

BRECON BEACONS NATIONAL PARK AUTHORITY

Statement of Accounts

for the year ended

31st March 2022

SUBJECT TO AUDIT



SUBJECT TO AUDIT

**BRECON BEACONS NATIONAL PARK AUTHORITY
STATEMENT OF ACCOUNTS 2021/22**

Contents

	Page
Narrative Report	3
Statement of Responsibilities for the Statement of Accounts	10
Audit Report	11
Statement of Accounting Policies	12
Comprehensive Income and Expenditure Statement	21
Movement in Reserves	22
Balance Sheet	24
Cash Flow Statement	25
Notes to the Accounts	26
Glossary	59
Annual Governance Statement	60

SUBJECT TO AUDIT**NARRATIVE REPORT****I. INTRODUCTION**

The Statement of Accounts is a publication required by law that gives stakeholders, local funders, and members of the Authority clear information about the financial performance and position of Brecon Beacons National Park Authority.

The Statement of Accounts is produced to inform about the financial performance and standing of the Authority. This Narrative Report gives a summary of the Statement of Accounts. It contains key financial information including a summarised revenue account, in addition to supporting information, to set out the cost of services and how costs were funded.

The Authority is required by law to produce an annual Statement of Accounts in accordance with proper accounting practices as laid down by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Code of Practice on Local Authority Accounting 2021-22 (the Code). It is also required to comply with the Accounts and Audit (Wales) Regulations 2014 (as amended) and 2018.

This Narrative provides a brief explanation of the more significant matters reported in the accounts. Accounting statements are set out on later pages and consist of: -

A Statement of Accounting Policies - the basis upon which amounts have been included in the accounts using accepted accounting principles.

The Core Financial Statements

- **The Comprehensive income and Expenditure Statement (CIES)**- the income and expenditure during the financial year, accompanied by notes which explain the figures further. The Code requires that this statement is structured in line with the service breakdown of income and expenditure reported by the Authority. The CIES therefore reports an analysis of expenditure and income by Directorate.
- **The Statement of Movements in Reserves** – shows the movement in year on reserves held by the Authority, analysed into ‘usable’ reserves and ‘unusable’ reserves. The statement shows the true economic cost of providing the authority’s services and how those costs are funded from the various reserves held.
- **The Balance Sheet** - the assets and liabilities, cash held, and amounts set aside in reserves at the financial year-end. Notes are provided to give further details of specific balances.
- **The Cash Flow Statement** - shows the changes in cash and cash equivalents of the Authority during the reporting period. Further explanation is provided in the notes to the statement.

The responsible finance officer signed the statement of accounts (subject to audit) on XXXX. Significant events after the Balance Sheet date and up to the date of approval have been considered in preparing the Statement. The Statement has been audited by the Auditor General for Wales and a copy of his report is published with the Statement when this becomes available on completion of the audit. The Authority is also required to publish a Governance Statement. For further information and explanation of items in this document, please contact the Authority’s Finance Manager jo.williams@beacons-npa.gov.uk

SUBJECT TO AUDIT**2. ABOUT BRECON BEACONS NATIONAL PARK AUTHORITY**

The Authority covers 520 square miles and is one of three National Parks in Wales. The Authority became an independent Special Purpose Local Authority with effect from 1st April 1996 and has two statutory purposes and one duty:

Purposes:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park.
- To promote opportunities for public enjoyment and understanding of the special qualities of the National Park.

Duty:

- To foster the economic and social well-being of communities living within the National Park.

The Authority is the statutory Local Planning Authority for the area and is responsible for preparation of the Local Development Plan and determining planning applications.

Each year the Authority is required to publish a Corporate Plan setting out how it intends to employ its resources for the coming year to fulfil the purposes and duty in line with its current National Park Management Plan 2015-2020. A review of the Authority's performance against the Corporate Plan is carried out annually. These documents are published on the Authority's website www.beacons-mpa.gov.uk

3. INCOME AND EXPENDITURE

The gross cost to the Authority of providing its services, as reported to Members during the year for management purposes was £6,012,000. The table below summarises expenditure and sources of funding and shows that £8,000 was transferred to General Reserves at the year-end. In addition, £145,000 net was transferred to Earmarked Reserves and carried forward in the General Reserve to fund future commitments.

The Welsh Government sets the Authority's approved level of net revenue expenditure for the year and pays 75% of this in National Park Grant. The remaining 25% can then be raised by the Authority by issuing a levy on the constituent Unitary Authorities. These are: Powys County Council, Carmarthenshire County Council, Monmouthshire County Council, Rhondda Cynon Taff County Borough Council, Merthyr Tydfil County Borough Council, Blaenau Gwent County Borough Council, and Torfaen County Borough Council. The Welsh Government provides specific revenue and capital funding for priority project delivery. Where this cannot be fully applied in the year in which it is received, it is held in an earmarked reserve and applied in future years.

Comparison of actual income and expenditure: Current and previous financial years

	2020/21	2021/22
	£000	£000
National Park Grant	2,827	3,179
National Park Levy	941	1,036
Government Grants and Contributions	1,066	991
Fees, Charges and other Service income	758	952
Interest Receivable	7	7
Gross Revenue Funding	5,599	6,165
Employee Expenses	3,566	3,711

SUBJECT TO AUDIT

Other Service Expenses	1,808	2,301
Total Expenditure	5,374	6,012
Transfers to/from Reserves		
Total Expenditure after net transfers to/from Reserves	143	145
Net (cost)/income of Services (Contribn to/from General Fund)	5,517	6,157
	82	8

Locally generated income and specific grants are allocated to individual services and are offset against the expenditure on those headings to arrive at the total net budgets and costs as reported to those responsible for management of the Authority. The table below shows how the net cost of services is derived from gross income and expenditure (see Note 1 Expenditure and Funding Analysis for a reconciliation of amounts reported to management on a directorate basis to the totals reported on the Comprehensive Income and Expenditure Statement).

The net costs for each service in the Comprehensive Income and Expenditure Statement include depreciation (the cost of wear and tear on buildings, equipment, etc.). Adjustments are also made for pension costs in accordance with the International Accounting Standard 19: Retirement Benefits (IAS19). These technical adjustments are intended to bring the Authority's accounts into line with UK Generally Accepted Accounting Policies. They indicate the full cost to the Authority in the relevant financial year of meeting all future commitments to its current and former employees under the Local Government Pension Scheme.

These adjustments do not affect the net revenue spend of the Authority, paid for by the Welsh Assembly Government and local taxpayers, supplemented by income generated by providing services. For a full explanation of the basis for the charges under IAS 19, see Note 29. The adjustments are not included in the budgeted figures as they have no impact on the cost of the Authority's operations for management purposes.

The IAS19 adjustments have a substantial impact on the assets of the Authority as recorded in the Balance Sheet, reducing the Authority's overall net assets to a balance of £0.852m. Excluding the Pension Fund liability, the Authority's net assets would be £12.231m. In the CIES, the actuarial assessment of the Authority's assets and liabilities in the Fund has produced a net actuarial gain of £5.270m which has generated an accounting deficit of £1.650m for the year. Last year an actuarial loss of £4.24m was advised; a negative variation between financial years of £4.74m.

Significant developments affecting the financial position of the Authority

In 2021/22 the Authority's core funding from the Welsh Government increased by £0.352m at a cash standstill level. It sought to deploy this to meet its statutory purposes and Governmental priorities, supplemented by locally generated income and a range of grant funding. Additional funding has been received from Welsh Government during the year both to mitigate the impact of the Covid pandemic and support preparation for post-pandemic recovery initiatives. In addition, locally generated income increased with greater number of visitors and activity in the year occurring as facilities were open more in 2021/22 than in 2020/21.

The Authority has carried vacancies and these were in part filled by acting-up and other temporary arrangements. A new management structure was agreed and became operation with a move to a 5 Directorate structure. As follows:

- Chief Executive's Office and Communications
- Monitoring Officer and Solicitor's Department
- Nature and Climate Change

SUBJECT TO AUDIT

- Planning and Place
- Programme Manager's Department

Active recruitment to all key posts in 2021/22 occurred and meant that in April 2022 all senior officer posts were filled.

Covid 19 continued to have an impact on the income streams and service delivery plans of the Authority during 2021/22. Community development projects, the National Park Management Plan revision, Local Development Plan completion and visitor engagement priorities have all been delayed in consequence of the restrictions in place during the year (tbc). To support services re-engagement specific financial support in the form of grants was received from the Welsh Government.

An increasing proportion of total Welsh Government funding for the Authority takes the form of grants for specific revenue and capital projects. A significant amount of funding £888,450, was awarded in May 2021 for a range of capital and revenue projects to be delivered, largely in 2021/22. These included projects to enhance resilience in peatland and upland areas plus the Warden Service, improvements to visitor facilities and trails including the Four Falls Trail Plan.

Earmarked reserves allow the Authority to set aside contingency funds to meet future commitments, such as the costs of Project Support, the Local Development Plan Enquiry and Sustainable Development Fund grant commitments. They are used where the timing of funding receipts does not match the financial year of the related expenditure.

The Authority's total usable reserves decreased between 31 March 2021 and 31 March 2022; from £4.050m to £3.884m. The majority of these are ring-fenced for specific project work and other commitments. Application of some reserves has been partly caused by delays to project delivery and the continued adverse impact of covid restrictions. However, overall, some £419,000 of earmarked reserves were applied to fund service delivery in the year, offset by the transfer of £331,000 of in the main unspent project and service funds into reserves for planned application in 2022/23 and future years.

A simplified comparison between the budgeted and actual income and expenditure account by service for 2021/22 is produced below and shows that the Authority planned to transfer £336,000 to its General Reserve at the year-end for specific carry forwards whereas in fact £344,000 was transferred to the Reserve; a net under-spend of £8,000.

The table below is in line with CIPFA's current Code of Practice, which requires authorities to account for expenditure and income in the same objective structure as is used for reporting to management.

To enable comparisons between the revised budget and the outturn, year-end recharges for capital charges (depreciation) and actuarially assessed pension scheme costs (in accordance with international accounting standards) have been applied to the budget figures to give an adjusted total.

SUBJECT TO AUDIT**Summary of principal variances between 2021/22 budget as adjusted and the Statement of Accounts.**

	2021/22 Adjusted Budget*	2021/22 Out- turn*	2021/22 Variance against adjusted Budget
	£000	£000	£000
Net Service Costs			
Chief Executive's Office and Communications	507	444	63
Monitoring Officer and Solicitor's Department	508	476	32
Nature and Climate Change	1,391	1,342	49
Planning and Place	2,184	2,107	77
Programme Manager's Department	694	742	-48
Adjusted net cost	5,284	5,111	173
Interest received	-5	-7	2
National Park Grant (Welsh Assembly Government)	-3,109	-3,179	70
National Park Levy (Constituent Authorities)	-1036	-1036	0
National Park Capital Grant (Welsh Assembly Government)	-627	-627	0
Transfer to/(from) Earmarked Reserves	-92	145	-237
	-4,869	-4,704	-165
Accounting Adjustments reversed	-415	-415	0
Net Deficit /(Surplus)	0	-8	8

*including notional depreciation, accounting standards adjustments for pension costs and other elements required by CIPFA for accounts preparation.

Significant Variances Reported to Management**Chief Executive's Office and Communications**

A combination of underspending on employees with part year appointments plus overspending on Audit fees with additional Audit Wales audit charges related to the 2020/21 financial year explain the year end position. Increased income from filming fees and underspending on professional fees for external communications work have also contributed to the position.

SUBJECT TO AUDIT**Monitoring Officer and Solicitor's Department**

The variance is due firstly, underspending on Members allowances, travel, and training. In part due to COVID 19 arrangements meaning less travel and training has been undertaken. Subscriptions have also underspent due greater joint working between National Park Authorities. For the Directorate there was also overspending on Legal, this is due to a combination of professional external fees and advice including reference subscriptions. This has in part been offset by income from legal work.

Nature and Climate Change

The position reflects in the main underspending due to delays in the implementation of Wardens, Ecology and Access projects. This is a consequence of the continued impact of COVID 19 and also increased visitor numbers utilising staff resources. However, a large number of projects are ongoing at year end with spend planned to complete in 2022/23.

The main area of adverse variance for the Directorate was for the Education Team that lost substantial income in 2021/22 due to COVID 19 restrictions affecting schools' visits. This position was partly mitigated by the receipt of Government funding.

Planning and Place

A combination of variances, positive and adverse, has resulted in the year end position. The Waterfalls car parking receiving additional income with increased visitor numbers. However, at both Visitor Centres increased income from visitor numbers and COVID 19 Grant has only in part covered additional costs due to greater demand e.g. staffing and running costs to keep the facility operational and safe. The Sustainable Development Grants underspent in year with an amount being added to earmarked reserves to be utilised in 2022/23.

Programme Manager's Department

The overspend for the directorate reflects increased recruitment costs as several posts have been appointed to in 2021/22. Also, additional IT costs have been incurred due to the need to enhance the public WIFI provision at Park sites, the implementation of enhanced IT security and authentication processes to improve the authority's cyber security.

SUBJECT TO AUDIT**4) CAPITAL EXPENDITURE**

A summary of expenditure qualifying as capital for accounting purposes is provided below:

	2021/22
	Actual
	£000
Upland Access and Rights of Way Improvement Projects	299
Peatland Restoration	246
Green Growth Fund – de-carbonisation of visitor centres	59
Cwm Berach Uchaf Habitat Restoration	30
Four Fall Trail Design	25
Ffawddog Access Improvement	14
Car Park Improvement	69
Vehicles and Equipment	134
National Park Visitor Centre improvements	105
Total expenditure classified as capital under accounting definition and policies*	981
Less:	
Grants & Contributions received in year	(627)
Transfer from the Capital Grants Unapplied Account	(216)
Use of Capital Receipts Reserve	(105)
Revenue Financing	(33)
Net Expenditure	(981)

*Expenditure which meets the accounting definition of capital has been classified as capital and funded by grants, use of capital receipts, a legacy receipt and an appropriation from the Revenue Account. Expenditure meets the relevant accounting de minimis criteria (as outlined in the Authority's accounting policies). When projects are completed, the resulting asset is included in the Authority's Balance Sheet.

SUBJECT TO AUDIT**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS****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 Financial Officer (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES

The Chief Financial Officer/S151 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*.

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Chief Financial Officer has also:

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

The Statement of Accounts gives a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2022. To comply with the Accounts and Audit (Wales) Regulations 2014, the responsible financial officer is required to re-certify the Statement immediately before their adoption by the Authority and after the completion of the audit, while the Chairman certifies approval of the audited Statement by the Authority.

Date: xxxxxxxx 2022

Section 151 Officer
Brecon Beacons National Park Authority

Chairman
Brecon Beacons National Park Authority

Date: xxxxxxxx 2022

SUBJECT TO AUDIT

The independent auditor's report of the Auditor General for Wales to the members of Brecon Beacons National Park Authority

To be added once received from Audit Wales Mark Jones is the contact

SUBJECT TO AUDIT**Statement of Accounting Policies****General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2021/22 financial year and its financial position at the year-end of 31 March 2022. The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

The accounts have been prepared in accordance with:

The current year's Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The guidance notes issued by CIPFA on the application of International Financial Reporting Standards (IFRS's); International Accounting Standards (IAS's);

Accounting Concepts

The accounts have been prepared in accordance with the following accounting principles and concepts.

Principles: relevance, reliability, comparability, understandability.

Concepts: materiality, faithful representation, timeliness, accruals, going concern, primary of legislative requirements.

These principles and concepts have been used in the selection and application of accounting policies and estimation techniques and in the exercise of professional judgement.

Accruals of Income and Expenditure

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

Revenue from the sales 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.

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 reduced and a charge is made to the expenditure and income account for the income that might not be collected.

Transactions with a value of less than £1,000 will not be accrued unless there are specific operational reasons for doing so, such as grant claim administration.

Cash and Cash Equivalents

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 within 3 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.

SUBJECT TO AUDIT

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.

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
- Amortisation of intangible fixed assets attributable to the service

Contingent Liabilities, Contingent Assets and Provisions**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 where they are material.

Contingent Assets

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 assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential and they are material.

Provisions

Provisions are made where both of the following conditions apply:-

- an event has taken place that imposes on the Authority a legal or constructive obligation that probably requires settlement or a transfer of economic benefits or service potential
- a reliable estimate can be made of the amount of the obligation

Provisions are charged as an expense in the appropriate service line in the Comprehensive Income and Expenditure Statement when a quantifiable potential obligation is identified. The value of the potential cost is estimated as at the balance sheet date and carried in the Balance Sheet as a liability. When a payment is eventually made, it is charged directly to the provision.

Estimated settlements and their probability are reviewed at the end of each financial year and if it becomes unlikely that the expense will be incurred or the amount is expected to be reduced, the reduction or removal of the provision will be credited back to the service originally charged. Where some, or all, of the expense associated with a provision is expected to be recoverable from a third party, such as an insurer, this related income will not be recognised unless it is virtually certain to be received on discharge of the obligation.

SUBJECT TO AUDIT**Employee Benefits**

Benefits payable during employment are received by current employees and 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 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 earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services and 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 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 relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises the costs of a restructuring.

Post-employment benefits (pensions) are earned by employees during their working life in return for services to their employer. Employees of the Authority are members of the Local Government Pension Scheme, administered by Powys County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees work for the Authority and is accounted for as a defined benefits scheme.

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

Liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. The assets of the Powys pension fund attributable to the Authority are included in the Balance Sheet at their fair value. As follows:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:

current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – 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 net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) 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 benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

SUBJECT TO AUDITRe-measurements comprising:

the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – 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 Powys 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 Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Events after the Balance Sheet Date

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 the events and their estimated financial effect.

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

Foreign Currency

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting material gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Grants and Contributions

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.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until there is reasonable certainty that conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to Capital Grants Unapplied

SUBJECT TO AUDIT

Account. Where a grant has been used to finance capital expenditure, it is posted to the Capital Adjustment Account.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance. 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-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost and carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Inventories

These have been included in the accounts at cost. This is a departure from the requirements of the CIPFA Code of Practice, which require stocks to be shown at the lower of actual cost or net realisable value, whichever is the lower. The difference is not considered to be material.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee and the value of the item of property, plant or equipment leased exceeds the de minimis threshold of £10,000. All other leases are classed as operating leases.

Lease payments are charged in full according to date payable on a straight line basis, ensuring an equal annual charge to the service revenue accounts throughout the life of the lease.

The Authority rents several properties in support of its services, and rental costs are accounted for on a straight-line basis in the relevant rental periods. The Authority also rents-out several owned properties that are not required for direct service provision. The properties are held as fixed assets in the balance sheet, and income relating to these properties is accounted for on a straight-line basis in the relevant rental periods.

Overheads and Support Services

In accordance with the current CIPFA Code of Practice, the cost of support services is accounted for in the same format as presented to Authority Members in the management accounts. Support services and departmental management costs are shown in the department under which they are managed.

SUBJECT TO AUDIT**Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. 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.

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.

Property, Plant and Equipment

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 (ie repairs and maintenance) is charged as an expense when it is incurred. The Authority has set a minimum level of £10,000 for capitalising expenditure, with the exception of land and buildings which are always capitalised. Expenditure below the minimum level is treated as revenue.

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.

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.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost 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:

Either, 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)

Or, 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.

SUBJECT TO AUDIT**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 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 (ie freehold land and certain Community Assets) and assets that are not yet available for use (ie 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 as advised by a suitably qualified officer

infrastructure (rights of way, trails and associated structures – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer

In the absence of specific advice, the estimated asset lives used are as follows:

Vehicles and other equipment	5 years
IT equipment	3 years
Community and Infrastructure assets	20 years
Intangible Assets	3 years

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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 and 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. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

SUBJECT TO AUDIT

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When 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 (ie 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. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. As the Authority is debt free, 100% of any such receipts can be used to finance new capital expenditure

The written-off value of disposals is not a charge against taxation, 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.

Surplus Assets

Where an asset is no longer being used for operational purposes but is not being actively marketed, abandoned or scrapped, it is classified as a surplus asset. Surplus assets are valued at fair value (ie the price which would be received in an orderly transaction between market participants at the measurement date.

Reserves

The Authority sets aside specific amounts as usable reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts 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 in the Movement in Reserves Statement.

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

Value added Tax

The accounts have been prepared on a VAT exclusive basis. Where VAT on an item of expenditure cannot be reclaimed, it is charged to the related service or capital project.

SUBJECT TO AUDIT

THE PRINCIPAL ACCOUNTING STATEMENTS

Explanatory note on the information included in the core financial statements.

2020/21	2020/21	2020/21		2021/22	2021/22	2021/22
Gross Expenditure	Gross Income	Net		Gross Expenditure	Gross Income	Net
Restated	Restated	Restated				
£000	£000	£000		£000	£000	£000
354	0	354	Chief Executive's Office and Communications	470	-26	444
399	-11	388	Monitoring Officer and Solicitor's Department	491	-15	476
2,096	-701	1,395	Nature and Climate Change	2,317	-975	1,342
2,531	-696	1,835	Planning and Place	3,347	-1,240	2,107
653	-2	651	Programme Manager's Department	744	-2	742
6,033	-1,410	4,623	Cost of Services	7,369	-2,258	5,111
		30	Other Operating Income and Expenditure (Note 6)			30
		223	Financing and Investment Income and Expenditure (Note 7)			313

The Statement of Accounts sets out details of the Authority's income and expenditure for the financial year 2021/22 and its Balance Sheet as of 31 March 2022.

The four core financial statements reflect the National Parks activities including the specific projects undertaken and are as follows:

The **Comprehensive Income and Expenditure Statement** (CIES) 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. It also brings together all the gains and losses of the Authority for the year and shows the aggregate increase or decrease in net worth.

The **Movement in Reserves Statement** (MIRS) shows the movement in year on reserves held by the Authority, analysed into 'usable' reserves and 'unusable' reserves. The statement shows the true economic cost of providing the authority's services and how those costs are funded from the various reserves held.

The **Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets are matched by reserves held by the Authority.

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Authority during the reporting period.

The Notes to the Accounts provide more details about items contained in the statements

SUBJECT TO AUDIT

-4,369	Taxation and Non-Specific Grant Income (Note 8)	-4,841
<u>507</u>	Deficit on the Provision of Services	<u>613</u>
4,240	Actuarial Gains/Losses on Pension Assets/Liabilities (Note 29)	-5,270
<u>4,240</u>	Other Comprehensive (Income) and Expenditure	<u>-5,270</u>
<u>4,747</u>	Total Comprehensive (Income) and Expenditure	<u>-4,657</u>

Comprehensive Income and Expenditure Statement

SUBJECT TO AUDIT**Movement in Reserves Statement
Year Ended 31st March 2022**

	General Reserve	Earmarked Reserves	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2021	1,190	1,556	1,175	129	4,050	- 7,855	- 3,805
Movement in reserves during 2021/22							
Total Comprehensive Income and Expenditure	- 613	-	-	-	613	5,270	4,657
Adjustments between accounting basis and funding basis under regulations (Note 11)	820	-	-267	(105)	448	(448)	-
Net (Decrease)/Increase before Transfers to Earmarked Reserves	207	-	(267)	(105)	165	4,822	4,657
Transfers from Earmarked Reserves (Note 12)	136	- 136	-	-	-	-	-
(Decrease)/Increase in 2021/22	343	- 136	(267)	(105)	165	4,822	4,656
Balance at 31 March 2022	1,533	1,420	908	24	3,885	- 3,033	852

SUBJECT TO AUDIT**Movement in Reserves Statement
Year Ended 31st March 2021**

	General Reserve	Earmarked Reserves	Capital Grants Unapplied Account	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000 Restated	£000 Restated	£000 Restated	£000 Restated	£000 Restated	£000 Restated	£000 Restated
Balance at 31 March 2020	1,108	1,527	1,385	165	4,185	- 3,243	942
Movement in reserves during 2020/21							
Total Comprehensive Income and Expenditure	507	-	-	-	507	- 4,240	- 4,747
Adjustments between accounting basis and funding basis under regulations (Note 11)	618		(210)	(36)	372	(372)	-
Net (Decrease)/Increase before Transfers to Earmarked Reserves	111		(210)	(36)	135	- 4,612	- 4,747
Transfers from Earmarked Reserves (Note 12)	29	29					
(Decrease)/Increase in 2020/21	82	29	(210)	(36)	135	- 4,612	- 4,747
Balance at 31 March 2021	1,190	1,556	1,175	129	4,050	- 7,855	- 3,805

SUBJECT TO AUDIT**Balance Sheet**

2020/21 (£000)		2021/22 (£000)
7,718	Property, Plant And Equipment (Note 14)	8,392
34	Intangible Assets (Note 15)	24
7,752	TOTAL LONG-TERM ASSETS	8,416
27	Inventories	64
854	Short-term Debtors (Note 18)	798
3,892	Cash and Cash Equivalents (Note 19)	3,959
4,773	CURRENT ASSETS	4,821
619	Short-Term Creditors (Note 20)	1,007
619	CURRENT LIABILITIES	1,007
15,536	Liability - Defined Benefit Pension Schemes (Note 29)	11,378
175	Other Long-Term Creditors	-
15,711	LONG TERM LIABILITIES	11,378
(3,805)	NET ASSETS	852
1,175	Capital Grants Unapplied Account	908
2,875	Other Usable Reserves	2,977
4,050	Total Usable Reserves	3,885
(7,855)	Unusable Reserves	(3,033)
(3,805)	TOTAL RESERVES	852

Section 151 Officer

Date:

SUBJECT TO AUDIT**Cash Flow Statement**

2020/21		2021/22
£000		£000
Restated		
507	Net (surplus) or deficit on the provision of services	613
-497	Adjustments to net surplus or deficit on the provision of services for non-cash movements	-1,034
	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	
0		0
-497	Net cash flow from operation activities (note 21)	-1,034
210	Investing activities (Note 22)	354
0	Financing activities (Note 23)	0
220	Net Increase or decrease in cash and cash equivalents	-67
- 4,112	Cash and Cash equivalents at the beginning of the reporting period	- 3,892
- 3,892	Cash and Cash equivalents at the end of the reporting period (Note 19)	- 3,959

SUBJECT TO AUDIT**Notes to the Accounts****Note 1: Expenditure and Funding Analysis**

The objective of the Expenditure and Funding Analysis is to demonstrate how funding available to the National Park (e.g., from Welsh Core Grant, levies) for the year has been used in the provision of services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the National Park's Directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

	Net Expenditure Chargeable to the General Reserve	Adjustments between the Funding and Accounting Basis	Net Expenditure in the CIES
	2021/22	2021/22	2021/22
	£000	£000	£000
Chief Executive's Office and Communications	400	-44	444
Monitoring Officer and Solicitor's Department	423	-53	476
Nature and Climate Change	970	-372	1,342
Planning and Place	1,625	-482	2,107
Programme Manager's Department	614	-128	742
Net Cost of Services	4,032	-1,079	5,111
Other Income and Expenditure	-4,239	259	-4,498
Deficit/(Surplus)	-207	-820	613
Opening Balance General Reserves and Earmarked Reserves			
Opening Balance	2,746		
Revenue Surplus/(deficit)	207		
Closing Balance on Revenue Reserve	2,952		

SUBJECT TO AUDIT

	Net Expenditure Chargeable to the General Reserve		Adjustments between the Funding and Accounting Basis		Net Expenditure in the CIES
	2020/21		2020/21		2020/21
	£000		£000		£000
	Restated		Restated		Restated
Chief Executive's Office and Communications	335		-		354
Monitoring Officer and Solicitor's Department	366		-	19	388
Nature and Climate Change	1,113	-	282		1,395
Planning and Place	1,560	-	275		1,835
Programme Manager's Department	579		-	72	651
Net Cost of Services	3,953	-	670		4,623
Other Income and Expenditure	-	4,064	52		4,116
Deficit/(Surplus)	-	111	-	618	507
Opening Balance General Reserves and Earmarked Reserves					
Opening Balance	2,635				
Revenue Surplus/(deficit)	111				
Closing Balance on Revenue Reserve	2,746				

SUBJECT TO AUDIT**Adjustments between Funding and Accounting basis**

The following explains the main adjustments from the Net Expenditure Chargeable to the Authorities General Reserve and Earmarked Reserves to arrive at the amounts in the CIES.

Adjustments from Capital purposes include (where they have taken place in year) depreciation, impairments and revaluations gains and losses. It also adjusts for revenue contributions to capital expenditure that are not chargeable under generally accepted accounting practices to the General Reserve.

Pension Adjustment show where costs have been affected by the removal of pension contributions and replaced with IAS19 costs.

Other adjustments are items that cannot be allocated to either Capital or Pension adjustments.

	Adjustments for Capital Purposes	Net Change for the Pension Adjustments	Other Adjustments	Total Adjustments
	2021/22 £000	2021/22 £000	2021/22 £000	2021/22 £000
Adjustments between funding and accounting basis				
Chief Executive's Office and Communications	0	-44	0	-44
Monitoring Officer and Solicitor's Department	0	-53	0	-53
Nature and Climate Change	-160	-212	0	-372
Planning and Place	-112	-370	0	-482
Programme Manager's Department	-45	-83	0	-128
Cost of Services	- 317	- 762	- -	1,079
Other Income and Expenditure	660	350	51	259
Difference between General Reserve surplus or deficit and CIES surplus or deficit on the provision of services	343	1,112	51	820
	Adjustments for Capital Purposes	Net Change for the Pension Adjustment s	Other Adjustments	Total Adjustments
	2020/21 £000 Restated	2020/21 £000 Restated	2020/21 £000 Restated	2020/21 £000 Restated
Adjustments between funding and accounting basis				
Chief Executive's Office and Communications	0	-19	0	-19
Monitoring Officer and Solicitor's Department	0	-22	0	-22
Nature and Climate Change	-164	-118	0	-282
Planning and Place	-101	-174	0	-275
Programme Manager's Department	-31	-41	0	-72
Cost of Services	- 296	- 374	- -	670
Other Income and Expenditure	435	260	123	52
Difference between General Reserve surplus or deficit and CIES surplus or defect on the provision of services	139	634	123	618

SUBJECT TO AUDIT**NOTE 2: Accounting Standards Issued and Not Adopted**

The 2021/22 Code requires the Authority to disclose information relating to the impact of an accounting change that will be required by new accounting standards that have been issued but not yet adopted by the Code. Amendments to the 2021/22 Code of Practice on Local Authority Accounting have been reviewed and are not considered to be relevant or are immaterial to the Authority.

A new standard (IFRS16), which is likely to impact the way the Authority accounts for its leases in the financial statements, was to have been introduced in 2020/21. The implementation date has been deferred to 1 April 2024 and work will be undertaken to quantify the impact for disclosure in the 2023 Accounts.

NOTE 3: Critical Judgements In Applying Accounting Policies

In applying the Authority's Accounting Policies, certain judgements have been made involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

There is uncertainty about future levels of funding for National Park Authorities in Wales beyond the 2022/23 financial year. However, the assumption has been made that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired because of a need to close facilities and reduce levels of services provision.

NOTE 4: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures which are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering 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. The valuation of the Authority's land and buildings took place before the Covid19 pandemic, which may impact on both property values and income generation potential at visitor centres. It is possible that material changes may need to be made to the values of both land and operational buildings in the aftermath of the pandemic as property valuations continue to be volatile.

SUBJECT TO AUDIT

Item	Uncertainties	Effect If Actual Results Differ from Assumptions
Pensions liability/Asset	<p>Estimation of the net liability to pay pensions depends on several complex judgements relating to corporate bond yields, the discount rate used, projected rates of salary increase, mortality rates and expected returns on pension fund assets.</p> <p>An assessment of the pension liability has been provided by AON Solutions UK Limited, who also provide actuarial advice on the assumptions to be applied and their effect.</p>	<p>Changes in assumptions may interact in several ways and may have a large impact on the pension net liability in the financial statements. The accounting standard governing the accounting basis for Pension Scheme costs is known to cause volatility in estimates of assets and liabilities between years and hence large swings in both the CIES total and net assets figure in the balance sheet.</p>
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be carried out on individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. Valuations ascribed to Property by the Authority's valuers are affected by market values which are substantially dependent on economic factors outside the Authority's control.</p>	<p>A reduction in useful life or identification of impairment increases the charge to the Cost of Services in the CIES and reduces the value of assets in the Balance Sheet.</p> <p>Changes in the market value of assets may result in the Authority's land and buildings being under- or over-valued. As a result of the economic impact of Covid19, the departure of the UK from the European Union and turbulence in Europe, there is significantly more uncertainty in 2021/22 in relation to property values. These impacts are potentially material but not yet quantifiable.</p>

NOTE 5: Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by Chief Financial Officer on xxx 2022. Where events taking place before this date provided information about conditions existing on 31 March 2022, the figures in the Statements and notes have been adjusted in all material respects to reflect the impact of this information.

SUBJECT TO AUDIT**NOTE 6: Other Operating Expenditure**

2020/21 £000		2021/22 £000
30	Pension Fund Administration Costs	30
30	Total	30

NOTE 7: Financing and Investment Income and Expenditure

2020/21 £000		2021/22 £000
230	Interest on Pension Scheme net defined benefit liability	320
(7)	Interest receivable and similar income	(7)
223	Total	313

NOTE 8: Taxation and Non-Specific Grant Income (see also Note 9 - Total Grant Income)

2020/21 £000	2020/21 £000		2021/22 £000	2021/22 £000
		Levies on Constituent Local Authorities		
554		Powys County Council	609	
138		Carmarthenshire County Council	152	
105		Monmouthshire County Council	116	
48		Rhondda Cynon Taff County Borough Council	53	
38		Merthyr Tydfil County Borough Council	41	
29		Blaenau Gwent County Borough Council	32	
29		Torfaen County Borough Council	32	
	941	Subtotal		1,035
	2,827	Non-Specific Grant Income – National Park Grant		3,179
	177	Revenue Grant Income – Welsh Government received and not applied		0
	187	Capital Grants and Contributions applied in year		627
	237	Capital Grants and Contributions received and not applied at year end		0
	4,369	Total		4,841

SUBJECT TO AUDIT**NOTE 9: Grant Income**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in the year.

	2020/21 £000	2021/22 £000
Credited to Taxation and Non-Specific Grant Income		
National Park Grant	2,827	3,179
National Park Capital Grant included in the Income and Expenditure Account	187	627
National Park Specific Projects Grant	414	0
Levies – Powys County Council	554	609
Carmarthenshire County Council	138	152
Monmouthshire County Council	106	116
Rhondda Cynon Taff County Borough Council	47	53
Merthyr Tydfil County Borough Council	38	41
Blaenau Gwent County Borough Council	29	32
Torfaen County Borough Council	29	32
Total	4,369	4,841
Credited to Services		
EU-funded Grants	291	29
Other Government Grants	538	1,054
Other Local Authority Grants and Contributions	82	123
Heritage Lottery Fund Grant	-7	31
Other Grants	70	65
Donations and Legacies	2	4
Total credited to services	976	1,306

Note 10 SUBJECTIVE ANALYSIS OF EXPENDITURE AND INCOME

This note explains the nature of expenditure and income of the Authority as shown in the CIES.

Total Grants, Contributions and Donations	5,345	6,147
	2020/21	2021/22
	£000's	£000's
	Restated	
Expenditure		
Employee benefits	3,940	4,473
Other services	1,827	2,609
Depreciation, amortisation, revaluations	296	317
Interest Payments	230	320
Total expenditure	6,293	7,719
Income		

SUBJECT TO AUDIT

Fees, charges & services income	-434	-952
Interest & investment income	-7	- 7
Levies	-941	- 1,035
Government grants and other contributions	-4,404	- 5,112
Total Income	-5,786	-7,106
Surplus / deficit (-) on provision of services	507	613

NOTE 11: 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. Below is a description of the General Reserve, against which the adjustments are made.

General Reserve

The General Reserve is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Reserve, which is not necessarily in accordance with proper accounting practice. The General Reserve therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment. Details of the adjustments are provided below.

	General Reserve	Capital Grants Unapplied Account	Capital Receipts Reserve	Movement in Unusable Reserves
Adjustments between accounting basis and funding basis 2021/22				

£000 £000 £000 £000

Adjustments to the revenue resources

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements

Pension Costs (transfers to/from Pensions Reserve)	1,112			1,112
--	-------	--	--	-------

SUBJECT TO AUDIT

Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	317			317
Total adjustment to revenue resources	1,429	0	0	1,429
Adjustments between revenue and capital resources				
Transfer of capital grants and contributions to capital grants unapplied	-	0		-
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)	51	-51		-
Capital expenditure financed from revenue balances	-	0	0	- 33
Capital Grants through the CIES	627	0	0	-627
Total adjustments between revenue and capital resources	- 609	- 51	-	- 660
Adjustments to capital resources				
Use of capital receipts to finance capital expenditure	-	0	-105	- 105
Application of capital grants to finance capital expenditure	-	-216	0	-216
Total adjustments to capital resources	-	-216	-105	-321
Total adjustments		-267	-105	448
Adjustments between accounting basis and funding basis 2020/21	General Reserve	Capital Grants Unapplied Account	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000	£000
	Restated	Restated	Restated	Restated

SUBJECT TO AUDIT**Adjustments to the revenue resources**

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements

Pension Costs (transfers to/from Pensions Reserve)	634			634
Holiday pay	0			
Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure	296			296
Total adjustment to revenue resources	930	0	0	930

Adjustments between revenue and capital resources

Transfer of capital grants and contributions to capital grants unapplied	-237	237		-
Transfer of capital grants and contributions to revenue (non-qualifying items not capitalised)	123	-123		-
Capital expenditure financed from revenue balances	-11	0	0	- 11
Capital Grants through the CIES	- 187	0	0	-187
Total adjustments between revenue and capital resources	- 312	114	-	- 198

Adjustments to capital resources

Use of capital receipts to finance capital expenditure	0	0	-36	- 36
Application of capital grants to finance capital expenditure	-	-324	0	-324
Total adjustments to capital resources	-	-324	-36	-360

SUBJECT TO AUDIT

Total adjustments **618** **-210** **-36** **372**

NOTE 12: TRANSFERS EARMARKED RESERVES

This note details the amounts set aside by the Authority out of its revenue resources to meet future costs whose timing and extent are uncertain. These reserves are held until required or until the Authority decides that the anticipated costs will not arise.

A summary of movements in earmarked reserves for the last two financial years is provided below:

	Balance at 31 March 2020	Rounding correction £000	Transfers out £000	Transfers in £000	Balance at 31 Mar 2021 £000	Transfers out £000	Transfers in £000	Balance at 31 March 2022 £000
Welsh Government Specific revenue grants committed to projects	598		(146)	178	630	(305)	70	395
S106/Affordable Housing sums received by the Authority but not yet applied	297	1	0	24	322	0	54	376
Other Earmarked Reserves	632		(158)	129	604	(115)	160	649
Total	1,527	1	(304)	331	1,556	(420)	284	1,420

The purposes of earmarked reserves, with balances greater than £30,000, contained in the table above are given below.

1. Welsh Government Specific revenue grants committed to projects

Welsh Government Specific Revenue Funding 2017 £81,000 (2020/21 £107,000)

This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2016/17. This will facilitate reporting on the use of the funding.

Welsh Government Specific Revenue Funding 2019 £218,000 (2020/21 318,000)

This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2018/19.

Welsh Government Specific Revenue Funding 2020 £nil (2020/21 £177,000)

This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2020/21.

Welsh Government Specific Revenue Funding 2022 £70,000 (New with an addition of £70,000 in 2021/22). This reserve holds the unspent portion of revenue funding for a range of specific projects, provided to the Authority in addition to its core grant in 2021/22.

2. S106/Affordable Housing Reserve £376,000 (2020/21 £322,000)

SUBJECT TO AUDIT

This reserve has been established to retain S106 sums payable to the Authority in relation to property development pending their allocation to applicants for the provision of affordable housing. Affordable Housing receipts which have conditions attached and are potentially repayable to the developer have been treated as Receipts in Advance.

3. Other Earmarked Reserves

Legacy receipts Reserve £134,000 (2020/21 £134,000)

This new reserve was set up to earmark funding received in the form of bequests until it can be appropriately used to benefit the National Park.

Conservation Fund Reserve £88,000 (2020/21 £88,000)

Fees received by the Authority from organisations using Authority land for filming, net of any related costs, are set aside for use on environmental improvement projects and other expenditure to benefit the National Park.

Project Support £87,000 (New with an addition of £87,000 in 2021/22)

Established to funded additional demands and costs that may potentially arise on the implementation time specific projects.

Local Development Plan Enquiry Reserve £74,000 (2020/21 £110,000)

The Authority is legally required to publish a Local Development Plan periodically. This involves extensive consultation and data collection, a public enquiry held by an external Planning Inspector, and publication costs at intervals of 3-5 years. Funds were set aside each year to help fund these recurring costs. The current Plan was adopted in 2014 and is currently being reviewed.

Sustainable Development Fund Earmarked Sums £53,000 (£ 2020/21 58,000)

This reserve represents funding commitments agreed by the Grant Allocation Panel but not claimed by the grantee at the financial year end.

Canal and Rivers Trust joint projects reserve £52,000 (2020/21 £52,000)

This new reserve was established for a net budget surplus generated by work carried out by the Authority in partnership with the Canal and Rivers Trust. The reserve will be applied to continue canal-side improvement projects.

Reserve provision for termination costs of temporary project officer posts £50,000 (2020/21 £50,000)

Established in recognition of the increasing proportion of employees who are temporarily employed for specific projects, to cover potential unfunded expenses incurred at termination of contracts.

Reserve provision for Pooled Vehicle Replacement £40,000 (2020/21 £20,000)

This reserve is held to fund the future replacement of pooled vehicles. The aim is to add each year to the balance where funds are available.

NOTE 13: Unusable Reserves

Unusable Reserves are those that are restricted and cannot be used to finance the Authority's operational activities.

This is due to one of two reasons:

- They represent assets recognised in the accounts, but which are not readily available to support current spend;

SUBJECT TO AUDIT

or

- They represent future liabilities that will fall to the Authority in later years but under statute are not chargeable against the budget until they become due, e.g. pensions deficits.

Unusable Reserves	31 March 2021 (£000)	31 March 2022 (£000)
Revaluation Reserve	3,460	3,450
Capital Adjustment Account	4,284	4,958
Accumulated Absences Account	(63)	(63)
Pensions Reserve	(15,536)	(11,378)
	<hr/>	<hr/>
Total	(7,855)	(3,033)

SUBJECT TO AUDIT**Revaluation Reserve**

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

- revalued downwards or impaired and the gains are lost
- used in the provision of service and the gains are consumed through depreciation, or disposed of and the gains are realised.

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

2020/21 £000		2021/22 £000
3470	Balance at 1 April	3,460
(10)	Difference between fair value depreciation and historical cost depreciation	(10)
(10)	Amount written off to the Capital Adjustment Account	(10)
3,460	Balance at 31 March	3,450

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.

The Account is:

- Debited with the cost of depreciation, impairment losses and amortisation;
- credited with Revaluation Reserve funds to convert fair value figures to a historical cost basis;
- credited with the amounts set aside by the Council as capital financing.

SUBJECT TO AUDIT

The Account 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. The movement on the reserve during the year is as follows:

2020/21		2021/22
£000		£000
4,012	Balance at 1 April	4,284
	Capital funded items charged to the CIES	
(276)	Charges for depreciation and impairment of non-current assets	(307)
(20)	Amortisation of intangible assets	(10)
(296)	Subtotal	(317)
	Values released from revaluation reserve	
10	Depreciation costs funded from revaluation reserve	10
(286)	Net costs of non-current assets used in year	(307)
	Capital financing applied in the year	
36	Use of capital receipts reserve to finance capital expenditure	105
187	Capital grants and contributions from CIES	627
324	Funding from the capital grants unapplied account	216
11	Revenue contributions to capital costs from CIES	33
558	Subtotal	981
4,284	Balance at 31 March	4,958

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 CIES 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 deficit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and in the resources the Authority has set aside to meet them. A decrease in the deficit by £4.158m to a net liability of £11.378m has been reported in 2021-22 by the Fund's Actuaries. This is mainly due to a decrease in the projected pension liabilities due to gains on assets and changes in post-retirement mortality assumptions.

SUBJECT TO AUDIT

The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid.

2020/21		2021/22
£000		£000
(10,662)	Balance at 1 April	(15,536)
(4,290)	Actuarial gains/(losses) on funded pensions assets and liabilities	5,270
50	Adjustment for historic unfunded liability no longer applicable	0
(1,140)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(1,650)
506	Employer's pension contributions and direct payments to pensioners payable in the year	538
(15,536)	Balance at 31 March	(11,378)

The 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, eg annual leave entitlement due but untaken at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21		2021/22
£000		£000
(63)	Balance at 1 April	(63)
0	Net change in Accrual; 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	0
(63)	Balance at 31 March	(63)

SUBJECT TO AUDIT

NOTE 14: Property, plant and equipment

	Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	Total Property, Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000
Movements in 2021/22							
Cost or Valuation:							
At 1 April 2021	5,526	677	1,279	1,020	0	0	8,502
Movements in 2020/21		£000	£000	£000	£000	£000	£000
Additions	69	133	313	277	0	189	981
Cost or Valuation:							
Valuation increases/(decreases) recognised in the Revaluation Reserve	0	0	0	0	0	0	0
Valuation increases/(decreases) recognised in the surplus/deficit on the provision of services	0	0	0	0	0	0	0
De-recognition (disposals and write-offs)	0	0	0	0	0	0	0
Transfers (assets re-classified)	0	0	104	17	20	0	14
At 31 March 2021	5,595	5,526	677	1,279	1,020	0	8,502
At 31 March 2022	5,595	810	1,592	1,297	0	189	9,483
Accumulated depreciation and impairment							
At 1 April 2020		32	46	405	26	0	509
At 1 April 2021	120	107	506	51	0	0	784
Rounding correction							1
Less accumulated depreciation written out on revaluation/disposals	0	0	0	0	0	0	0
Depreciation written out to the revaluation reserve	10	10	0	0	0	0	10
Depreciation written out to the surplus/deficit on the provision of services	22	22	61	101	39	0	307
Other movements in depreciation and impairment	0	56	0	0	0	0	56
Total depreciation charge for the year		88	61	101	25	0	276
At 31 March 2021	32	128	107	108	506	39	786
At 31 March 2022	32	128	107	108	506	39	786
Net Book Value							
At 31 March 2020		5,442	393	788	701	0	7,452
At 31 March 2021	5,406	5,406	570	773	969	0	7,718
At 31 March 2022	5,443	575	978	1,207	0	189	8,392

SUBJECT TO AUDIT**Asset Valuations as at 31 March 2022**

Brecon Beacons National park Authority's freehold and long leasehold properties were last valued on 1st April 2019 by External Valuers, Chris Hyde MSc MRICS FAAV and Elizabeth Hill BSc MRICS of Cooke & Arkwright Chartered Surveyors. The valuations were in accordance with the requirement of the RICS Valuation – Global Standards 2017 (The Red Book) and the International Valuation Standards 2017 (IVS) and the RICS Valuation, Global Standards 2017 – UK national supplement. The valuation of each property was on the bases and assumptions:

1. For Owner Occupied non specialist property plant and equipment: Valued to Existing Use Value assuming that the property would continue in existing use.
2. for Owner Occupied specialist property, plant and equipment: Valued to Existing Use Value using Depreciated Replacement Cost assuming that the properties would continue in existing use or
3. For investment Properties: Valued to Fair Value assuming that the properties would be sold subject to any existing leases.

Gross Value as at last valuation	Land and Buildings	Vehicles, Furniture, Plant and Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets under Construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000
Carried at historic cost	69	810	1,592	1,297	0	189	3,957
Valued at fair value as at 1 April 2019	5,470	0	0	0	0	0	5,470
TOTAL	5,539	810	1,592	1,297	0	189	9,427

See also Note 4 in relation to uncertainty affecting asset values.

Depreciation: All assets except land are depreciated, in line with the Authority's Statement of Accounting Policies.

Capital Commitments: As at 31 March 2022 the Authority £0.210m (£0.073m at 31 March 2022) of capital commitments. The largest commitment was related to National Park Visitors Centre for an on going capital project to enhance and improve facilities at the site.

SUBJECT TO AUDIT**NOTE 15: Intangible Assets**

	2020/21 £000	2020/21 £000	2021/22 £000	2021/22 £000
		Under Construction		Under Construction
Balance at start of year				
Gross Carrying amounts	53	0	53	0
Less carrying amount of de-recognised asset	-13	0	-13	0
Balance at start of year	40	0	40	0
Accumulated amortisation	23	0	43	0
Less Accumulated amortisation on de-recognised asset	-13	0	-13	0
Net Amortisation at start of year	10	0	30	0
Net carrying amount at start of year	30	0	10	0
Additions – Purchases	0	0	0	0
Intangible Assets under construction transferred to Intangible Assets	0	24	0	24
Amortisation for the period	-20	0	-10	0
Net carrying amount at end of year	10	24	0	24

NOTE 16: Impairment Losses

The CIPFA Code of Practice requires the Authority to disclose any impairment losses or reversals charged to the Surplus or Deficit on the Provision of services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 14 and 15, reconciling the movement in the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no impairments identified during 2021/22 (none in 2020/21). Land and Buildings were revalued as at 1 April 2019 and their asset lives reassessed. Any changes to asset lives have been taken into account when calculating depreciation.

SUBJECT TO AUDIT**NOTE 17: 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. If capital expenditure were to be financed in future years by charges to revenue as assets were used by the Authority, the expenditure would require a calculation of the Capital Financing Requirement. As the Authority is currently debt-free, this calculation is not required.

	2020/21 £000	2021/22 £000
Opening capital financing requirement	0	0
Capital investment		
-Expenditure on capital assets		
Property, Plant and Equipment	527	981
Intangible Assets	24	0
	551	981
Less: Sources of finance		
Transfer from Capital Grants Unapplied Account	(324)	(216)
Government grants and other contributions applied	(187)	(627)
Capital Receipts applied	(36)	(105)
Revenue contributions	(4)	(33)
Closing Capital Financing Requirement	0	0

NOTE 18: Short-Term Debtors

	31 March 2021 £000	31 March 2022 £000
Debtors falling due in less than one year		
Central Government Bodies	546	539
Other Local Authorities	18	85
Other	290	174
Total Short-Term Debtors	854	798

NOTE 19: Cash and Cash Equivalents

	31 March 2021 £000	31 March 2022 £000
Cash held by the Authority	2	2
Bank Current Accounts	3,890	3,957
Total	3,892	3,959

SUBJECT TO AUDIT**Note 20: Creditors**

	31 March 2021 £000	31 March 2022 £000
Central Government Bodies	115	94
Local Authorities	83	89
Other Entities and Individuals	421	824
Total	619	1,007

	31 March 2021 £000	31 March 2022 £000
Long-Term Creditors (S106 receipts)	175	0

A balance of £175,000 relating to a S106 Affordable Housing receipt was classified as a long term creditor as at 31 March 2021 as it was not expected to be allocated until after the end of the 2021/22 financial year. This has been re-classification as a short term creditor as it is expected that it will be allocated in the 2022/23 financial year.

NOTE 21: Cash Flow Statement: Operating Activities

2020/21 £000		2021/22 £000
Restated		
- 275	Depreciation	- 307
- 20	Amortisation	- 10
- 11	Increase/decrease in Inventories	37
48	Increase/decrease in Short Term Debtors	- 56
- 29	Increase/decrease in Short Term Creditors	- 213
- 634	Movement in Pension Liability	- 1,112
187	Capital Grants included in the CIES	627
237	Capital Grants	-
- 497		- 1,034

SUBJECT TO AUDIT**NOTE 22: Cash Flow Statement - Investing Activities**

2020/21		2021/22
£000		£000
528	Purchase of property, plant and equipment and intangible assets	981
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
-318	Other receipts from investing activities (Capital Grants)	-627
210	Net cash flows from investing activities	354

NOTE 23: Cash Flow Statement - Financing Activities

The authority has not short or long-term borrowing and therefore no Financing activity transactions to disclose.

NOTE 24: Members' Allowances

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

	2020/21	2021/22
	£000	£000
Allowances	88	87
Expenses	1	0
Total	89	87

NOTE 25: Officers' Remuneration and termination benefits

The remuneration paid to the Authority's senior employees is as follows:

2021/22	Salary	Taxable Expenses	Employer's Pension Contribution	Termination Payment	Total
	£000	£000	£000	£000	£000
Chief Executive	57	0	12	0	69
Commenced in July 2021.					
Monitoring Officer	46	0	10	0	56
Commenced in July 2021.					
2020/21	Salary	Taxable Expenses	Employer's Pension Contribution	Termination Payment	Total
	£000	£000	£000	£000	£000
Chief Executive*	84	0	17	85	186

*The previous Chief Executive left the Authority on 31 March 2021.

SUBJECT TO AUDIT

There were no other senior employees receiving remuneration of more than £60,000 per annum (none in 2020/21).

The annual salary of the Chief Executive as a multiple of the median salary of an Authority employee (£27,514) is 3.0. (3.1 in 2020/21 of the median salary of £27,041).

Termination Benefits

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. Bands have been combined where required to ensure confidentiality, except where disclosure is a statutory requirement.

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		
	£	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £000	2021/22 £000
0-20,000		2	0	1	0	3	0	49	0
20,001-40,000		0	0	0	0	0	0	0	0
40,001-60,000		0	0	0	0	0	0	0	0
60,001-80,000		0	0	0	0	0	0	0	0
80,001-100000		0	0	1	0	1	0	93	0
TOTAL		2	0	2	0	4	0	142	0

In 2021/22 the Authority did not pay any termination benefits as there were no redundancies. In 2020/21 the Authority compulsorily terminated the contract of two employees incurring liabilities of £33,708. In addition, two further departures were agreed, incurring liabilities of £108,079.

NOTE 26: 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 provided by the Authority's external auditors.

	2020/21 £000	2021/22 £000 (expected)
Fees payable to Audit Wales, external auditors:		
Financial Audit	27	27
Performance Audit	17	21
Financial Audit	(1)	16
Total	43	64

NOTE 27: 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.

SUBJECT TO AUDIT**Central Government**

The Welsh Assembly Government has effective control over the general operations of the Authority providing most of its funding in the form of grants and by determining the total Levy which the Authority may make on its Constituent Local Authorities. It also sets objectives for the Authority by means of the Memorandum of Understanding and the annual Strategic Grant Letter. The Authority's operations and management are also controlled by a statutory framework encompassing a range of legislation which includes a definition of its statutory purposes and duty. Government grant receipts in the years to 31 March 2021 and 2022 are included in Note 9.

Members

The 18 Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2020/21 and in 2021/22 is shown in Note 24. Where members are personally affected by decisions made by the Authority they are required to declare an interest and refrain from taking part in those decisions and discussions relating to them. Details of members' interests are recorded in the Register of Members' Interests, available on the Authority's website, together with further details of expenses if paid to Members for the year. No material transactions between the Authority and parties where Members were in a position of joint control or influence, other than those referred to elsewhere in this note, were identified.

Other Public Bodies

The Constituent Local Authorities, within whose boundaries the Authority's own boundary runs, contribute to the finances of the Authority by means of a statutory levy, determined by the Welsh Assembly Government. Each of these authorities provides a number of Councillors to serve as members of the National Park Authority, broadly in proportion to the size of the levy they contribute and their area within the National Park. The authority represented by each member is shown in Appendix I of the Statement of Accounts. Grants for specific purposes are also received from or via local authorities and the total of these is shown in Note 9.

Senior Management

The Chief Executive and senior management of the Authority are in a position to influence the Authority's policies and allocation of its resources. Payments to senior officers with a remuneration of greater than £60,000 per annum are identified in Note 25. All staff are required to declare gifts and hospitality received.

Entities Controlled or Significantly Influenced by the Authority

The Authority gives grants for specific purposes to organisations under the Sustainable Development Fund Grant Scheme, but it is not considered that the Authority has control, joint control or significant influence over the entities assisted. The Authority has historically given an annual subscription to the Welsh Association of National Park Authorities, which exists to promote the interests of the 3 Welsh National Parks. This was £nil in 2020/21 and 2021/22 as contributions were waived.

The Authority made a payment of £10,000, towards the National Parks Partnership in 2020/21. Due to the winding up of the organisation no further payments have been made in 2021/22 and £391.72 was received from the voluntary member liquidation of the organisation. This organisation was a Limited Liability Partnership formed by all 15 UK National Park Authorities to generate commercial sponsorship and other funding for the benefit of all the Authorities. The Chief Executive was one of 10 Board members of the Partnership.

The Authority made payments in 2021/22 totalling £1,125.00 (2020/21 £972.50) to Usk Valley Training. The owner of this business is related to a member of the Corporate Governance Team,

SUBJECT TO AUDIT

The Authority received grants of £41,931.86 (2020/21 £71,373) from, made payments of £902.88 (2020/21 £902.88) and sold £134.00 of publications to Natural Resources Wales. The individual acting, via a secondment arrangement as Transition Director and member of the Corporate Governance Team from 15 March 2021 was related to the Head of Operations Southwest Wales of Natural Resources Wales.

The Authority made payments totalling £5,134.75 (2020/21 £4,540 included in creditor balances) for legal services provided by Wokingham Council in relation to registration of titles to the Authority's land. The Authority's part-time Monitoring Officer also held a senior role within Wokingham Council.

NOTE 28: Leases**The Authority as Lessee**

Finance Leases: The Authority currently has no material leases which are classified as finance leases under the terms of the CIPFA Code of Practice.

Operating Leases: The Authority's headquarters, some office equipment and some items in the vehicle fleet have been acquired under operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

Total Commitments Under Operating Leases	31 March 2021 £000	31 March 2022 £000
Payments within 1 year		
Buildings	22	22
Vehicles	61	59
Total	83	81
Payments 2-5 years		
Buildings	89	68
Vehicles	86	30
Total	175	98
Payments after 5 years	0	0
Total Commitments	258	179

The Authority as Lessor

Finance Leases: The Authority does not lease out property under terms which would be classified as finance leases under the terms of the current CIPFA Code of Practice. (Nor in 2020/21)

Operating Leases: The Authority leases out parts of its premises at the Craig y nos Country Park and the National Park Visitor Centre to catering providers and small businesses. The minimum amount receivable from the first group of tenants is estimated to be £20,000 within 1 year (for 2020/21 less than this was received due to the impact of Covid19 on operations). New lease terms for the catering businesses at both sites were agreed during 2021/22. Several small businesses currently lease premises at Craig y nos Country Park on a rolling monthly basis and it has been estimated income of less than £6,000 will be received within 1 year.

SUBJECT TO AUDIT**NOTE 29: Defined Benefit Pension Schemes****Introduction**

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Authority has a commitment to make the payments that must be disclosed at the time when employees earn their future entitlement. In accordance with International Accounting Standards, disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required in relation to future amounts.

The disclosures that follow relate to the funded liabilities within the Powys County Council Pension Fund (“the Fund”) which is part of the Local Government Pension Scheme (the “LGPS”). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a career average revalued earnings scheme. Details of the benefits to be paid for the period covered by this disclosure are set out in the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Unfunded pension arrangements arise from termination benefits paid on a discretionary basis upon early retirement in respect of a member of the LGPS. Brecon Beacons National Park Authority recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure. The date of the last full actuarial valuation of the employer’s LGPS unfunded benefits was 31st March 2019. There is no further liability in relation to unfunded benefits as of 2021/22 and no disclosure is made in relation to unfunded benefits in the year of account.

Funding and Governance Arrangements of the LGPS

The funded nature of the LGPS requires Brecon Beacons National Park Authority and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund’s Funding Strategy Statement. The last actuarial valuation was 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund’s Rates and Adjustment Certificate. To calculate the level of contributions required to meet its share of the Fund’s liabilities and to obtain the disclosures and calculations required to complete the annual Statement of Accounts, the Authority uses the services of a qualified actuary: AON Solutions UK Limited. The Fund Administering Authority, Powys County Council is responsible for the management of the Fund.

Key Assumptions

	31 March 2021	31 March 2022
	(% per annum)	(% per annum)
Discount rate	2.1	2.7
CPI Inflation	2.7	3.0
Pension Increases	2.7	3.0
Pension Accounts revaluation rate	2.7	3.0
Salary increases	4.2	4.5

Mortality assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future mortality improvements. Sample

SUBJECT TO AUDIT

life expectancies at age 65 resulting from these mortality assumptions are shown below. At 31 March 2022 date the assumed rates for future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid 19 pandemic.

Post-retirement mortality (retirement in normal health)	31 March 2021	31 March 2022
	years	years
Males		
Member aged 65 at accounting date	21.9	21.8
Member aged 45 at accounting date	23.3	23.2
Females		
Member aged 65 at accounting date	25.1	25.0
Member aged 45 at accounting date	26.5	26.4

Assets

The assets allocated to the Employer in the fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Administering Authority) is shown in the disclosures split by quoted and unquoted investments.

The Administering Authority may invest in a small proportion of the Fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.

Asset allocation

	Value at 31/3/2021	Value at 31/3/2022		
		%		
	Total	Quoted	Unquoted	Total
Equities	54.2	42.1	7.2	49.3
Property	8.4	8.6	0.0	8.6
Government Bonds	11.9	10.9	0.0	10.9
Corporate Bonds	18.4	0	0.0	0
Multi Asset Credit	0	11.6	0	11.6
Cash	3.4	1.7	0.0	1.7
Other	3.7	18.9	-1.0	17.9
Total	100.0	93.8	6.2	100.0

SUBJECT TO AUDIT**Reconciliation of funded status to Balance Sheet**

	Value as at 31 March 2021 £M	Value as at 31 March 2022 £M
Fair value of assets	25.90	28.44
Present value of funded defined benefit obligation	41.43	39.82
Pension asset/(liability) recognised on the Balance Sheet	(15.53)	(11.38)

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active Members	45%
Deferred Pensioners	27%
Pensioners	28%

Breakdown of amounts recognised in CIES (deficit on the Provision of Services) and Other Comprehensive Income and Expenditure

	Period ending 31 March 2021 £m	Period ending 31 March 2022 £m
Operating Cost		
Current service cost(1)	0.91	1.33
Financing Cost		
Interest on net defined benefit liability	0.23	0.32
Pension expense recognised in the deficit on provision of services	1.14	1.65
Re measurements in Other Comprehensive Income and Expenditure		
Return on plan assets (in excess of)/below that recognised in net interest.	(3.42)	(2.18)
Actuarial (gains)/losses due to changes in financial assumptions	8.03	2.81
Actuarial (gains)/losses due to changes in demographic assumptions	0.00	(0.40)
Actuarial (gains)/losses due to changes in liability experience	(0.32)	(0.12)
Total Amount Recognised in Other Comprehensive Income and Expenditure (2) (3)	4.29	(5.27)
Total Amount Recognised	5.43	(3.62)

(1) The current service cost includes an allowance for the administration expenses of £0.03m in 2021 and £0.03m in 2022.

(2) For 2020/21 only the total amount recognised in the Income and Expenditure Account is net of a gain of £50,000 arising from the cessation of a financial liability in relation to historic unfunded benefits.

SUBJECT TO AUDIT

(3) The Authority recognises pension fund gains and losses immediately in full through entries in Other Comprehensive Income and Expenditure.

Changes to the present value of the defined benefit obligation

	Period ending 31 March 2021	Period ending 31 March 2022
	£m	£m
Opening defined benefit obligation	32.55	41.43
Current service cost	0.91	1.33
Interest expense on defined benefit obligation	0.74	0.86
Contributions by participants	0.16	0.16
Actuarial (gains)/losses due to changes in financial assumptions	8.03	(2.81)
Actuarial (gains)/losses due to changes in demographic assumptions	0.00	(0.40)
Actuarial (gains)/losses due to liability experience	(0.32)	0.12
Net benefits paid out	(0.64)	(0.87)
Closing defined benefit obligation	41.43	39.82

Changes to the fair value of assets

	Period ending 31 March 2021	Period ending 31 March 2022
	£m	£m
Opening fair value of assets	21.94	25.90
Interest Income on assets	0.51	0.54
Re-measurement gains/(losses) on assets	3.42	2.18
Contributions by the employer	0.51	0.53
Contributions by participants	0.16	0.16
Net benefits paid out	(0.64)	(0.87)
Closing fair value of assets	25.90	28.44

Actual return on assets

	Period ending 31 March 2021	Period ending 31 March 2022
	£m	£m
Interest Income on assets	0.51	0.54
Re-measurement gains/(losses) on assets	3.42	2.18
Actual return on assets	3.93	2.72

SUBJECT TO AUDIT**Risks associated with the fund in relation to accounting****Asset volatility**

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform, this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which are expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

Inflation risk

The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.

Exiting employers

An employer who leaves the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment, the liability may in certain circumstances fall on the other employers in the Fund. Further, the assets at exit in respect of 'orphan' liabilities' may in retrospect not be sufficient to meet the liabilities. This risk may also fall on other employers in the Fund. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation at 31 March 2021 and the projected service cost for the period ending 31 March 2022 is set out below. In each case only the assumption mentioned is altered; all other assumptions remain the same and are summarised in Section I.

	+0.1% p.a.	Base Figure	-0.1% p.a.
Discount Rate Assumption			
Adjustment to discount rate			
Present value of total obligation (£m)	40.52	41.43	42.34
% Change in present value of total obligation	-2.2		2.2
Projected service cost (£m)	1.28	1.32	1.36
Approximate % change in projected service cost	-3.3		3.4
Rate of general Increases in salaries			
Adjustment to salary increase rate			
Present value of total obligation (£m)	41.55	41.43	41.31
% Change in present value of total obligation	0.3		-0.3
Projected service cost (£m)	1.32	1.32	1.32
Approximate % change in projected service cost	0.0		0.0

SUBJECT TO AUDIT

Rate of increase to pensions in payment, deferred pensions assumption and rate of revaluation of pension accounts assumption	-1 year	Base Figure	+ 1 year
Adjustment to pension increase rate			
Present value of total obligation (£m)	42.22	41.43	40.64
% Change in present value of total obligation	1.9		-1.9
Projected service cost (£m)	1.36	1.32	1.28
Approximate % change in projected service cost	3.4		-3.3
Post retirement mortality assumption	-1 year	Base Figure	+ 1 year
Adjustment to mortality age rating assumption*			
Present value of total obligation (£m)	42.92	41.43	39.94
% change in present value of total obligation	3.6		-3.6
Projected service cost (£m)	1.37	1.32	1.27
	4.1		-4.0

* a rating of + 1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than they are.

Estimated pension expense in future periods

	Period ending 31 March 2022
Current service cost	1.32
Interest on net defined benefit liability/(asset)	0.32
Total estimated pension expense	1.64

Allowance for administration expenses included in Current Service Cost: £0.03m
Estimated pensionable payroll over the period: £2.52m

Contributions for the period ending 31 March 2023: The Authority's regular contributions to the Fund for the accounting period to 31st March 2023 are estimated to be £0.55m. Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period. The duration of funded liabilities is 21.8 years.

NOTE 30: NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority has no financial instruments of its own, but its activities expose it to three principal financial risks:

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

The Authority, being debt-free and placing its surplus funds, in accordance with its Treasury Management Strategy, in instantly accessible accounts or on short-term deposit, with a bank which has a very high credit rating has minimised its exposure to the risk of failure by another party to repay funds deposited.

SUBJECT TO AUDIT

The risk of losses from the failure of customers to pay the Authority is minimised through the Authority's debt management procedures. The majority by value of the Authority's debtors are other public bodies which are considered to have good credit ratings. (See Note 18: Short-Term Debtors).

As the Authority has funds in a mixture of immediately accessible bank accounts, short-term deposits and fixed notice accounts it has some limited exposure to liquidity risk. Interest rates and cash balances are regularly reviewed, and consideration given to placing further funds on deposit should interest rates become more favourable.

The Authority is not exposed to market risk except in relation to its share of the Powys Pension Fund. See Note 30 for further details.

NOTE 31: CONTINGENT LIABILITIES

None were identified in 2021/22, nor in 2020/21.

SUBJECT TO AUDIT**GLOSSARY OF TERMS**

ACCRUALS: The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

CAPITAL CHARGE: A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of service.

CAPITAL EXPENDITURE: Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL RECEIPTS: Proceeds of not less £10,000 from the sale of fixed assets. They may be used to finance new capital expenditure or repay debt. They cannot be used to finance normal day to day revenue spending.

COMMUNITY ASSETS: Assets that the authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.

CONTINGENT LIABILITIES/ASSETS: These arise from a past event which is dependent upon future uncertain events and timing prior to being recognised in the accounts.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE: Expenditure classified as capital for funding purposes but which does not result in the expenditure being carried on the balance sheet as a fixed asset. These items are generally grants and expenditure on property not owned by the Authority.

DEFINED BENEFIT SCHEME: A pension scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

FINANCE LEASE: A lease that transfers all of the risk and rewards of ownership of a fixed asset to the lessee.

OPERATING LEASE: A lease other than a finance lease.

FIXED ASSETS: Tangible assets that yield benefits to the authority and the services it provides for a period of more than one year.

USEFUL LIFE: The period over which the authority will derive benefits from the use of a fixed asset.

ABBREVIATIONS:

CIPFA Chartered Institute of Public Finance and Accountancy

LASAAC Local Authority (Scotland) Accounts Advisory Committee

IFRS International Financial Reporting Standard IAS International Accounting Standard

SUBJECT TO AUDIT

BRECON BEACONS NATIONAL PARK AUTHORITY ANNUAL GOVERNANCE STATEMENT 2021-22