(5)	(487)
Support to the Community	(14)	(152)	-	-	(166)
Support to National Park Users	(25)	(193)	(93)	(30)	(341)
Support Services	(121)	(3)	-	(165)	(289)
Corporate Management	-	-	-	-	-
Partnership Fund	(17)	-	-	-	(17)
<b>Total Income</b>	<b>(631)</b>	<b>(376)</b>	<b>(93)</b>	<b>(200)</b>	<b>(1,300)</b>

### 2018/19

	Grants & Contributions £000	Fees & Charges £000	Sales Income £000	Other £000	Total £000
Support to Land Managers	(388)	(23)	-	(5)	(416)
Support to the Community	(4)	(126)	-	-	(130)
Support to National Park Users	(58)	(212)	(87)	(30)	(387)
Support Services	(147)	(13)	(1)	(153)	(314)
Corporate Management	-	-	-	-	-
Partnership Fund	(4)	-	-	(8)	(12)
<b>Total Income</b>	<b>(601)</b>	<b>(374)</b>	<b>(88)</b>	<b>(196)</b>	<b>(1,259)</b>

## Note 12: Other operating expenditure

2018/19 £000		2019/20 £000
-	(Gains)/Losses on the disposal of non-current assets	-
7	IAS19 Administration expense	9
<b>7</b>	<b>Total</b>	<b>9</b>

## Note 13: Financing and Investment Income and Expenditure

2018/19 £000		2019/20 £000
235	Net interest on the net defined pensions liability	225
(26)	Interest receivable and similar income	(30)
<b>209</b>	<b>Total</b>	<b>195</b>

**Note 14: Taxation and non-specific grant incomes**

2018/19 £000		2019/20 £000
(3,157)	Non-ring fenced government grants	(3,211)
<b>(3,157)</b>	<b>Total</b>	<b>(3,211)</b>

**Note 15: Members Allowances**

The Authority paid the following amounts to members of the Authority during the year:

2018/19 £000		2019/20 £000
15	Special Responsibility Allowance	16
59	Basic Allowance	59
10	Allowance for mileage	7
<b>84</b>	<b>TOTAL</b>	<b>82</b>

**Note 16: Officers' Remuneration**

The following table discloses detail of remuneration to the Authority's senior employees who earned over £50,000. There were no senior employees earning over £150,000:

	Salary, Fees and Allowances  £000	Expense Allowance  £000	Total Remuneration (excl. pension contribution)  £000	Pension Contribution  £000	Total Remuneration including pension contribution  £000
Chief Executive – 2019/20	74	-	74	11	85
Chief Executive – 2018/19	72	-	72	11	83

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 (including those detailed in the above table) were:

2018/19 Number of employees	Remuneration band	2019/20 Number of employees
-	£50,000 - £54,999	-
-	£55,000 - £59,999	-
-	£60,000 - £64,999	-
-	£65,000 - £69,999	-
1	£70,000 - £74,999	1
-	£75,000 - £79,999	-
-	£80,000 - £89,999	-

**Note 17: External Audit Costs**

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

2018/19 £000		2019/20 £000
9	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor.	9
1	Audit Fee variation	-
<b>10</b>	<b>Total</b>	<b>9</b>

## Note 18: Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2019/20:

<b>Credited to Taxation and Non Specific Grant Income</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
National Park Grant – DEFRA	3,157	3,211
<b>Total</b>	<b>3,157</b>	<b>3,211</b>
<b>Credited to Services</b>		
Brownfield Register – CLG	4	2
Custom Build Grant - CLG	30	15
Rural Crime Grant – Police Community Trust	-	3
English & SW Coast Paths – Natural England	24	-
Land Management Project – Natural England	5	-
Tests and Trials – DEFRA	-	20
Health & Wellbeing – Somerset County Council	40	-
Mend Our Mountains - BMC	-	35
Monument Management Scheme – Historic England	45	8
Historic Buildings Officer funding – Historic England	5	-
Coast Path & Landscape Monitoring – Natural England	-	22
Historic Signposts – Heritage Lottery Fund	22	-
Forestry Grant – Royal Forestry Grant	-	10
Woodland Improvement Grant – RPA	-	17
White Rock Cottage Development - RPA	-	88
Basic Payment & Higher Level Stewardship Scheme – RPA	100	100
Countryside Stewardship – RPA	48	48
Long Holcombe – RPA	-	3
<b>Total</b>	<b>323</b>	<b>371</b>

## Note 19: Termination Benefits

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	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 £000	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
£0 - £20,000	-	-	1	-	1	-	14	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

## Notes to Support the Movement in Reserves Statement

### Note 20: 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.

2019/20	General Fund Balance £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
<b>Adjustments to Revenue Resources:</b>			
<u>Amounts by which income &amp; expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</u>			
Pension Costs	519		(519)
Holiday pay	13		(13)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	58	88	(146)
<b>Total Adjustments to Revenue Resources</b>	<b>590</b>	<b>88</b>	<b>(678)</b>
<b>Adjustments between Revenue and Capital Resources:</b>			
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(243)	-	243
<b>Total Adjustments between Revenue and Capital resources</b>	<b>(243)</b>	<b>-</b>	<b>243</b>
<b>Adjustments to Capital Resources:</b>			
Application of Capital Grants to finance Capital Expenditure	-	(88)	88
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>(88)</b>	<b>88</b>
<b>Total Adjustments</b>	<b>347</b>	<b>-</b>	<b>(347)</b>

2018/19	General Fund Balance £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
<b>Adjustments to Revenue Resources:</b>			
<u>Amounts by which income &amp; expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</u>			
Pension Costs	665	-	(665)
Holiday pay	5	-	(5)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	524	-	(524)
<b>Total Adjustments to Revenue Resources</b>	<b>1,194</b>	<b>-</b>	<b>(1,194)</b>
<b>Adjustments between Revenue and Capital Resources:</b>			
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(255)	-	255
<b>Total Adjustments between Revenue and Capital resources</b>	<b>(255)</b>	<b>-</b>	<b>255</b>
<b>Adjustments to Capital Resources:</b>			

Application of Capital Grants to finance Capital Expenditure	-	-	-
<b>Total Adjustments to Capital Resources</b>	-	-	-
<b>Total Adjustments</b>	<b>939</b>	-	<b>(939)</b>

### Note 21: Transfers to/ from Earmarked Reserves

The Authority's reserve balances are continually reviewed to determine the appropriate level and use. We regularly establish new reserves, assess the appropriate level of existing reserves or cancel reserves that have met their objective. Our reserves are made up as follows:

- General Reserve (unallocated) – this is the minimum level required to maintain working balances (in accordance with CIPFA guidance).
- Partnership Fund Reserves (allocated) – these sums are set aside to meet one-off priorities that assist in the delivery of the Partnership Plan.
- Earmarked Reserves (allocated) – these consist of ring-fenced grants and contributions received from third parties, sums set aside for capital schemes and commitments against future obligations.
- Capital Grants – these include funds received from external organisations towards investment in assets.

It can therefore be seen that the majority of our Reserve Balances are “allocated”. The following table sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in year.

	Balance at 31 March 2018 £000	Transfers between Reserves £000	Transfers In 2018/19 £000	Transfers Out 2018/19 £000	Increase/ Decrease (-) in useable Reserves 2018/19 £000	Balance at 31 March 2019 £000	Transfers between Reserves £000	Transfers In 2019/20 £000	Transfers Out 2019/20 £000	Increase/ Decrease in useable Reserves 2019/20 £000	Balance at 31 March 2020 £000
<b>Earmarked Reserves</b>	2,169	179	478	(584)	73	2,242	1	376	(535)	(158)	2,084
<b>Partnership Fund Reserves</b>	551	(125)	206	(225)	(144)	407	71	198	(201)	68	475
<b>General Fund Balance</b>	310	(54)	79	-	25	335	(72)	62		(10)	325
<b>Capital Grants Unapplied</b>	-	-	-	-	-	-	-	88	(88)	-	-
<b>Total Useable Reserves</b>	<b>3,030</b>	<b>-</b>	<b>763</b>	<b>(809)</b>	<b>(46)</b>	<b>2,984</b>	<b>-</b>	<b>724</b>	<b>(824)</b>	<b>(100)</b>	<b>2,884</b>

## Notes to Support the Balance Sheet

### Note 22: Property, Plant and Equipment

#### Movements on Balances

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total £000
<b>Cost or Valuation 1 April 2019</b>	<b>17,831</b>	<b>316</b>	<b>-</b>	<b>18,147</b>
Additions	55	-	277	332
De-recognition – Disposals	-	(74)	-	(74)
Reclassifications (to)/ from held for sale	-	-	-	-
Revaluation Increase/ decrease (-):				
- to Revaluation Reserve	595	-	-	595
- to Surplus/ Deficit on the provision of service	(93)	-	-	(93)
Other movement in cost of valuation	(20)	-	20	-
<b>Cost or Valuation 31 March 2020</b>	<b>18,368</b>	<b>242</b>	<b>297</b>	<b>18,907</b>
<b>Accumulated depreciation 1 April 2019</b>	<b>-</b>	<b>(162)</b>	<b>-</b>	<b>(162)</b>
Depreciation Charge	(63)	(53)	-	(116)
Derecognition - Disposals	-	74	-	74
Depreciation written out to the Revaluation Reserve	11	-	-	11
Depreciation written out to the Surplus/ Deficit on the provision of services	52	-	-	52
<b>Total Depreciation at 31 March 2020</b>	<b>-</b>	<b>(141)</b>	<b>-</b>	<b>(141)</b>
<b>Net Book Value at 1 April 2019</b>	<b>17,831</b>	<b>154</b>	<b>-</b>	<b>17,985</b>
<b>Net Book Value at 31 March 2020</b>	<b>18,368</b>	<b>101</b>	<b>297</b>	<b>18,766</b>

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets Under Construction £000	Total £000
<b>Cost or Valuation 1 April 2018</b>	<b>17,151</b>	<b>744</b>	<b>-</b>	<b>17,895</b>
Additions	114	76	-	190
De-recognition – Disposals	(70)	(504)	-	(574)
Reclassifications (to)/ from held for sale	(80)	-	-	(80)
Revaluation Increase/ decrease (-):				
- to Revaluation Reserve	1,083	-	-	1,083
- to Surplus/ Deficit on the provision of service	(367)	-	-	(367)
<b>Cost or Valuation 31 March 2019</b>	<b>17,831</b>	<b>316</b>	<b>-</b>	<b>18,147</b>

<b>Accumulated depreciation 1 April 2018</b>	-	(577)	-	(577)
Depreciation Charge	(76)	(89)	-	(165)
Derecognition - Disposals	-	504	-	504
Depreciation written out to the Revaluation Reserve	14	-	-	14
Depreciation written out to the Surplus/ Deficit on the provision of services	62	-	-	62
<b>Total Depreciation at 31 March 2018</b>	-	(162)	-	(162)
<b>Net Book Value at 1 April 2018</b>	<b>17,151</b>	<b>167</b>	-	<b>17,318</b>
<b>Net Book Value at 31 March 2019</b>	<b>17,831</b>	<b>154</b>	-	<b>17,985</b>

## Depreciation

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

- Land and Buildings: 40-80 years
- Vehicles, Plant, Furniture and Equipment: 5-10 years

## Revaluations

The Authority carries out a valuation programme which ensures all Property, Plant and Equipment is measured at fair value in accordance with IAS16 and revalued at least every five years. We are currently revaluing assets every year to ensure that the values stated are materially correct. The valuation date is the 31<sup>st</sup> March. For 2019/20 the valuation was carried out by our in-house Land and Property Manager, Mr Matt Harley MRICS FAAV an accredited member of the RICS Valuer Scheme in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors – the RICS Valuation – Global Standards January 2020, Chartered Institute of Public Finance and Accountancy (CIPFA) accounting code and the International Financial Reporting Standards (IFRS) and the RICS Code of Measuring Practice. In 2019/20 condition and measured surveys of the Authority’s public conveniences were undertaken by Mr S I Shortridge BSc FRICS of Underwood Wright Chartered Surveyors. An additional benefit of this work was that it confirmed the remaining physical life of these assets.

There was a capital commitment at the 31 March 2020 of £53,778 towards Woodside Bridge in Lynmouth.

## Market Uncertainty

It is becoming increasingly clear that COVID-19 will have a major impact on the world economy. The scale and impact of the Coronavirus remains highly uncertain and is unprecedented. It is considered that it may take some time before the effect is felt in the UK property market. Consideration has been given as to whether a statement on ‘material uncertainty’ needs to be included in the valuation report this year. Taking the current situation into account we have concluded that there is material uncertainty and in accordance with the RICS ‘Valuation Practice Alert about Coronavirus’ issued 18 March 2020, the following statement is applicable:

*The outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020 has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date we consider that we can attach less weight to previous market evidence for comparison purposes, to inform the opinions of value. Indeed the current response to COVID-19 means that we are faced with an*



unpresented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VP3 and VP10 of the RICS Red Book Global. Consequently less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown impact that COVID-19 might have on the real estate market, we would recommend that you keep the valuation of these properties under review.

	<b>Land &amp; Buildings £000</b>	<b>Vehicles, Plant &amp; Equipment £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
Carried at Historical Cost	1,002	101	297	1,400
Valued at Current Value as at 31/03/2020	17,366	-	-	17,366
<b>Net Book Value at 31 March 2020</b>	<b>18,368</b>	<b>101</b>	<b>297</b>	<b>18,766</b>

### Note 23: Heritage Assets

	<b>Heritage Assets £000</b>
<b>Cost or Valuation 1 April 2019</b>	<b>81</b>
Additions	-
Revaluation Increase/ decrease (-):	
- to Revaluation Reserve	-
- to Surplus/ Deficit on the provision of service	-
<b>Cost or Valuation 31 March 2020</b>	<b>81</b>
<b>Cost or Valuation 1 April 2018</b>	<b>19</b>
Additions	70
Revaluation Increase/ decrease (-):	
- to Revaluation Reserve	(6)
- to Surplus/ Deficit on the provision of service	(2)
<b>Cost or Valuation 31 March 2019</b>	<b>81</b>

### Note 24: Assets Held for Sale

<b>31 March 2019 £000</b>		<b>31 March 2020 £000</b>
-	<b>Balance outstanding at the start of the year</b>	<b>80</b>
80	Assets newly classified as held for sale	-
-	Assets sold	-
<b>80</b>	<b>Balance outstanding at the end of the year</b>	<b>80</b>

### Note 25: Financial Instruments

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets: Amortised Cost

<b>31 March 2019 £000</b>		<b>31 March 2020 £000</b>
2,800	Comingled Fund	2,800
-	Cash in hand and at bank	-

328	Contractual Debtors	239
<b>3,128</b>	<b>Total</b>	<b>3,039</b>

### Financial Liabilities: Amortised Cost

31 March 2019 £000		31 March 2020 £000
-	Bank Overdraft	(37)
(203)	Contractual Creditors	(204)
<b>(203)</b>	<b>Total</b>	<b>(241)</b>

### Interest and Investment Income:

The (gains) and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments is as follows:

31 March 2019 £000		31 March 2020 £000
(26)	Interest Income	(30)
<b>(26)</b>	<b>Total</b>	<b>(30)</b>

Financial assets and liabilities are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that will take place over the remaining life of the instrument using the following assumptions:

- The fair value of trade and other receivables and payables is taken to be the invoiced or billed amount
- The fair value of cash deposits is taken to be the cash balance as at 31 March

### Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due
- Liquidity risk – the possibility that the Authority may not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Chief Finance Officer, under policies approved by the Authority. The Authority has adopted the CIPFA Code of Practice for Treasury Management and as part of this approves an annual Treasury Management Strategy and Practices which sets out the policies on borrowing, investment, credit risk and interest rate exposure.

### Credit Risk and Expected Credit Loss Allowances

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Authority's Annual Investment Strategy and investment solely within the Somerset County Council Co-mingled Fund.

Amounts arising from expected credit losses would normally be established for investments and debtors based upon estimates of the losses that might be incurred if those owing money to the Authority fail to pay it back. As our primary counter party is a public body and as

statute prevents a local authority from default, we have concluded that the expected credit loss is not material and therefore no allowance has been made.

The Authority's standard terms and conditions for payment of invoices (trade receivables) are 28 days from invoice date. Low risk, no history of default and with signed agreements in place with third parties, we have concluded that the expected credit loss is not material therefore no allowance has been made.

### Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available when needed. Surplus cash is invested using an overnight clearing system operated by Somerset County Council.

All trade and other payables are due to be paid in less than one year. The Authority currently has no borrowings and so there is no significant current or future risk that it will be unable to raise finance to meet its commitments under financial instruments.

### Market Risk

The Authority is currently debt free and does not have any investments in equity shares or financial assets or liabilities denominated in foreign currencies. Market Risk is therefore limited to Interest Rate Risk on our cash investments.

- Interest Risk

In terms of short-term cash investments, the variable rate of interest earned on surplus funds moves during the year and any assumptions in annual budgets are made cautiously based on current market and treasury forecasts. A 1% movement in interest rates would result in approximately £30,000 more or less than budget if investments were held for a year.

### Note 26: Debtors

31 March 2019 £000		31 March 2020 £000
118	Central government bodies	104
117	Other local authorities	5
25	Public corporations and trading funds	19
90	Other entities and individuals	128
<b>350</b>	<b>Total</b>	<b>256</b>

### Note 27: Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2019 £000		31 March 2020 £000
-	Bank Current Accounts	(37)
2,800	Co-mingled fund held by Somerset County Council	2,800
<b>2,800</b>	<b>Total Cash and Cash Equivalents</b>	<b>2,763</b>

### Note 28: Creditors

31 March 2019 £000		31 March 2020 £000
(37)	Other local authorities	(51)
(40)	Public corporations and trading funds	(42)
(166)	Other entities and individuals	(153)
<b>(243)</b>	<b>Total</b>	<b>(246)</b>

## Note 29: Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movements in Reserves Statement and in notes 20 and 21.

## Note 30: Capital Grants

31 March 2019 £000		31 March 2020 £000
-	<b>Balance at 1 April</b>	-
-	Capital grants received	(88)
-	Capital grants used to finance spend	88
-	<b>Balance at 31 March</b>	-

## Note 31: Unusable Reserves

31 March 2019 £000		31 March 2020 £000
(10,217)	Revaluation Reserve	(10,813)
(7,928)	Capital Adjustment Account	(8,113)
9,561	Pensions Reserve	9,838
40	Accumulated Absences Account	53
<b>(8,544)</b>	<b>Total Unusable Reserves</b>	<b>(9,035)</b>

### 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:

- Revalued 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 are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2018/19 £000		2019/20 £000
<b>(9,141)</b>	<b>Balance at 1 April</b>	<b>(10,217)</b>
(1,644)	Upward revaluation of assets	(759)
568	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the provision of Services	163
<b>(1,076)</b>	<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services</b>	<b>(596)</b>
-	Difference between fair value depreciation and historical cost depreciation	-
-	Accumulated gains on assets sold or scrapped	-
-	<b>Amount written off to the Capital Adjustment Account</b>	-
<b>(10,217)</b>	<b>Balance at 31 March</b>	<b>(10,813)</b>

## 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 provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations 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). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gain and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 22 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

<b>2018/19 £000</b>		<b>2019/20 £000</b>
<b>(8,196)</b>	<b>Balance at 1 April</b>	<b>(7,928)</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
89	Charges for depreciation and impairment of non-current assets	53
369	Revaluation losses on Property, Plant and Equipment	93
65	Revenue expenditure funded from capital under statute	-
<b>(7,673)</b>		<b>(7,782)</b>
-	Adjusting amounts written out of the Revaluation Reserve	-
<b>(7,673)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(7,782)</b>
<b>Capital financing applied in the year:</b>		
-	Use of Capital Grants to finance capital expenditure	(88)
(255)	Capital Expenditure charged against the General Fund	(243)
<b>(7,928)</b>	<b>Balance at 31 March</b>	<b>(8,113)</b>

## Pensions Reserve

The Pensions 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 the Comprehensive Income and Expenditure Statement 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 pays any pensions for which

it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2018/19 £000		2019/20 £000
<b>9,400</b>	<b>Balance at 1 April</b>	<b>9,561</b>
(504)	Remeasurement of net defined liability	(242)
1,096	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CI & E	962
(431)	Employer's pensions contributions and direct payments to pensioners payable in the year	(443)
<b>9,561</b>	<b>Balance at 31 March</b>	<b>9,838</b>

#### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2018/19 £000		2019/20 £000
<b>35</b>	<b>Balance at 1 April</b>	<b>40</b>
(35)	Settlement or cancellation of accrual made at the end of the preceding year	(40)
40	Amounts accrued at the end of the current year	53
-	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.	-
<b>40</b>	<b>Balance at 31 March</b>	<b>53</b>

#### Note 32: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where 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 Authority remains Debt Free throughout the periods contained in this Statement of Accounts and therefore does not have incurred expenditure yet to be financed.

	2018/19 £000	2019/20 £000
<i>Capital Investment</i>		
Property, Plant & Equipment	190	331
Revenue Expenditure Funded from Capital under Statute	65	-
<i>Sources of finance</i>		
Capital Receipts	-	-
Government Grants and other contributions	-	88
Sums set aside from revenue	255	243

### Note 33: Impairment Losses

The Authority did not recognise any impairment losses during 2019/20 (2018/19 £0k). Impairment losses are recognised as part of the valuation of the authority's non-current assets.

### Note 34: Defined Benefit Pension Schemes

Participation in Pension Schemes:

As part of the terms 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 that is administered locally by Somerset County Council. This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

A judgement in the Court of Appeal about cases involving judges' and firefighters' pensions (the McCloud/ Sargeant judgement) has the potential to impact on the Authority. The cases concerned possible age discrimination in the arrangements for protecting certain scheme members from the impact of introducing new pensions arrangements. As the Local Government Pension Scheme was restructured in 2014, with protections for those members who were active in the Scheme at 2012 and over the age of 55, the judgement is likely to extend to the Scheme.

In 2018/19 we made allowance for the potential impact of the McCloud & Sargeant judgement and is therefore included in the starting position for this year. No decisions have been made about the remedies that would be required or the extent to which additional costs would fall on the Authority.

It should be noted that the estimated potential impact for the Authority as calculated by the Actuary has also been based on analysis carried out by the Government Actuary's Department (GAD) and our own employer liability profile.

#### Transactions Relating to Post-Employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid out as pensions. However, 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 Movements in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance through the Movement in Reserves Statement during the year:

	2018/19 £000	2019/20 £000
<i>Service Cost</i>		
• Current Service Cost	854	728
• Past Service Costs (including curtailments)	-	
<b>Total Service Cost</b>	<b>854</b>	<b>728</b>
<i>Financing and Investment Income and Expenditure</i>		
• Net interest on the defined liability (asset)	235	225

• Administration expenses	7	9
<b>Total Net Interest</b>	<b>242</b>	<b>234</b>
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>1,096</b>	<b>962</b>
<i>Remeasurement of the Net Defined Liability Comprising:</i>		
• Return on plan assets excluding amounts included in net interest	(323)	1,051
• Experience gain/(loss) on defined benefit obligation	-	1,274
• Actuarial losses arising from changes in demographic assumptions	(1,259)	10
• Actuarial losses arising from changes in financial assumptions	1,078	(2,734)
• Other actuarial gains & losses on assets	-	157
<b>Total re-measurements recognised in Other Comprehensive Income</b>	<b>(504)</b>	<b>(242)</b>
<b>Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement</b>	<b>592</b>	<b>720</b>
<b>Movement in Reserves Statement</b>		
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	<b>(1,096)</b>	<b>(962)</b>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>		
• Employer's contributions payable to scheme	<b>431</b>	<b>443</b>

#### Pension Assets and Liabilities in Relation to Post-Employment Benefits Recognised in the Balance Sheet

	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Present value of funded obligation	(21,785)	(21,387)
Fair value of employer assets	12,513	11,841
Present value of unfunded obligation	(289)	(292)
<b>Net Liability Arising from Defined Benefit Obligation</b>	<b>(9,561)</b>	<b>(9,838)</b>

#### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Opening Balance at 1 April</b>	<b>(21,280)</b>	<b>(22,074)</b>
Current service cost	(687)	(728)
Interest cost	(538)	(528)
Change in financial assumptions	(1,078)	2,734
Change in demographic assumptions	1,259	(10)
Experience loss / (gain) on defined benefit obligation	-	(1,274)
Estimated benefits paid net of transfers in	512	302
Past service costs, including curtailments	(167)	-
Contributions by scheme participants	(118)	(125)
Unfunded pension payments	23	24
<b>Closing Balance at 31 March</b>	<b>(22,074)</b>	<b>(21,679)</b>



## Reconciliation of the Movements in Fair Value of the Scheme (plan) Assets:

	2018/19 £000	2019/20 £000
<b>Opening Balance at 1 April</b>	<b>11,880</b>	<b>12,513</b>
Interest on assets	303	303
Return on assets less interest	323	(1,051)
Other actuarial gains/(losses)	-	(157)
Administration expenses	(7)	(9)
Contributions by employer including unfunded	431	443
Contributions by scheme participants	118	125
Estimated benefits paid plus unfunded net of transfers in	(535)	(326)
<b>Closing Balance at 31 March</b>	<b>12,513</b>	<b>11,841</b>

The liabilities show the underlying commitments that the authority has to pay post-employment (retirement) benefits. The total liability of £9,838k (2018/19 £9,561k) has a substantial impact on the net worth of the authority as recorded in the Balance Sheet, resulting in the overall balance of £11,919k (2018/19 £11,528k). However, arrangements for funding the deficit mean that the financial position of the Authority remains healthy.

## The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	2018/19		2019/20	
	£000	%	£000	%
Equities	8,746	70%	7,986	67%
Gilts	711	5%	776	7%
Other Bonds	1,143	9%	1,187	10%
Property	1,089	9%	1,123	10%
Cash and cash equivalents	824	7%	769	6%
<b>Total</b>	<b>12,513</b>	<b>100%</b>	<b>11,841</b>	<b>100%</b>

- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the LGPS by the Authority in the year to 31 March 2021 is £488k.

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years' dependant on assumptions about mortality rates, salary levels, etc. The LGPS liabilities have been assessed by Barnett and Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation as at 31 March 2019. Their estimate of the past service liability is 22 years. This is based on membership data provided as part of the recent valuation.

## The principal assumptions used by the actuary have been:

<i>Mortality assumptions</i>	2018/19	2019/20
Retiring today:		
• Men	22.9	23.3
• Women	24.0	24.7
Retiring in 20 years:		
• Men	24.6	24.7
• Women	25.8	26.2

Rate of Inflation (RPI/CPI)	3.4%/2.4%	2.65%/1.85%
Rate of increase in salaries	3.9%	2.85%
Rate of increase in pensions	2.4%	1.85%
Rate for discounting scheme liabilities	2.40%	2.35%
Take-up of option to convert annual pension into retirement lump sum	50%	50%
Take-up of active members to pay 50% contributions for 50% benefits	10%	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2018/19.

<b>Sensitivity Analysis</b>	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	21,219	21,679	22,149
Projected service cost	648	666	684
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	21,723	21,679	21,635
Projected service cost	666	666	666
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	22,107	21,679	21,260
Projected service cost	684	666	649
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	22,497	21,679	20,892
Projected service cost	687	666	646

### **Note 35: Contingent Liabilities/Assets**

Devon County Council agreed as part of its Investing in Devon Programme to grant the sum of £600,000 to support the refurbishment, improvement and adaptation of Lynmouth Pavilion. A contingent liability exists as part of the grant conditions require that in the event of the premises ceasing to be used as a visitor and interpretation centre and learning hub during the period of 20 years from the date of completion of the Project the Grantee shall repay the Grant to the Council but subject to a reduction of five per cent for each complete year which has elapsed following the date of completion of the project. With the completion date being the 8 August 2013 at the balance sheet date a contingent liability exists for £420,000.

The Authority is owed over £90k in relation to a long running listed buildings enforcement case. Whilst the Authority has received some monies in respect of this case and will eventually recover the money in full, given the protracted nature of this case over the last 10 years, recovery of the costs may take some time.

## Notes to Support the Cash Flow Statement

### Note 36: Cash Flow Statement – Adjustments to surplus or deficit on the Provision of Services for non-cash movements

2018/19 £000		2019/20 £000
(89)	Depreciation and Amortisation	(53)
(369)	Impairment and Downward Valuations	(93)
(665)	Actuarial Charges for Retirement Benefits	(519)
(7)	Increase/(Decrease) in Inventory	14
97	Increase/(Decrease) in Debtors	(94)
3	(Increase)/Decrease in Creditors & Receipts in Advance	4
(65)	Capital Grants & Contributions credited to surplus or deficit on the provision of services	-
-	Carrying amount of Non-Current Assets de-recognised	-
<b>(1,095)</b>		<b>(741)</b>

### Note 37: Cash Flow Statement – Investing Activities

2018/19 £000		2019/20 £000
255	Purchase of property, plant and equipment, investment property and intangible assets	331
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
<b>255</b>	<b>Net cash flows from investing activities</b>	<b>331</b>

### Note 38: Cash Flow Statement – Financing Activities

2018/19 £000		2019/20 £000
-	Cash receipts of short and long-term borrowing	-
-	Other receipts from financing activities	-
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases	-
-	Repayment of short and long-term borrowing	-
-	Other payments for financing activities	-
-	<b>Net cash flows from financing activities</b>	<b>-</b>

## **ANNUAL GOVERNANCE STATEMENT**

### **1. Scope of responsibility**

- 1.1 Exmoor National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 Exmoor National Park Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code can be obtained from the Chief Executive, Exmoor House, Dulverton, TA22 9HL. This statement explains how the Authority has complied with the code and also meets the requirements of regulations 4(3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an annual governance statement.

### **2. The purpose of the governance framework**

- 2.1 The governance framework comprises the systems and processes, and the culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and the leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies and aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 A governance framework has been in place at Exmoor National Park Authority for the year ended 31 March 2020 and up to the date of approval of the Corporate Plan and statement of accounts.

### **3. The Governance Framework**

- 3.1 The key elements of the governance framework include:
- A National Park Partnership Plan that contains a vision, priorities and a corporate strategy to meet National Park purposes;
  - An annual review of the Authority's priorities as contained in the National Park Partnership Plan;
  - The production of a Medium Term Financial Plan taking account of the anticipated level of National Park Grant;

- The production of a Corporate Plan that includes data on performance and objectives both achieved and planned;
- Committee papers that are linked to National Park Partnership Plan or Corporate Plan objectives and in compliance with equality and human rights legislation;
- Standing orders and financial regulations to regulate the conduct of the Authority's affairs;
- A Scheme of Delegation which sets out the functions and workings of the Authority and the powers delegated to Committees and the Chief Executive;
- Formal codes of conduct which define the standards of personal behaviour of members and staff. The code for Members was initially adopted in 2012 along with the establishment of a Standards Committee comprising 5 Authority members and the appointment of an "Independent Person" under the provisions of the 2011 Localism Act. A further process was the provision of guidance on the registration of interests. This was reviewed and refined in August 2012 with recommendations to Authority for standards arrangements and for the provision of member training on the new standards regime;
- Responsibility for audit matters are retained by the Authority;
- A Solicitor and Monitoring Officer who has a statutory responsibility supported by the Chief Finance Officer and financial regulations to ensure the legality of transactions, activities and arrangements the Authority enters;
- Financial management arrangements of the Authority which conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010) ;
- A Complaints procedure and a whistle-blowing policy in place for members of the public, members, staff or contractors;
- An Anti Fraud, Corruption and Bribery Policy;
- An ICT Acceptable Use Policy;
- Risk Management Policy, Registers and Business Continuity and Disaster Recovery systems which are approved, in place and subject to annual regular review;
- Extensive arrangements for partnership working on a range of projects. Partnership working is crucial to the achievement of the priorities set out in the National Park Partnership Plan.
- A staff performance and development review process which identifies training and development needs;
- Training, briefing and induction programmes for members; and
- Wide consultation with interested parties and an Exmoor Consultative and Parish Forum meets to engage with the community and a Local Access Forum considers access and rights of way issues. Numerous diverse organisations are represented on these consultative mechanisms.

#### **4 Review of Effectiveness**

- 4.1 Exmoor National Park Authority has responsibility for conducting at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Executive and Heads of Section within the Authority who have responsibility for the development and maintenance of the governance environment, the annual report on internal audit, and by the Annual Governance Report of the external auditors.
- 4.2 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is:

- The adoption of an updated Code of Corporate Governance in March 2017 with an annual review by the National Park Authority carried out by the Authority's Solicitor and Monitoring Officer to ensure compliance with the Code and audited by the Chief Finance Officer;
- Adoption of Standing Orders, the scheme of delegation and financial regulations which are periodically reviewed, updated and approved;
- Reports to the Authority on performance management including sustainability and the corporate planning and performance framework;
- Annual reports presented to the Authority in respect of internal audit which is a contracted service, and from the external auditor appointed by the Audit Commission;
- Annual reports presented to the Authority on risk management, performance indicators and treasury management; and
- An internal audit service is contracted from the Devon Audit Partnership and an annual work programme is agreed with the Chief Finance Officer with the internal auditors producing an annual report covering their activities for presentation to the Authority.

## **5. Significant governance issues**

5.1 In general the governance and internal control systems within the Authority are working effectively and have been reviewed by the Solicitor and Monitoring Officer and the Chief Finance Officer and are independently validated by the internal and external auditors. As a consequence of certain Internal Audit findings, the Authority has undertaken a review of Safeguarding policies and practices.

5.2 During 2020/21 the Authority will be:

- Continuing the communication and implementation of the 2018-23 National Park Partnership Plan;
- Producing guidance on the recently adopted Local Plan;
- Working with Defra to deliver the eight points of the National Parks Plan;
- Monitoring new legislation and changes in policy to ensure that account is taken of the impact on National Parks and National Park communities;
- Responding to the Glover review;
- Continuing to operate within limited resources while increasing revenue from alternative sources;
- Implement the results of the job evaluation review;
- Continuing to develop customer service standards and culture; and
- Monitoring the performance of the Corporate Plan.
- Abide by the working arrangements determined by law and recommended guidance in the context of the current pandemic.
- Implement the updated Safeguarding policies and procedures.
- Await the results of the new funding settlement
- Deliver savings related to the reduction to the underlying 2020/21 budget.
- Manage the in year financial impact of cv19.
- Continue to engage and communicate flexibly while making best use of technology.
- Assess the national impact of national parks experiencing financial discomfort as a result of cv 19.

- 5.3 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our annual review.

**Signed** .....  .....  .....

Mrs S Bryan, Chief Executive                      R Milton, Chairman

**Date** ..... 6 October 2020 .....

# Independent auditor's report to the members of Exmoor National Park Authority

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Exmoor National Park Authority (the 'Authority') for the year ended 31 March 2020 which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019-20.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2020 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019-20
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

### Basis for opinion

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

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Chief Finance Officer and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Authority's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Authority's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an authority associated with these particular events.

### Conclusions relating to going concern

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

- the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the



going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019-20 that the Authority's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Authority's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Authority's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Authority will continue in operation.

### **Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings and property investments**

We draw attention to Note 4 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the Authority's land and buildings and the Authority's share of the pension fund's property investments as at 31 March 2020. As disclosed in note 4 to the financial statements, the outbreak of the Covid-19 has impacted world financial markets. In the sphere of valuation, it has created inconsistent or reduced levels of data, either through difficulties in carrying out inspections or gathering evidential data. A material valuation uncertainty on property valuation was therefore disclosed in the Authority's property valuer's report and also in the Somerset Pension Fund's property valuation reports (of which Exmoor National Park Authority is an admitted body). Our opinion is not modified in respect of this matter.

### **Other information**

The Chief Finance Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### **Opinion on other matter required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

### **Responsibilities of the Authority, the Chief Finance Officer and Those Charged with Governance for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority is required 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. In this authority, that officer is the Chief Finance Officer. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

## Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

### Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of Exmoor National Park Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

### Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

***Gareth D Mills***

### **Gareth Mills, Key Audit Partner**

for and on behalf of Grant Thornton UK LLP, Local Auditor

Leeds

20 November 2020