

# SNOWDONIA NATIONAL PARK AUTHORITY

## STATEMENT OF ACCOUNTS



**FOR THE YEAR ENDED 31ST MARCH 2011**

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**SNOWDONIA NATIONAL PARK AUTHORITY****STATEMENT OF ACCOUNTS 2010/11****INDEX**

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## EXPLANATORY FOREWORD

### 1. INTRODUCTION

The foreword provides a brief explanation of the more significant matters reported in the accounts and aims to add to and assist the interpretation of the accounting statements which are set out on pages 20 to 25 and consist of :-

- ❑ The **Comprehensive Income and Expenditure Statement** consolidates all the gains and losses experienced by the Authority during the financial year. These gains and losses should reconcile to the overall movement in net worth.
- ❑ The **Balance Sheet** setting out the financial position of the Authority as at 31st March 2011.
- ❑ The **Movement in Reserves Statement** is a summary of the changes that have taken place in the bottom half of the balance sheet over the financial year.
- ❑ The **Cash Flow Statement** which summarises the inflows and outflows of cash arising from transactions for revenue and capital purposes.

The accounts are supported by the Statement of Accounting Policies and explanatory notes.

### 2. ESTABLISHMENT OF SNOWDONIA NATIONAL PARK AUTHORITY

Under the provision of Section 63 of the Environment Act 1995 and The National Park Authorities (Wales) Order 1995 the Secretary of State established the Snowdonia National Park Authority on 23rd November 1995

It has the following purposes as defined by the Act:

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

The Authority has responsibility for planning, conservation, countryside management, access and recreation. Services such as schools, highways, social services and other Local Authority duties are carried out by the local Unitary Authority.

The Act goes on to say that in pursuing National Park purposes, the National Park shall seek to foster the economic and social well being of local communities within its boundaries, and shall for that purpose co-operate with local Authorities and public bodies whose functions include the promotion of economic and social development within the area of the Park.

The Authority is a local planning Authority under the Environment Act 1995 for the whole of the National Park, and is responsible for the production of the Local Development Plan and for the determination of planning applications.

The National Park covers 213,200 hectares of varied countryside including mountain, moorland, woodland and coast. About 26,000 people live in the National Park which receives an estimated 10.5 million visitor days each year.

Approximately 62% of the residents of the National Park are Welsh speaking.

### **3. APPROVED REVENUE EXPENDITURE**

Each year the National Park Authority is required to submit a bid to the Welsh Assembly Government for revenue funding. Based on the bid and in consultation with the Countryside Council for Wales, the Assembly determines the National Park Grant (the Grant) for the forthcoming year.

In determining the amount of the Grant, the Assembly also determines, in accordance with the National Park Authorities (Levies)(Wales) Regulations 1995 as amended, the minimum amount that can be raised by the National Park Authority for the financial year by way of levies to be borne by constituent Councils (billing authorities).

The Grant represents 75% of the total net revenue expenditure deemed appropriate by the Assembly for the National Park, while the remaining 25% is raised by way of the levies. A comparison of budgeted expenditure with the actual for 2010/11 are seen below:

**2010/11 REVENUE ACCOUNT**

	Revised Budget 2010/2011	Actual 2010/2011	Variance
	(£)	(£)	(£)
Conservation and Natural Environment	664,577	617,601	46,976
Conservation and Cultural Heritage	469,955	468,482	1,473
Recreation Management & Traffic and Transport	412,187	340,549	71,638
Understanding	1,733,048	1,715,081	17,967
Wardens, Estate Workers and Volunteers	1,118,961	1,094,074	24,887
Development Control	453,054	459,320	- 6,266
Forward Planning and Communities	563,150	634,502	- 71,352
Corporate and Democratic	889,020	758,567	130,453
Non-distributable (Pension Fund) gain	- 2,307,000	- 2,307,000	-
<b>NET COST OF SERVICES</b>	<b>3,996,952</b>	<b>3,781,176</b>	<b>215,776</b>
Gains & losses on disposals		- 1,205	
Interest Earned		- 32,739	
Pensions int. costs and expected rtn. on Pens. Asset		191,000	
Capital grants and contributions		- 128,457	
<b>NET OPERATING EXPENDITURE</b>		<b>3,809,775</b>	
Items debited/credited to the Authority Fund Balance		2,103,680	
		<b>5,913,455</b>	
<b>FUNDED FROM</b>			
National Park Grant		4,435,091	
Levies to Constituent Councils		1,478,364	
		<b>5,913,455</b>	

**4. REVENUE EXPENDITURE 2010/11**

The Authority's net expenditure is arrived at after deducting from gross expenditure fees and charges, service specific grants and making other various deductions as detailed in the Income and Expenditure Account on pages 20-21.

The variance on the 2010/11 Revenue Account of £215,776 corresponds to the variance on service budget lines before transfers to/from reserves as reported in the "Revenue & Capital Outturn Report 2010/11" to the Authority on the 15<sup>th</sup> June 2011 (£222,859) as adjusted for the post balance sheet event (£7,083).

**5. SUSTAINABLE DEVELOPMENT FUND**

An additional Welsh Assembly Government grant was made available to the Authority in 2010/11 from the Sustainable Development Fund (SDF). The purpose of the grant is to allow the Authority to support partnership projects that develop and test ways of achieving a more sustainable way of living in Snowdonia. During

the year expenditure from the grant-aided scheme, locally promoted as the Cronfa Arbfofol Eryri, was £216,666 (2009/10: £220,262).

## **6. MATERIAL ASSETS ACQUIRED AND LIABILITIES INCURRED**

Assets acquired in 2010/11 were 2 bikes for individuals with physical impairments, 3 vehicles for the Land Management directorate, and items relating to the annual I.T. replacement programme. No material liabilities were incurred during the 2010/11 financial year other than those capital commitments referred to in note 12 to the Financial Statements.

## **7. PENSION LIABILITY**

Snowdonia National Park Authority is a member of the Gwynedd Pension Fund. The accounts fully incorporate the requirements of International Accounting Standard 19 (IAS 19).

The policy reflects the commitment in the long-term to increase contributions to make up any shortfall in attributable net assets in the pension fund.

The net pension liability in the balance sheet reduces the net worth of the Authority by £2.15M as at 31<sup>st</sup> of March 2011

## **8. UNUSUAL CHARGE OR CREDIT IN THE ACCOUNTS**

The 2010/11 accounts include a total of £264,903 for costs associated with 7 voluntary redundancies. This sum is divided between £79,988 lump sum pension contribution and £184,915 redundancy payments, and is included in the relevant service lines in the Comprehensive Income and Expenditure Account.

The Actuary has calculated a reduction in the past service cost of £2,307,000 in lieu of pensions increases being linked to the Consumer Price Index and not the Retail Price Index. This is included as a non-distributable cost in the Comprehensive Income and Expenditure Account.

## **9. CHANGE IN ACCOUNTING POLICIES**

For 2010/11, the accounts are prepared in accordance with IFRS requirements and comparative figures restated. The accounts include a note explaining the significance of the move from a UK GAAP basis to an IFRS basis and summary of significant changes.

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**10. CHANGE IN STATUTORY FUNCTIONS**

No change, but financial pressures on the Authority will result in a reduced turnover in the foreseeable future.

**11. CAPITAL EXPENDITURE 2010/11**

Capital expenditure is expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of the existing fixed asset.

Capital expenditure in the year amounted to £521,727. Details of expenditure within each service area are shown in note 37. The expenditure was financed by grants and contributions from other bodies of £297,558 and direct revenue financing of £224,169.

The £33,555 now reported as “asset under construction” relates to the Hydro-electric scheme at Plas Tan y Bwlch together with the spend to date on the development at Cwm Idwal.

All planned capital expenditure (note 12) will be funded from revenue and external grants.

**12. CAPITAL FUNDING**

All capital expenditure of the Authority, since being established on 23<sup>rd</sup> November 1995, has been funded by capital grants and contributions from the Government, European Community and other sources of grants, from capital receipts applied and from the Authority’s revenue resources.

As at 31 March 2011 the Authority had no outstanding debts, and as such will continue to be regarded for treasury management purposes a debt-free authority.

**13. SIGNIFICANT PROVISIONS/CONTINGENCIES AND MATERIAL WRITE OFFS**

The General Revenue Reserve target of £400,000 was reviewed and confirmed by the Authority in the meeting on 15<sup>th</sup> December 2010 and represents approximately 5% of the budgeted gross revenue expenditure for 2010/11.

In addition the Authority had other specific Usable Reserves totalling £2,687,000 and these are detailed in note 22 to the financial statements.

**14. REVALUATION OF ASSETS**

The Authority's land and properties were re-valued during 2006/07 by independent qualified valuers. Apart from the Community assets held which are now valued at historic cost, the revised valuations and revised estimated useful life of the assets have been applied to the relevant asset values recorded in the Authority's accounting statements. The Hafod Eryri building was valued by the District Valuers Service in 2009/10. The refurbished Pen y Pass buildings together with the car park were revalued by the District Valuer's service during 2010/11.

**15. MATERIAL EVENTS AFTER THE REPORTING DATE**

There are no material events occurring after the end of the financial year but before the date on which the accounts were authorised for issue.

**16. IMPACT OF THE CURRENT ECONOMIC CLIMATE**

The forthcoming 3 year funding cycle has meant a reduction of 2.68% in the funding for 2011/12 together with changes to specific grants such as CAE and Planning Delivery Grant Wales. The National Park Grant funding for the following 2 years is presently forecast at 0% uplift. The Authority has already instigated savings in service costs and is in the process of evaluating and implementing further measures to balance the budget over the forthcoming 3 years.

The Authority has been able to accumulate significant reserves over recent years to address potential requirements as identified in the Authority's risk register.

No significant change has been identified in the values of the Authority's assets (and liabilities) for this financial year.

**FURTHER INFORMATION**

Further information about this Statement of Account is available from:

Emyr Roberts  
Head of Finance  
Snowdonia National Park Authority  
National Park Offices  
Penrhyndeudraeth  
Gwynedd  
LL48 6LF  
Tel: 01766 772 225  
Email: [emyr.roberts@eryri-npa.gov.uk](mailto:emyr.roberts@eryri-npa.gov.uk)

**THE 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. For Snowdonia National Park Authority, that officer is the Chief Finance Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Approve the statement of accounts.

These accounts were approved by the Authority on the 28<sup>th</sup> September 2011

Signature : Cllr *E. Caerwyn Roberts*  
Chairman

**THE CHIEF FINANCE OFFICER'S RESPONSIBILITIES**

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

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the local authority CODE.

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.

**CHIEF FINANCE OFFICER'S CERTIFICATE**

I certify that the Statement of Accounts has been prepared in accordance with the Local Government Accounts and Audit Regulations and 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<sup>st</sup> March 2011.

Signature : *[Signature]*  
Chief Finance Officer

15<sup>th</sup> September 2011

## STATEMENT OF ACCOUNTING POLICIES

### 1. General Principles

The accounts have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the CODE).

The Code of Practice requires accounting policies to be applied consistently. The overriding requirement is that the Statement of Accounts “present a true and fair view” of the financial performance and position of the Authority.

### 2. Accounting Concepts

The accounts have been prepared in accordance with the following fundamental (and pervasive) accounting principles and concepts :

- Relevance
- Reliability
- Comparability
- Understandable
- Materiality
- Accruals
- Going concern
- Primacy of legislative requirement

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.

### 3. Accruals of Expenditure and Income

The revenue and capital accounts of the Authority are maintained on an accruals basis. All sums due to the Authority are set up in the accounts at the time they are due.

The Debtors appearing in the balance sheet are the balances of those sums outstanding at 31st March 2011.

Creditors are the amounts which are charged in the accounts for goods and services consumed or received, for which invoices had not been paid at 31st March 2011.

### 4. Acquired operations

No such items are applicable to the 2010/11 accounts

### 5. Cash and Cash Equivalents

These consist of the Authority’s imprest and float accounts and cash held on “call” or short term deposit with banks where the monies are repayable without penalty on notice of not more than 24 hours.

**6. Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

**7. Prior period adjustments, changes in accounting policies and estimates and errors**

Changes due to IFRS as detailed in note 1 to the Accounts

**8. Charges to revenue for non-current assets**

Services, support services and trading accounts 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.

These sums are not chargeable against the Authority's General Fund and as such are therefore reversed out through an adjusting transaction with the Capital Adjustment Account as shown in the Movement in Reserves Statement.

**9. Discontinued Operations**

No such items are applicable to the 2010/11 accounts

**10. Employee Benefits****Benefits Payable During Employment :**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority.

**Termination Benefits :**

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

11. **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.

## **12. Financial Instruments**

### Financial Liabilities

The Authority is a debt-free Authority in that it has no borrowings.

### Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.

Such instruments relevant to the Authority are car loans made to employees (however the sums are deemed not to be material enough for inclusion) and one finance lease relating to the Ogwen Snack Bar.

- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments. The Authority has no such assets.

## **13. Foreign Currency translation**

Income and expenditure arising from any transactions denominated in a foreign currency is translated to £ sterling.

## **14. Government Grants and other 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 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.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

#### **15. Intangible Assets**

Purchased intangible assets in the form of software licences are accounted for as part of the Information Technology replacement programme, and are written off to revenue in line with depreciation charges.

#### **16. Interests in Companies and Other Entities**

The Authority has no interests that require consideration under this policy.

#### **17. Inventories and Long Term Contracts**

Stocks are brought into account at cost price for bar stocks, goods for resale and general provisions at Plas Tan y Bwlch, Study Centre, and for goods for resale at the Authority's Information Centres. This is consistent with the policy adopted in previous years. Recommended practice requires stocks to be shown at the lower of actual cost or net realisable value but the difference in this case is not considered to be material.

#### **18. Investment Property**

The Authority has no properties denoted as Investment properties.

#### **19. Jointly controlled Property and Jointly Controlled Assets**

Following the end of the Snowdonia Uplands Footpaths Scheme, the assets acquired under that scheme are recorded in the accounts of Snowdonia National Park Authority but a proportion of these assets are in use by the National Trust. This is in lieu of the condition on the European grant funding awarded that the assets purchased are continued to be used by the partners in work related to that of the scheme. The arrangement has been agreed in principle and will be

formalised in a post-scheme agreement between Snowdonia National Park Authority and the National Trust.

## **20. Leases (Finance)**

The Authority, as lessor, has one finance lease arrangement relating to the Ogwen Snack bar. The lease income is accounted for on a straight line basis.

The Authority, as lessee, has no finance lease arrangements.

## **21. Leases (Operational)**

The Authority manages operating leases for:

- Vehicles, including those to staff under the Staff Lease Car Scheme,
- Photocopiers and snacks & drinks machines.
- Land and buildings

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

Contributions from staff benefiting from the lease car scheme are credited to the revenue account in the period of receipt.

The Authority rents a number of properties in support of its services, and also receives rental income from a number of owned properties. The owned properties are held as fixed assets in the balance sheet. The lease income is accounted for on a straight line basis.

## **22. Overheads and Support Services**

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA *Best Value Accounting Code of Practice 2010/11* (BVACOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – past service costs relating to the Pension Fund.

These two cost categories are defined in BVACOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

## **23. 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

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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.

**Measurement:** Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- [the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.]

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost where known and otherwise at a nominal value of £1
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Other than for information systems equipment, a de minimis level of £10,000 has been used for the recognition of non-current assets.

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. [Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.]

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

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

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

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

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

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

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

**Depreciation:** Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over

their useful lives. An exception is made for assets without a determinable finite useful life (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:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer

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.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

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. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment [or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement)]. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against the General Fund. These amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

#### **24. Provisions, contingent liabilities and contingent assets**

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

##### Provisions

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

##### 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.

##### 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.

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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.

## **25. Reserves**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against the General Fund for the expenditure.

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

## **26. Revenue Expenditure Funded From Capital Under Statute**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the General Fund Balance.

## **27. Value Added Tax**

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

The Authority supplies :

- Some services which are exempt of VAT (e.g. providing educational courses at Plas Tan y Bwlch, renting out land & buildings without opting to tax etc.), and
- Other goods and services which are not exempt of VAT (e.g. bar sales at Plas Tan y Bwlch, sale of trees etc.)

The Authority, therefore, falls within the scope of VAT Partial Exemption regulations (including at present the capital goods scheme). As such the Authority is unable to recover all the input tax incurred. It is the Authority's practice to include all input tax which cannot be recovered from H.M. Revenue and Customs within the costs of relevant services.

## THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2009/10 Gross Expenditure £'000	2009/10 Gross Income £'000	2009/10 Net Expenditure £'000		2010/11 Gross Expenditure £'000	2010/11 Gross Income £'000	2010/11 Net Expenditure £'000
			<b>Conservation and Natural Environment</b>			
			Natural Environment and Forestry	287	- 5	282
294	-12	282	Conservation and Agriculture	413	- 77	336
<b>700</b>	<b>-47</b>	<b>653</b>		<b>700</b>	<b>-82</b>	<b>618</b>
			<b>Conservation and Cultural Heritage</b>			
211	-3	208	Built Environment	260	-1	259
35	-16	19	THI Dolgellau	144	-105	39
110	-27	83	Archaeology	153	-58	95
66	-10	56	Bwrlwm Eryri	76	-1	75
<b>422</b>	<b>-56</b>	<b>366</b>		<b>633</b>	<b>-165</b>	<b>468</b>
			<b>Understanding</b>			
1,088	-591	497	Study Centre	1,136	-532	604
747	-14	733	Information & Education	802	-17	785
477	-144	333	Tourist Information Centres	454	-128	326
<b>2,312</b>	<b>- 749</b>	<b>1,563</b>		<b>2,392</b>	<b>- 677</b>	<b>1,715</b>
			<b>Recreation Management &amp; Traffic and Transport</b>			
298	-85	213	Access	401	-90	311
448	-47	401	General Visitor Facilities	360	-61	299
7,339	0	7,339	Hafod Eryri	77	0	77
230	-407	-177	Car Parks	125	-443	-318
27	-54	-27	Llyn Tegid Management	-9	-56	-65
10	0	10	Litter Collection	14	0	14
0	-10	-10	Tourism Projects	20	-7	13
34	-19	15	Traffic Management	9	0	9
<b>8,386</b>	<b>- 622</b>	<b>7,764</b>		<b>997</b>	<b>- 657</b>	<b>340</b>
			<b>Wardens, Estate Workers &amp; Volunteers</b>			
794	-33	761	Wardens	757	-33	724
406	0	406	Estate Workers	370	0	370
<b>1,200</b>	<b>- 33</b>	<b>1,167</b>		<b>1,127</b>	<b>- 33</b>	<b>1,094</b>
<b>13,020</b>	<b>-1,507</b>	<b>11,513</b>	<b>Net Cost of Service c/fd</b>	<b>5,849</b>	<b>-1,614</b>	<b>4,235</b>

## THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CONTINUED)

2009/10 Gross Expenditure £'000	2009/10 Gross Income £'000	2009/10 Net Expenditure £'000		2010/11 Gross Expenditure £'000	2010/11 Gross Income £'000	2010/11 Net Expenditure £'000
13,020	-1507	11,513	<b>Net Cost of Service b/fd</b>	5,849	-1,614	4,235
<b>613</b>	<b>-230</b>	<b>383</b>	<b>Development Control</b>	<b>627</b>	<b>- 168</b>	<b>459</b>
			<b>Forward Planning and Communities</b>			
395	-6	389	Strategic Plans and Policy Community and Environment (incl. CAE)	540	- 35	505
354	-222	132		351	- 221	130
<b>749</b>	<b>- 228</b>	<b>521</b>		<b>891</b>	<b>- 256</b>	<b>635</b>
<b>842</b>	<b>-95</b>	<b>747</b>	<b>Corporate &amp; Democratic</b>	<b>759</b>	<b>0</b>	<b>759</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>Non-distributable Costs</b>	<b>-2,307</b>	<b>0</b>	<b>-2,307</b>
<b>15,224</b>	<b>- 2,060</b>	<b>13,164</b>	<b>Net Cost of Service</b>	<b>5,819</b>	<b>- 2,038</b>	<b>3,781</b>
		-8	Other Operating Expenditure (note 9)			-1
		238	Financing and Investment Income and Expenditure (note 10)			158
		-6,062	Non-specific grant income (note 11)			-6,042
		<b>7,332</b>	<b>Surplus (-) / Deficit on Provision of Services for the year</b>			<b>-2,104</b>
		-45	Surplus or Deficit on the revaluation of non-current assets			-86
		6,579	Actuarial gains / losses on pension assets/liabilities			-5,766
		<b>6,534</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>-5,852</b>
		<b>13,866</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>-7,956</b>

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

01-Apr-09	31-Mar-10		Notes	31-Mar-11
£'000	£'000			£'000
17,881	10,310	Property, Plant & Equipment	12	10,129
65	71	Long Term Debtors	17	48
<b>17,946</b>	<b>10,381</b>	<b>Long Term Assets</b>		<b>10,177</b>
105	97	Inventories	16	86
411	429	Short Term Debtors	17	288
350	0	Short term investments	15	700
2,388	2,985	Cash and Cash Equivalents	18	2,738
<b>3,254</b>	<b>3,511</b>	<b>Current Assets</b>		<b>3,812</b>
-55	0	Cash and Cash Equivalents	18	0
-860	-880	Short Term Creditors	20	-897
<b>-915</b>	<b>-880</b>	<b>Current Liabilities</b>		<b>-897</b>
-3,435	-10,028	Pension Fund liability	45	-2,152
<b>-3,435</b>	<b>-10,028</b>	<b>Long Term Liabilities</b>		<b>-2,152</b>
<b>16,850</b>	<b>2,984</b>	<b>Net Assets</b>		<b>10,940</b>
2,556	2846	Usuable Reserves	22	3,080
14,294	138	Unusable Reserves	23	7,860
<b>16,850</b>	<b>2,984</b>	<b>Total Reserves</b>		<b>10,940</b>

## THE MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Authority, analysed into "Usable reserves" (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus (+) or Deficit (-) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usuable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2009</b>	400	2,152	4	0	2,556	14,294	16,850
<u>Movement in reserves during 2009/10</u>							
Surplus or (deficit) on the provision of service	-7332	0	0	0	-7332	0	-7332
Other Comprehensive Income and Expenditure	0	0	0	0	0	-6,534	-6,534
<b>Total Comprehensive Income and Expenditure</b>	<b>-7,332</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,332</b>	<b>-6,534</b>	<b>-13,866</b>
Adjustments between accounting basis & funding basis under regulations (note 7)	7622	0	0	0	7622	-7622	0
<b>Net Increase/Decrease before transfers to Earmarked Reserves</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>-14,156</b>	<b>-13,866</b>
Transfers to/from earmarked reserves (Note 8)	-290	290	0	0	0	0	0
Increase / Decrease in 2009/10	0	290	0	0	290	-14,156	-13,866
<b>Balance as at 31 March 2010 carried forward</b>	<b>400</b>	<b>2,442</b>	<b>4</b>	<b>0</b>	<b>2,846</b>	<b>138</b>	<b>2,984</b>

## MOVEMENT IN RESERVES STATEMENT (CONTINUED)

	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usuable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2010 brought forward</b>	<b>400</b>	<b>2,442</b>	<b>4</b>	<b>0</b>	<b>2,846</b>	<b>138</b>	<b>2,984</b>
<u>Movement in reserves during 2010/11</u>							
Surplus or (deficit) on the provision of service	2104	0	0	0	2104	0	2104
Other Comprehensive Income and Expenditure	0	0	0	0	0	5,852	5,852
<b>Total Comprehensive Income and Expenditure</b>	<b>2,104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,104</b>	<b>5,852</b>	<b>7,956</b>
Adjustments between accounting basis & funding basis under regulations (note 7)	-1870	0	0	0	-1870	1870	0
<b>Net Increase/Decrease before transfers to Earmarked Reserves</b>	<b>234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>234</b>	<b>7,722</b>	<b>7,956</b>
Transfers to/from earmarked reserves (Note 8)	-234	194	0	40	0	0	0
Increase / Decrease in 2010/11	0	194	0	40	234	7,722	7,956
<b>Balance as at 31 March 2011 carried forward</b>	<b>400</b>	<b>2,636</b>	<b>4</b>	<b>40</b>	<b>3,080</b>	<b>7,860</b>	<b>10,940</b>

## CASH FLOW STATEMENT

The **Cash Flow Statement** shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant and levy income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2009/10 £'000		2010/11 £'000
	<b>Net (surplus) or deficit on the provision of services</b>	
7,332		<b>-2,104</b>
-7,899	Adjustments to net surplus or deficit on the provision of services for non-cash movements (note 24)	1,409
135	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	173
<b>-432</b>	<b>Net cash flows from Operating Activities (note 24)</b>	<b>-522</b>
-206	Investing Activities (note 25)	803
-14	Financing Activities (note 26)	-34
-652	Net increase (-) or decrease (+) in cash and cash equivalents	<b>247</b>
2,333	Cash and cash equivalents at the beginning of the reporting period	2,985
<b>2,985</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,738</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 TRANSITION TO IFRS

The Statement of Accounts for 2010/11 is the first to be prepared on an IFRS basis. Adoption of the IFRS-based Code has resulted in the restatement of various balances and transactions, with the result that some amounts presented in the financial statements are different from the equivalent figures presented in the Statement of Accounts for 2009/10.

The following tables explain the material differences between the amounts presented in the 2009/10 financial statements and the equivalent amounts presented in the 2010/11 financial statements.

#### Short-term accumulating compensated absences

Short term accumulating compensated absences refers to benefits that employees receive as a part of their contract of employment, entitlement to which is built up as they provide services to the Authority. The most significant benefit covered by this heading is holiday pay.

Employees build up an entitlement to paid holidays as they work. Under the Code, the cost of providing holidays and similar benefits is required to be recognised when employees render service that increases their entitlement to future compensated absences. As a result, the Authority is required to accrue for any annual leave earned but not taken at 31<sup>st</sup> March each year. Under the previous accounting arrangements no such accrual was required.

The Government has issued regulations that mean local authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the Accumulated Absences Account until the benefits are used.

Accruing for short term accumulating compensated absences has resulted in the following changes being made to the 2009/10 financial statements:

#### Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£'000	£'000
Short Term Creditors	0	-151
Accumulated Absences Account	0	151

#### 31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£'000	£'000
Short Term Creditors	0	-1
Accumulated Absences Account	0	1

Government (Capital) Grants

Under the Code, grant and contributions for capital schemes are recognised as income when they become receivable. Previously, grants were held in a grants deferred account and recognised as income over the life of the assets which they were used to fund.

As a consequence of adopting the accounting policy required by the Code, the financial statements have been amended as follows :

- The balance on the Government Grants Deferred Account at 31 March 2009 has been transferred to the Capital Adjustment Account in the opening 1 April 2009 balance sheet.
- Portions of government grants deferred were previously recognised as income in 2009/10; these have been removed from the Comprehensive Income and Expenditure Statement in the comparative figures.
- Grants received and used in 2009/10 have been recognised in full and then negated through the Movement in Reserves Statement and transferred to the Capital Adjustment Account.

Opening 1 April 2009 Balance Sheet

	<b>2009/10 Statements</b>	<b>Adjustments Made</b>
	<b>£'000</b>	<b>£'000</b>
Government Grants Deferred Account (Applied)	-302	+302
Government Grants Deferred Account (Unapplied)	-8,000	+8,000
Capital Adjustment Account	-9,053	-8,302

31 March 2010 Balance Sheet

	<b>2009/10 Statements</b>	<b>Adjustments Made</b>
	<b>£'000</b>	<b>£'000</b>
Government Grants Deferred Account (Applied)	-721	+721
Government Grants Deferred Account (Unapplied)	-38	+38
Capital Adjustment Account	-8,989	-759

Accounting for Revenue Grants

Changes in regulations require that where any relevant conditions have been met, or where there are no conditions that are deemed to require repayment of the grant, those grants and contributions for revenue purposes must be fully recognised in the Comprehensive Income & Expenditure Account in the period of receipt. Previously income would not be taken to the Comprehensive Income & Expenditure Account until the period of matching expenditure. However authorities may consider earmarking such revenue grant income until it is applied. Transfers from the General Fund to earmarked reserves are accounted for in the Movement in Reserves Statement (MiRS) within the transfers to or from earmarked reserves line. When the

grant is applied, an amount equal to the expenditure may then be transferred back from earmarked reserves to the General Fund. The impact on the Authority's balance sheet is to reduce the balances on the Receipts in Advances with a corresponding increase in the Earmarked Reserve balance.

#### Opening 1 April 2009 Balance Sheet

	2009/10 Statements	Adjustments Made
	£'000	£'000
Earmarked Reserves	-2,050	-88
Receipts in Advance	-93	+88

#### 31 March 2010 Balance Sheet

	2009/10 Statements	Adjustments Made
	£'000	£'000
Earmarked Reserves	-2,299	-129
Receipts in Advance	-129	+129

(The earmarked reserves balance has also been increased by the sum of £14,331 representing the bad debts provision not relating to specific debts in the 2008/09 and 2009/10 accounts and moved to the Specific Risks Reserve.)

#### Cash and Cash Equivalents

Cash and cash equivalents include those short term investments that are repayable without penalty within 24 hours.

The effect of the above on the 2009/10 Comprehensive Income and Expenditure Statement Cost of Services (Net) is as follows :

	2009/10 Stats	Accum. Absences	Govt. Grant Deferred	Revenue Grants	Gains on disposal	Sup. Ser. App.	Revised Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Conservation and the Natural Environment	670	-2	0	-16	0	1	653
Conservation and Cultural Heritage	356	2	6	1	0	1	366
Understanding	1,510	4	43		0	6	1,563
Recreation Management & Traffic and Transport	211	1	7,560	-10	0	2	7,764
Wardens, Estate Workers & Volunteers	1,125	0	24	9	7	2	1,167
Development Control	400	-5	7	-22	0	3	383
Forward Planning & Communities	527	-6	1	-3	0	2	521
Corporate and Democratic	741	3	0	0	0	3	747
Support Services	0	4	15	0	1	-20	0
<b>TOTAL</b>	<b>5,540</b>	<b>1</b>	<b>7,656</b>	<b>-41</b>	<b>8</b>	<b>0</b>	<b>13,164</b>

## 2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The adoption of FRS 30 Heritage Assets by the Code will result in a change in accounting policy if such assets are in the possession of the Authority. Heritage assets are those assets preserved in trust for future generations because of their cultural, environmental or historic associations i.e. they have historical, artistic, scientific, geophysical or environmental qualities. They are maintained by the Authority principally for the contribution of knowledge and culture, but not utilised by the Authority in its normal course of business.

- Ynys y Pandy Slate Mill
- Craig yr Aderyn
- Parc Lead Mine Trefriw

The impact of their revaluation will be disclosed in the 2011/12 Statement of Accounts.

**3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

None, other than disclosed elsewhere in these notes.

**4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**

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

Those assumptions made by the Actuary relating to the pension fund are disclosed in note 45

**5. MATERIAL ITEMS OF INCOME AND EXPENSE**

Termination benefits of £264,903 were accrued in the 2010/11 financial year. Further detail is provided in the Termination Benefits note (41).

**6. EVENTS AFTER THE BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 30<sup>th</sup> June 2011. The only event taking place after this date and reflected in the financial statements and notes is a payment made in lieu of the contingent liability relative to Hafod Eryri. Where events taking place before the 30<sup>th</sup> of June provided information about conditions existing at 31<sup>st</sup> March 2011, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

As outlined in note 45, the decision to uplift public service pensions using the Consumer Prices Index rather than the Retail Prices Index has been recognised in these accounts. This decision is currently before the courts in judicial review proceedings. The Government is defending the case and therefore no adjustment has been made to the accounts for this matter. The financial implications consequent on the review finding against the Government have not been assessed.

**7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

This note details the adjustments that are made in 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.

2010/11	Usable Reserves				
	General Fund Balance	Earmarked Reserves	Capital Receipts Reserves	Capital Grants Unapplied Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the Capital Adjustment Account</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>					
Charges for depreciation and impairment of non-current assets	-467	0	0	0	467
Capital grants and contributions applied	129	0	0	0	-129
Revenue Expenditure funded from capital under statute	-144	0	0	0	144
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-9	0	0	0	9
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>					
Capital expenditure charges against the General Fund	224	0	0	0	-224
<b>Adjustment primarily involving the Pension Reserve</b>					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	1406	0	0	0	-1406
Employers Pension contributions and direct payments to pensioners payable in the year.	703	0	0	0	-703
<b>Adjustment primarily involving the Accumulated Absences Account</b>					
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	28	0	0	0	-28
<b>Total Adjustments</b>	<b>1870</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1870</b>

2009/10 Comparative figures	Usable Reserves					Movement in Unusable Reserves
	General Fund Balance	Earmarked Reserves	Capital Receipts Reserves	Capital Grants	Unapplied Reserve	
	£'000	£'000	£'000	£'000	£'000	
<b>Adjustments primarily involving the Capital Adjustment Account</b>						
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Charges for depreciation and impairment of non-current assets	7,882	0	0	0	0	-7,882
Capital grants and contributions applied	-113	0	0	0	0	113
Revenue Expenditure funded from capital under statute	88	0	0	0	0	-88
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</b>						
Capital expenditure charges against the General Fund	-250	0	0	0	0	250
<b>Adjustment primarily involving the Pension Reserve</b>						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	726	0	0	0	0	-726
Employers Pension contributions and direct payments to pensioners payable in the year.	-712	0	0	0	0	712
<b>Adjustment primarily involving the Accumulated Absences Account</b>						
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	1	0	0	0	0	-1
<b>Total Adjustments</b>	<b>7,622</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,622</b>

**8. TRANSFERS TO/FROM EARMARKED RESERVES**

	Balance at 1 April 2009	Transfers out 2009/10	Transfers in 2009/10	Balance at 31 March 2010	Transfers out 2010/11	Transfers in 2010/11	Balance at 31 March 2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund :							
Earmarked reserve	235	-235	183	183	-183	177	177
Specific Risks reserve	393	0	240	633	0	274	907
Hafod Eryri reserve	325	0	0	325	-48	0	277
Hafod Eryri supplementary reserve	84	-55	0	29	-29	0	0
Self-Insurance reserve	13	0	0	13	0	0	13
Planning reserve	200	0	0	200	-27	0	173
Match funding reserve	805	0	0	805	0	0	805
Match funding reserve (CCW)	9	0	0	9	0	0	9
Revenue Grants reserve	88	-15	56	129	-113	17	33
Bequest reserve	0	0	30	30	0	0	30
THI Dolgellau reserve	0	0	86	86	0	39	125
Pen y Pass Income reserve	0	0	0	0	0	87	87
	<b>2,152</b>	<b>-305</b>	<b>595</b>	<b>2,442</b>	<b>-400</b>	<b>594</b>	<b>2,636</b>

**9. OTHER OPERATING EXPENDITURE**

2009/10		2010/11
£'000		£'000
-8	Gains/losses on disposal of non-current assets	-1

**10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

2009/10		2010/11
£'000		£'000
272	Pensions interest cost and expected return on pensions assets	191
-34	Interest receivable and similar income	-33
<b>238</b>	<b>Total</b>	<b>158</b>

**11. NON-SPECIFIC GRANT INCOME**

2009/10		2010/11
£'000		£'000
-4,462	National Park Grant	-4,435
-1,487	Levies on Constituent Authorities	-1,478
-113	Capital Grants and Contributions	-129
<b>-6,062</b>	<b>Total</b>	<b>-6,042</b>

**12. PROPERTY PLANT AND EQUIPMENT**

Movement on Balances

**Movements in 2010/11**

	Land and Buildings	Vehicles, Plant & Equipment	Community	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2010	18,055	1,501	254	0	103	19,913
Additions	170	108	0	0	60	338
Revaluation increases/decreases recognised in the revaluation reserve	86	0	0	0	0	86
Disposals	0	-59	0	0	-129	-188
<b>At 31 March 2011</b>	<b>18,311</b>	<b>1,550</b>	<b>254</b>	<b>0</b>	<b>34</b>	<b>20,149</b>
<b>Accumulated Depreciation and Impairments</b>						
At 1 April 2010	-8,465	-1,138	0	0	0	-9,603
Depreciation Charge	-221	-132	0	0	0	-353
Depreciation written out to the Surplus / Deficit on the Provision of Services	-221	-132	0	0	0	-353
Impairment losses/reversals recognised in the Surplus / Deficit on the Provision of Services	-114	-9	0	0	0	-123
Derecognition - Disposals	0	59	0	0	0	59
<b>At 31 March 2011</b>	<b>-8,800</b>	<b>-1,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10,020</b>
<b>Net BookValue at March 2011</b>	<b>9,511</b>	<b>330</b>	<b>254</b>	<b>0</b>	<b>34</b>	<b>10,129</b>

**COMPARATIVE MOVEMENTS IN 2009/10**

	Land and Buildings	Vehicles, Plant & Equipment	Community	Surplus Assets	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2009	10,200	1,502	254	0	7,715	19,671
Additions	7,810	77	0	0	127	8,014
Revaluation increases/(decreases) recognised in the Revaluation Reserve	45	0	0	0	0	45
Disposals	0	-78	0	0	-7,739	-7,817
<b>At 31 March 2010</b>	<b>18,055</b>	<b>1,501</b>	<b>254</b>	<b>0</b>	<b>103</b>	<b>19,913</b>
<b>Accumulated Depreciation and Impairments</b>						
At 1 April 2009	-722	-1,069	0	0	0	-1,791
Depreciation Charge	-219	-147	0	0	0	-366
Impairment losses/reversals recognised in the Surplus / Deficit on the Provision of Services	-7,513	0	0	0	0	-7,513
Derecognition - Disposals	0	78	0	0	0	78
Other movements in Depreciation and Impairment	-11	0	0	0	0	-11
<b>At 31 March 2010</b>	<b>-8,465</b>	<b>-1,138</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,603</b>
<b>Net BookValue at March 2010</b>	<b>9,590</b>	<b>363</b>	<b>254</b>	<b>0</b>	<b>103</b>	<b>10,310</b>

Depreciation

Depreciation of fixed assets is charged on a straight line basis to write off their cost less any projected residual value in equal instalments over the expected useful life of the asset using the following bases:-

Operational Land & Property	: between 10 – 60 years
Community Assets	: nil
Information Systems Equipment	: 3 years
Vehicles	over 5 years to 30% of original value over 7 years to nil value.
Furniture & Other Equipment	: estimated operational life

## Revaluations

As at 31/3/2011 there is no change in the Authority's operational "Land & Buildings" owned property portfolio.

The Authority's land and buildings were valued during the 2006/07 financial year by an independent qualified valuer, working on behalf of J.H. Jones Chartered Surveyors, Estate Agents, Valuers and Auctioneers. A second opinion on a sample of properties was obtained from the District Valuer. As a result, the final valuation includes figures from both valuers.

The Hafod Eryri building was valued by the District Valuers Service in 2009/10, and the Pen y Pass site was revalued by the District Valuers Service in 2010/11.

There are no instances of impairment according to the impairment review undertaken at the year end.

The Authority's land and buildings portfolio is currently under review to identify possible savings.

The Authority has the following significant capital commitments:

1. **Dolgellau THI project** - the Authority has committed a contribution of £420,000 towards the estimated cost of £1,780,000 expected to be incurred over the 5 years to 2014/2015. the project's main objectives are to:
  - restore certain buildings of heritage significance
  - reinstate currently disused floor space back into use
  - raise awareness of the historic environment£84,490 of the Authority's baseline has been committed to the scheme for 2011/12. CADW and the Heritage Lottery Fund will be contributing to the scheme, and Gwynedd Council are contributing to the reinstating of empty residential units.
2. **Plas Tan y Bwlch** - it is estimated that the hydro electric scheme will require £326,000 to complete, part of which could be funded from the annual Welsh Assembly Government capital grant allocation. The business case for the scheme is to be presented to the Authority in September 2011.
3. **Penrhyndeudraeth Depot** - the Authority has purchased additional land from Gwynedd Council for £25,000 at its Penrhyndeudraeth depot for the purpose of building a storage facility so that the archived files can be moved from the leased storage facility in Porthmadog, and so to facilitate baseline savings. This cost is financed from Management Team funds. The costs associated with the building are presently estimated at circa £35,000 and are to be financed from the Authority's funds.

4. **Betws y Coed** - The Authority has agreed to commit £8,423 (from reserves held for match funding purposes) towards a potential rural development scheme on visitor facilities worth circa £80,000 under the Conwy Rural Development Programme.
5. **Cwm Idwal CAN project** - The facilities at Cwm Idwal are to be upgraded using Communities and Nature funding in a joint scheme with CCW and the National Trust. The Authority has committed to upgrading the refreshment kiosk as part of this project at an estimated cost of £22,887 (from reserves held for match funding purposes). The commitment was approved in the Authority meeting dated 15<sup>th</sup> December 2010 at which time the effect on car park income at the site was noted.

### **13 INVESTMENT PROPERTIES**

The Authority does not hold any investment properties.

### **14. INTANGIBLE FIXED ASSETS**

Purchased intangible assets in the form of software licences are accounted for as part of the Information Technology replacement programme, and are written off to revenue in line with depreciation charges. The value of these intangible assets is deemed such that a disclosure separate from Vehicles, Plant and Equipment is unwarranted.

### **15. SHORT TERM INVESTMENTS**

As at 31/3/2011 the Authority held £700,000 on a 3 month term deposit with the Bank of Scotland. The maturity date was 18<sup>th</sup> April 2011. There were no short term deposits on 31/3/2010 whilst the Authority did have £350,000 on a term deposit as at 31/3/2009.

### **16. INVENTORIES**

Stocks are brought into account at cost price. Stocks held on 31st March 2011 consisted of :-

	Information					Total
	Centres Goods for resale	Plas Tan y Bwlch Bar	Goods for resale	catering & Cleaning	Access Boardwalks	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at</b>						
<b>31/3/2009</b>	<b>83</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>13</b>	<b>105</b>
Purchases	84	11	1	73	0	169
Recognised as an expense in the year	-78	-12	-1	-73	-13	-177
<b>Balance as at</b>						
<b>31/3/2010</b>	<b>89</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>97</b>
Purchases	64	11	1	72	0	148
Recognised as an expense in the year	-74	-11	-1	-73	0	-159
<b>Balance as at</b>						
<b>31/3/2011</b>	<b>79</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>86</b>

## 17. DEBTORS

2008/09 £'000	2009/10 £'000		2010/11 £'000
		Amounts falling due within one year :	
268	168	Central Government Bodies	143
59	68	Other local authorities	45
0	0	NHS bodies	1
90	193	Other entities and individuals	99
<b>417</b>	<b>429</b>		<b>288</b>
-6	0	bad debts provision	0
<b>411</b>	<b>429</b>		<b>288</b>
		<b>LONG TERM DEBTORS (amounts falling due after one year)</b>	
0	7	Finance lease	7
65	64	Car Loans to Employees	41
<b>65</b>	<b>71</b>		<b>48</b>

**18. CASH AND CASH EQUIVALENTS**

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

<b>31 March 2009</b>	<b>31 March 2010</b>		<b>31 March 2011</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>
7	2	Cash held by the Authority	2
-55	647	Bank current accounts	837
2,381	2,336	Short-term deposits with banks	1,899
<b>2,333</b>	<b>2,985</b>	<b>Total Cash and Cash Equivalents</b>	<b>2,738</b>

**19. ASSETS HELD FOR SALE**

The Authority has no assets held for sale as at 31<sup>st</sup> March 2011.

**20. CREDITORS**

<b>2008/09</b>	<b>2009/10</b>		<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>
-154	-132	Central Govt. Bodies	-139
-139	-160	Other local authorities	-151
-1	0	NHS bodies	0
-566	-588	Other entities & individuals	-607
<b>-860</b>	<b>-880</b>		<b>-897</b>

**21. PROVISIONS**

The Authority has no provisions made in the 2010/11 financial year.

**22. USABLE RESERVES**

Movements in the Authority's reserves are detailed in the Movement in Reserves Statement and Notes 23 and 24.

2008/09 £'000	2009/10 £'000		2010/11 £'000
		<b>Revenue</b>	
235	183	Earmarked Revenue & Capital reserves (Amount approved as earmarked revenue and capital expenditure)	177
393	633	Specific Risks Reserve (to meet probable budget pressures )	907
200	200	Public Inquiries Reserve (To meet costs of Public Inquiry)	173
805	805	Match Funding Revenue Reserve (For Convergence Fund Purposes)	805
9	9	Match Funding Reserve - CCW (For Convergence Fund purposes)	9
13	13	Insurance Reserve (To meet self-insured liabilities)	13
325	325	Hafod Eryri Reserve (For risks associated with the Hafod Eryri Project)	277
84	29	Hafod Eryri Funding Reserve (For specific risks relating to the project)	-
0	86	Dolgellau Town Heritage Initiative	125
0	30	Bequest	30
0	0	Pen y Pass Income Reserve	87
88	129	Revenue grants (rec'd in advance) Reserve	33
<b>2152</b>	<b>2442</b>		<b>2636</b>
400	400	<b>General reserve</b>	400
<b>2,552</b>	<b>2,842</b>		<b>3,036</b>
		<b>Capital</b>	
0	0	Capital Grants Unapplied	40
4	4	Usable Capital Receipts Reserves :	4
<b>2,556</b>	<b>2,846</b>		<b>3,080</b>

## 23. UNUSABLE RESERVES

31-Mar-09 £'000	31-Mar-10 £'000		31-Mar-11 £'000
525	570	Revaluation Reserve	656
17,355	9,748	Capital Adjustments Accounts	9,480
-3,435	-10,028	Pensions Reserve	-2,152
-151	-152	Accumulated Absences Account	-124
<b>14,294</b>	<b>138</b>		<b>7,860</b>

## THE 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, or
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised

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

2008/09 £'000	2009/10 £'000	2010/11 £'000
0	525	570
	Balance at 1st April	
525	45	86
	Upward revaluation of assets	
0	0	0
	Downward revaluation of assets and impairment losses not charged to the Surplus / Deficit on the Provision of Services	
525	45	86
	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	
0	0	0
	Amount written off to the Capital Adjustment Account	
525	570	656
	Balance at 31st March	

## CAPITAL ADJUSTMENT ACCOUNT

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

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

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

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation reserve.

2009/10 £'000		2010/11 £'000
17,355	Balance at 1st April	9,748
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement :</b>	
-7,737	Charges for depreciation and impairment of non-current assets	-467
-145	Revaluation losses on Property, Plant and Equipment	
-88	Revenue Expenditure Funded from capital under statute	-144
0	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-9
<b>9,385</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>9,128</b>
	<b>Capital financing applied in the year :</b>	
113	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	128
250	Capital expenditure charged against the General Fund balances	224
<b>9,748</b>	<b>Balance at 31st March</b>	<b>9,480</b>

**PENSIONS RESERVE**

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

<b>2008/09</b>	<b>2009/10</b>		<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>		<b>£'000</b>
-1,472	-3,435	<b>Balance at 1 April</b>	-10,028
-2,006	-6,579	Actuarial gains or losses on pensions assets and liabilities	5,767
-695	-726	Reversal of items relating to retirement benefits debited or credited to the Surpl's or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,406
738	712	Employer's pension contributions and direct payments to pensioners payable in the year.	703
<b>-3,435</b>	<b>-10,028</b>	<b>Balance at 31 March</b>	<b>-2,152</b>

**ACCUMULATED ABSENCES ACCOUNT**

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

<b>2009/10</b>	<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>
-151 <b>Balance at 1 April</b>	<b>-152</b>
151 Settlement or cancellation of accrual made at the end of the preceding year.	152
-152 Amounts accrued at the end of the current year	-124
-1 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	28
<b>-152 Balance at 31 March</b>	<b>-124</b>

#### 24. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The “adjustments to net surplus or deficit on the provision of services for non cash movements” comprises of :

<b>2009/10</b>	<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>
-378 Depreciation	-353
-7,505 Impairment	-123
-24 Movement in creditors	-45
31 Movement in debtors	-169
-9 Movement in stock	-10
-14 Provision of Services costs for post employment benefits	2,109
<b>-7,899</b>	<b>1,409</b>

The cash flows for operating activities include the following items :

<b>2009/10</b>	<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>
26 Interest received	23
0 Interest paid	0
<b>26</b>	<b>23</b>

**25. CASH FLOW STATEMENT – INVESTING ACTIVITIES**

<b>2009/10</b>	<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>
Purchase of property, plant and Equipment, 78 investment property and intangible assets	108
0 Purchase of short term and long term investments	700
202 Other payments for investing activities	128
Proceeds from the sale of property, plant and -8 equipment, investment property and intangible assets	-10
-350 Proceeds from short term and long term investments	0
-128 Other receipts from investing activities	-123
<b>-206 Net cash flows from investing activities</b>	<b>803</b>

**26. CASH FLOW STATEMENT – FINANCING ACTIVITIES**

<b>2009/10</b>	<b>2010/11</b>
<b>£'000</b>	<b>£'000</b>
Reduction of the outstanding liability relating to the -1 finance lease	-1
Car loan repayments and related interest together -41 with finance lease interest	-48
28 New car loans advanced	15
<b>-14 Net cash flows from investing activities</b>	<b>-34</b>

**27. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS**

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Best Value Accounting Code of Practice. Decisions about resource allocations, however, are taken by the Authority on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular :

- No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement). SNPA budget reports include the budgeted capital charges within the service expenditure lines and are then reversed out in the reconciliation to grant and levy funding.

- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year
- SNPA budget reports do include the budgeted support services recharges with actual recharged cost / income taken as per budget.

<b>Directorate Income and Expenditure</b>					
<b>2010/11</b>					
	<b>Land</b>		<b>Corporate</b>		
	<b>Management</b>	<b>Communication</b>	<b>Planning</b>	<b>and Legal</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fees, charges and other service income	-50	-654	-126	-593	-1,423
Government Grants	-38	-38	-389	-2	-467
Capital grant write down (as budgeted)	-23	0	-162	-22	-207
Support service recharges (as budgeted)		-36	0	-1549	-1,585
<b>Total Income</b>	<b>-111</b>	<b>-728</b>	<b>-677</b>	<b>-2166</b>	<b>-3,682</b>
					0
Employee expenses	1,240	1,229	833	897	4,199
Other service expenses	517	654	590	1445	3,206
Capital charges (as budgeted)	58	145	319	152	674
Support service recharges (as budgeted)	304	425	417	439	1,585
<b>Total Expenditure</b>	<b>2,119</b>	<b>2,453</b>	<b>2,159</b>	<b>2,933</b>	<b>9,664</b>
<b>Net Services Expenditure</b>	<b>2,008</b>	<b>1,725</b>	<b>1,482</b>	<b>767</b>	<b>5,982</b>
Interest income					-28
Revenue contribution to capital					224
capital grant rec'd in advance					-40
capital charges adjustment					-466
<b>Net Expenditure</b>					<b>5,672</b>

<b>Directorate Income and Expenditure</b>					
<b>2009/10</b>					
	<b>Land</b>			<b>Corporate</b>	
	<b>Management</b>	<b>Communication</b>	<b>Planning</b>	<b>and Legal</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fees, charges and other service income	-82	-818	-153	-556	-1,609
Government Grants	-18	-57	-345	-4	-424
Capital grant write down (as budgeted)	-5	0	-62	-110	-177
Internal Recharge Income (as budgeted)	0	-36	0	-1,566	-1,602
<b>Total Income</b>	<b>-105</b>	<b>-911</b>	<b>-560</b>	<b>-2,236</b>	<b>-3,812</b>
Employee expenses	1,364	1,198	850	1,323	4,735
Other service expenses	506	798	415	1,037	2,756
Capital charges (as budgeted)	44	149	203	267	663
Support service recharges (as budgeted)	317	421	463	401	1,602
<b>Total Expenditure</b>	<b>2,231</b>	<b>2,566</b>	<b>1,931</b>	<b>3,028</b>	<b>9,756</b>
<b>Net Services Expenditure</b>	<b>2,126</b>	<b>1,655</b>	<b>1,371</b>	<b>792</b>	<b>5,944</b>
post audit adjustment					30
tfr from reserve					48
interest earned					-29
rcco					250
Capital charges adjustment					-486
<b>Net Expenditure per Outturn</b>					<b>5,757</b>

### **Reconciliation of the Directorate Income and Expenditure to the Cost of Services in the Comprehensive Income and Expenditure Statement.**

This reconciliation shows how the figures in the analysis of directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

<b>2009/10</b>		<b>2010/11</b>
<b>£'000</b>		<b>£'000</b>
5,944	Net expenditure in the Directorate Analysis	5,982
-188	Net expenditure of services and support services not included in the Analysis	-310
8,182	Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	-1,906
-739	Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	15
-35	IFRS adjustment	0
<b>13,164</b>	<b>Cost of Services in Comprehensive Income and Expenditure Statement</b>	<b>3,781</b>

## 28. ACQUIRED AND DISCONTINUED OPERATIONS

The Authority had no such operations during the year.

## 29. TRADING OPERATIONS

The Authority does generate income in a number of ways such as car parks, information centres and the study centre, but none of these are regarded as separate commercial ventures for the purpose of this note. The activities are principally undertaken to support the aims of the Authority such as access and education. The respective budgets are set prudently such that the Authority is not exposed to any unreasonable risk.

## 30. AGENCY SERVICES

The Authority does itself act on behalf of Conwy Borough Council in the maintenance of certain footpaths. Relevant materials and equipment costs are reimbursed up to an annual limit of £25,000.

The Wardens service perform wardening duties regarding Morfa Dyffyn and Morfa Harlech National Nature Reserves on behalf of the Countryside Council for Wales. Income received was £32,905 (2009/10 £31,996).

## 31. POOLED BUDGETS

The Authority has no such arrangement.

**32. MEMBERS ALLOWANCES**

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

The allowances paid to members were:-

<b>2009/10</b> <b>£'000</b>		<b>2010/11</b> <b>£'000</b>
69	Members Allowances	66
15	Travel & Subsistence	12
<b>84</b>		<b>78</b>

Further information on the sums paid to individual members was published in the Caernarfon & Denbigh Herald and the North Wales Weekly News dated 16<sup>th</sup> June 2011, and the Cambrian News dated 23<sup>rd</sup> June 2011.

Members do contribute a fixed annual sum towards their meals taken at Plas Tan y Bwlch (in lieu of committee meetings). The contribution is deducted from the allowances paid. The "allowances" figure reported above is net of that deduction.

**33. STAFF REMUNERATION**

Regulation 7A of The Accounts and Audit (Wales) Regulations 2010 requires disclosures of employees' remuneration.

There are no senior or other employees, as defined in the Regulations, whose remuneration excluding employers pension contributions exceeded £60,000 in 2009/10 or 2010/11 other than those disclosed below:

2009/10			2010/11		
Chief Executive officer	Chief Finance Officer (Section 151) *		Chief Executive officer	Chief Finance Officer (Section 151) *	Director of Communication**
£'000	£,000		£'000	£'000	£'000
75	4	Salary (including fees and allowances)	75	4	111
3	0	Benefits in kind	2	0	0
<b>78</b>	<b>4</b>	<b>Total remuneration (excluding employers pension contributions)</b>	<b>77</b>	<b>4</b>	<b>111</b>
15	1	Employers Pension Contribution	15	1	60
<b>93</b>	<b>5</b>	<b>Total remuneration (including employers pension contributions)</b>	<b>92</b>	<b>5</b>	<b>171</b>

\* Part time post at a rate that would equate to remuneration in excess of £60,000 for the full time equivalent.

\*\* Included due to the effect of accrued voluntary redundancy cost in 2010/11 (accrued "lump sum" cost also included in the employers pension contr.).

**34. EXTERNAL AUDIT COSTS**

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

2009/10 £'000	Regulatory area	2010/11 £'000
27	Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor	20
0	Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure 2009	12
1	Fees payable to Wales Audit Office for the certification of grant claims and returns for the year	1
0	Fees payable in respect of other services provided by the Wales Audit Office during the year.	0
<b>28</b>	<b>Total</b>	<b>33</b>

**35. GRANT INCOME**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2010/11

2009/10 £'000		2010/11 £'000
	<b>REVENUE GRANTS (significant only)</b>	
0	<b>Credited to Non-specific grant income</b>	0
	<b>Credited to Services</b>	
0	WAG - Local Dvelopment Plan	12
217	WAG - CAE	217
15	CAE - carbon reduction at main offices	0
52	WAG - Planning Delivery Wales	70
43	CCW - Plas Tan y Bwlch	30
15	CCW - Conservation grants	24
10	CCW - Bwrlwm Eryri	0
16	HLF - Dolgellau THI	26
28	CADW - Archaeological works	58
<b>396</b>	<b>Total Revenue Grants</b>	<b>437</b>

2009/10 £'000		2010/11 £'000
	<b>CAPITAL GRANTS</b>	
	<b>Credited to Non-specific grant income</b>	
42	WAG - Plas Tan y Bwlch	21
6	WAG - Hydro Electric scheme	17
31	WAG - Pen y Pass	31
0	WAG - Bikes for the physically impaired	10
0	WAG - Lighting improvements at the main offices	12
34	WAG - Information Technology	32
0	CCW - Information Technology	1
0	Tourism Partnership North Wales - Information Technology	2
0	CCW - CAN Ogwen project	3
<b>113</b>	<b>Sub-total</b>	<b>129</b>
	<b>Credited to Services</b>	
35	WAG - Access projects	25
0	WAG - Footpath Link	19
0	Gwynedd Council - Footpath Link	45
19	WAG - Green Key	0
0	WAG - Yr Ysgwrn	40
20	Conwy - Pont Clogwyn	0
0	CADW - Dolgellau THI	20
0	Gwynedd Council - Dolgellau THI	10
0	Heritage Lottery Fund - Dolgellau THI	50
<b>74</b>	<b>Sub-total</b>	<b>209</b>
<b>187</b>	<b>Total Capital Grants</b>	<b>338</b>

There are grants received by the Authority which as yet are not recognised as income as they have conditions attached to them that can require the monies to be returned to the giver. The balances at the year- end are as follows :

	31 March 2011
	£'000
<b>Capital Grants Received in Advance</b>	0
<b>Revenue Grants Received in Advance</b>	3

### 36. 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.

The Authority has adopted a materiality level of £5,000 for disclosure of Related Party Transactions relevant to Members and Staff.

### **Welsh Assembly Government**

The Welsh Assembly Government has effective control over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of a number of the Authority's transactions with other parties e.g. levy on constituent authorities. The relevant sums are disclosed in notes 11 ("non-specific grant income") and 35 ("grant income").

### **Members**

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2010/11 is shown in note 32.

### **Officers**

One of the Chief Officers has declared an interest in Gwynedd Council which has dealings with the Authority. The Authority received a total of £1.2m from the body during 2010/11

The Authority's Chief Finance Officer has also declared an interest as he is Gwynedd Council's Head of Finance.

### **Entities controlled or significantly influenced by the Authority**

The Authority is responsible for administering the Cronfa Arbrofol Eryri (C.A.E.) grant monies on behalf of the Welsh Assembly Government. In awarding grants to organisations, the C.A.E. panel imposes special grant conditions, which include linking financial performance to achieving agreed milestones. During the 2010/11 financial year only one new project requiring in excess of £10,000 grant contribution was approved.

The Authority had contracts with Gwynedd Council to provide the following services during 2010/11:

- Pension Fund administration
- Payroll Support Service
- Internal audit Service.

## **37. 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.

---

2009/10 £'000	2010/11 £'000
0 Opening Capital Financing Requirement	0
<b>Capital Investment</b>	
<b>Property, plant &amp; equipment</b>	
<b>Recreation Management</b>	
0 Bikes for the physically impaired	10
0 Ogwen (CAN) development	4
29 Hafod Eryri	0
<b>Understanding</b>	
60 Plas Tan y Bwlch - building	24
12 Plas Tan y Bwlch - People Carrier	0
8 Hydro-electric scheme design	17
<b>Wardens &amp; Estate Workers</b>	
12 Vehicles for wardens	41
90 Pen y Pass building	39
<b>Support Services</b>	
53 I.T. General Replacement programme	57
11 Main Offices - lighting improvements	17
<b>275</b>	<b>209</b>
<b>Revenue expenditure funded from capital under Statute</b>	
<b>Conservation &amp; Cultural Heritage</b>	
88 Built Environment schemes	104
0 Dolgellau THI	97
<b>Recreation Management</b>	
0 Pont Plas Madog	17
20 Pont Clogwyn Fawr	0
35 Access Improvements	25
19 Green Key	0
0 Footpath Link (PYG - PYP)	70
<b>162</b>	<b>313</b>
<b>437 Total Expenditure</b>	<b>522</b>
<b>Sources of Finance</b>	
187 Government Grants and other Contributions	298
0 Sums set aside from revenue:	0
250 Direct revenue contributions	224
<b>437</b>	<b>522</b>
0 Closing capital financing requirement	0
<b>0 Increase/decrease in Capital Financing Requirement</b>	<b>0</b>

From the total spend of £521,727 (£437,557 in 2009/10), £313,057 (£162,268 in 2009/10) relates to expenditure on fixed assets not owned by the Authority namely Built Environment schemes (£103,938), Access Improvements (£111,994) and Dolgellau THI schemes (£97,125). The related grants and contributions finance amounts to £169,101 (£74,162 in 2009/10). The net revenue expenditure funded from capital under statute is therefore £143,956. (£88,106 in 2009/10).

### 38. LEASES

#### Authority as Lessee

##### Finance Leases

The Authority as lessee has no finance leases.

##### Operating Leases

The Authority has operating leases relating to vehicles, photocopiers and franking machines.

The future minimum lease payments under non-cancellable leases in future years are :

31 March 2010		31 March 2011
£'000		£'000
108	Not later than 1 year	100
173	Later than 1 year and not later than 5 years	176
1,376	Later than 5 years	1,348
<b>1,657</b>	<b>Total</b>	<b>1,624</b>

Lease costs of £14,768 (£12,790 in 2009/10) on **equipment** were charged to the Administration & Customer Care (subsequently included in the support services apportionment) and Understanding (Plas Tan y Bwlch) services in the Comprehensive Income and Expenditure Statement during the year.

Lease costs of £25,186 (£29,250 in 2009/10) divided between **employees' vehicles** (£12,022) and **Authority vehicles** (£13,164) were charged to the Conservation & Natural Environment, Development Control, Understanding, Corporate & Democratic, Recreation Management & Traffic and Transport and Wardens, Estate

Workers & Volunteers services in the Comprehensive Income and Expenditure Statement during the year. Those costs charged against support services were subsequently reallocated.

Lease costs of £73,489 (£124,630 in 2009/10 including £39,120 relating to the ANPA conference) on **properties** were charged to the Understanding, Wardens, Estate Workers & Volunteers and Recreation Management & Traffic and Transport services in the Comprehensive Income and Expenditure Statement during the year. Those costs charged against support services were subsequently reallocated.

### **Authority as Lessor**

#### Finance Leases

The Authority has a finance lease arrangement at the Ogwen Snack Bar. It has a remaining term of 14 years.

The Authority has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments comprise settlement of the long term debtor and finance income that will be earned by the Authority in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts :

<b>31 March 2010</b>		<b>31 March 2011</b>
<b>£'000</b>		<b>£'000</b>
	Finance Lease debtor (net present value of the minimum lease payments)	
7	• Current	7
0	• Non-current	0
71	Unearned finance income	66
<b>78</b>	<b>Sub-total</b>	<b>73</b>
10	Unguaranteed residual value of the property	10
<b>88</b>	<b>Gross investment in the lease</b>	<b>83</b>

The gross investment in the lease and the minimum lease payments will be received over the following periods :

	Minimum Lease Payments		Finance Lease Investment	
	31 March 2010	31 March 2011	31 March 2010	31 March 2011
	£'000	£'000	£'000	£'000
Not later than 1 year	5	5	0	0
Later than 1 year and not later than 5 years	21	21	2	2
Later than 5 years	52	47	5	5
<b>Total</b>	<b>78</b>	<b>73</b>	<b>7</b>	<b>7</b>

### Operating Leases

The Authority leases out property under operating leases for the following purposes : commercial, ground rents on chalets at Plas Tan y Bwlch, Office accommodation, grazing and recreational/access.

The income receivable for 2010/11 was £105,855 (2009/10 £93,380).

The estimated minimum lease payments receivable under non-cancellable leases in future years are :

31 March 2010		31 March 2011
£'000		£'000
85	Not later than 1 year	92
183	Later than 1 year and not later than 5 years	194
34,966	Later than 5 years	34,932
<b>35,234</b>	<b>Total</b>	<b>35,218</b>

(Figures are subject to the effect of rent reviews, and income generated together with visitor numbers for Hafod Eryri. The Hafod Eryri rental has been projected at the 2009/10 value over the period of the lease ending 30<sup>th</sup> September 2981).

The associated depreciation charge on the assets relevant to operating leases is £6,984 (2009/10 £6,942).

**39. PFI AND SIMILAR CONTRACTS**

The Authority does not have any such contracts.

**40. IMPAIRMENT LOSSES**

During 2010/11 the Authority has recognised an impairment loss of £123,122 in relation to :

- non-enhancing capital expenditure (£40,943) at Plas Tan y Bwlch (£23,729) and the main offices (£17,213), and
  - the net book value of one trailer stolen while in use by the National Trust (£6,195), and
  - the net book value of one vehicle sold (£2,819), and
  - the revaluation of facilities at Pen y Pass (£73,165) with the cost shared between the Wardens service and the Visitor Facilities service,
- in the Comprehensive Income and Expenditure Statement.

**41. TERMINATION BENEFITS**

The 2010/11 Comprehensive Income and Expenditure Account includes the termination benefits costs of 7 employees in their respective service lines. The total cost of £264,903 comprises of redundancy payments (£184,915) and lump sum contributions (£79,988) to the Pension Fund.

**42. CONTINGENT LIABILITIES**

At 31 March 2011 the Authority had one material contingent liability :

The Hafod Eryri project is complete and a final account has been received but not agreed. A potential obligation has arisen from the project, but as it cannot be confirmed or reliably estimated at present, it has not been charged to the accounts.

**43. CONTINGENT ASSETS**

At 31 March 2011 the Authority had no material contingent assets :

**44. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The Authority's activities can expose it to a variety of 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 as a result of changes in such measures as interest rates.

The above risks are managed through the Authority's debt recovery arrangements and Annual Treasury Management Strategy.

There are no perceived credit or liquidity risks.

#### 45. PENSION FUND

##### **Participation in Pension Schemes**

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

The Authority participates in two post employment schemes :

- The Local Government Pension Scheme, administered locally by Gwynedd Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards have been made. No investment assets were built up to meet these pensions liabilities, and cash has to be generated to meet the actual pensions payments as they fall due. The Authority has an annual liability based on past awards made under these arrangements, but has not added to that liability in recent years. Rather, any extra pension liability ensuing from granting early retirement is recognised and paid off in that specific year.

##### **Transactions Relating to Post-employment Benefits**

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against the General Fund is based on cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

	<b>Local Government Pension Scheme (£'000)</b>	
	<b>2009/10</b>	<b>2010/11</b>
Comprehensive Income and Expenditure Statement		
<i>Cost of Services :</i>		
• current service cost	454	710
• past service costs / (gain)	0	(2,307)
• settlements and curtailments	0	
<i>Financing and Investment Income and Expenditure</i>		
• interest cost	968	1,304
• expected return on scheme assets	(696)	(1113)
<i>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</i>	<b>726</b>	<b>(1,406)</b>
<i>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</i>		
• actuarial gains and losses	<b>(6,579)</b>	<b>5,766</b>
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
<i>Movement in Reserves Statement</i>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	<b>(726)</b>	<b>1,406</b>
<i>Actual amount charged against the General Fund Balance for pensions in the year :</i>		
• employers contributions payable to the scheme	<b>712</b>	<b>703</b>
• retirement benefits payable to pensioners		

The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statements to the 31 March 2010/11 is a loss of £3,060,000.

### Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation) :

	<b>Local Government Pension Scheme (£'000)</b>	
	<b>2009/10</b>	<b>2010/11</b>
Opening balance at 1 April	<b>13,829</b>	<b>25,281</b>
Current service cost	454	710
Interest cost	968	1,304
Contributions by scheme participants	247	215
Actuarial losses and (gains)	10,068	(5,502)
Benefits paid	(285)	(474)
Past Service costs	0	(2,307)
Entity combinations	0	0
Curtailments	0	0
Settlements	0	0
Closing balance 31 March	<b>25,281</b>	<b>19,227</b>

## Reconciliation of present value of the scheme assets :

	Local Government Pension Scheme (£'000)	
	2009/10	2010/11
Opening balance at 1 April	10,394	15,253
Expected rate of return	696	1,113
Actuarial gains and losses	3,489	264
Employer contributions	713	703
Contributions by scheme participants	247	215
Benefits paid	(286)	(473)
Entity combinations	0	0
Settlements	0	0
Closing balance 31 March	15,253	17,075

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £1.2m (2009/10 £4.2m)

In the UK budget statement on 22 June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI).

This has the effect of reducing Snowdonia National Park Authority's liabilities in the Gwynedd Pension Fund by £2,307,000 and has been recognised as a past service gain in accordance with the guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. There is no impact upon the General Fund.

## Scheme History

	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Present value of liabilities in the Local Government Pension Scheme	(16,490)	(13,896)	(13,829)	(25,281)	(19,227)
Fair Value of Assets in the Local Government Pension Scheme	12,507	12,424	10,394	15,253	17,075
<b>Surplus / (deficit) in the scheme :</b>	<b>(3,983)</b>	<b>(1,472)</b>	<b>(3,435)</b>	<b>(10,028)</b>	<b>(2,152)</b>

The liabilities show the underlying commitments that the Authority has in the long run to pay post employment (retirement) benefits. The total liability of £19.2m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet i.e. reducing it by £2.15m. Statutory provisions for funding the deficit mean that the financial position of the Authority remains healthy :

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

The total contributions by the Authority, as estimated by the Actuary, for the year to 31 March 2012 is £649,000.

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.,. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the Authority Fund being based on the latest full valuation of the scheme as at 31 March 2010.

The principal assumptions used by the actuary have been :

	Local Government Pension Scheme (£'000)	
	2009/10	2010/11
Long term expected rate of return on assets in the scheme :		
Equity	7.8%	7.5%
Bonds	5%	4.9%
Property	5.8%	5.5%
Cash	4.8%	4.6%
Mortality Assumptions :		
Longevity at 65 for current pensioners :		
• Men	20.8 years	20.5 years
• Women	24.1 years	23 years
Longevity at 65 for future pensioners :		
• Men	22.3 years	23.3 years
• Women	25.7 years	25.6 years
Rate of inflation (CPI)	3.8%	2.8%
Rate of increase in salaries	5.3%	5.1%
Rate of increase in pensions	7.2%	6.9%
Rate for discounting scheme liabilities	5.5%	5.5%
Take up of option to convert annual pension into retirement lump sum	50% pre 1/4/2008 service and 75% post 1/4/2008 service.	50% pre 1/4/2008 service and 75% post 1/4/2008 service.

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held :

<b>31 March 2010</b>		<b>31 March 2011</b>
(%)		(%)
77	Equity investments	76
15	Debt investments (bonds)	13
8	Other assets	11
<b>100</b>		<b>100</b>

### History of Experience Gains and Losses

The actuarial gains identified as movements on the Pensions Reserve in 2010/11 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2011 :

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
	(%)	(%)	(%)	(%)	(%)
Differences between the expected and actual return on assets.	0.1	-12.7	-34.2	22.9	0.8
Experience gains and (losses) on liabilities	0.1	4.6	0	0	12.1

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNOWDONIA**

### **Independent auditor's report to the Members of Snowdonia National Park Authority**

I have audited the accounting statements and related notes of:

- Snowdonia National Park Authority

for the year ended 31 March 2011 under the Public Audit (Wales) Act 2004.

Snowdonia National Park Authority's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11 based on International Financial Reporting Standards (IFRSs).

### **Respective responsibilities of the responsible financial officer and the independent auditor**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts [set out on pages 20 to 25], the responsible financial officer is responsible for the preparation of the statement of accounts which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounting statements**

An audit involves obtaining evidence about the amounts and disclosures in the accounting statements and related notes sufficient to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to Snowdonia National Park Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the responsible financial officer and the overall presentation of the accounting statements and related notes.

In addition, I read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited accounting statements and related notes. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### **Opinion on the accounting statements of Snowdonia National Park Authority**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Snowdonia National Park Authority as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2010/11.

**Opinion on other matters**

In my opinion, the information contained in the Explanatory Foreword for the financial year for which the accounting statements and related notes are prepared is consistent with the accounting statements and related notes.

**Matters on which I report by exception**

I have nothing to report in respect of the Governance Statement on which I report to you if, in my opinion, it does not reflect compliance with 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE in June 2007, or if the statement is misleading or inconsistent with other information I am aware of from my audit.

**Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Snowdonia National Park Authority in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales.

ANTHONY BARRETT

**Appointed Auditor,  
24 Cathedral Road,  
Cardiff, CF11 9LJ**

**Date: 30 September 2011**

*(The maintenance and integrity of the Snowdonia National Park Authority web site is the responsibility of the Authority; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the statement of accounts since it was initially presented on the web site).*

## ANNUAL GOVERNANCE STATEMENT

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 (as amended in 2010).

### **Part 1: SCOPE OF RESPONSIBILITY**

Snowdonia National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Snowdonia National Park Authority is a Welsh Improvement Authority under Section 1 of the Local Government (Wales) Measure 2009 and as such has a general duty under section 2 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Snowdonia National Park Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Snowdonia National Park Authority will present its draft code of corporate governance for approval to the Authority in September 2011. This does not necessitate any change in the governance processes already in place and incorporated in the draft code. This statement explains how the Authority has complied with its governance requirements and also meets the requirements of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2005 (as amended in 2010) in relation to the publication of a statement on internal control.

### **Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Snowdonia National Park Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at Snowdonia National Park Authority for the year ended 31 March 2011 and up to the date of approval of the statement of accounts.

**Part 3: THE GOVERNANCE FRAMEWORK**

The key elements of the systems and processes that comprise Snowdonia National Park Authority's governance framework arrangements are as follows:

***Identify and communicate the authority's vision***

- The 2010-15 Snowdonia National Park Management Plan provides a strategic policy framework for the Park. It was produced with the assistance of a range of organisations including the Countryside Council for Wales, the Environment Agency, Cadw, local authorities, farming unions and community councils. It notes the Authority's strategic objectives that support the following themes
  1. Carbon Management;
  2. Improving Habitats;
  3. Enhancing Landscapes;
  4. Promoting Cultural Heritage;
  5. Improving Access and Understanding opportunities for All;
  6. Supporting Sustainable Communities.
- An Annual Report and Improvement Plan is produced every year, which outlines the Authority's key work for the year and the work involved in achieving the objectives, together with a timetable.

***Review the authority's vision and its implications for the governance arrangements***

- The Local Government (Wales) Measure 2009 places a duty on the Authority to make arrangements to secure continuous improvement. The Measure requires the Authority to:
  - a) adopt and publish an Improvement Plan (April). The plan must include improvement objectives.
  - b) approve and publish (October) an assessment of performance relating to our plans and improvement objectives.

A key part of the Improvement Plan is the setting of improvement objectives and the reporting of achievement against those objectives.

- A report on the Base Revenue Budget for the following year is presented to the Authority each December, and formally approved in February.

***Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and best use of resources***

- The Authority has developed performance indicators, many of which are statutory whilst others have been developed locally. The indicators have been identified as being either core, service or local. A report on performance indicators is presented to the Performance and Resources Committee each quarter for discussion.

- As part of the progress being made in measuring the quality of services for users, the Authority's Study Centre, Plas Tan y Bwlch, has attained Customer Service Excellence, and it is a general objective that the whole Authority will aim to attain Customer Service Excellence.
- Following new legislation in April 2010, the Wales Audit Office produce an Annual Improvement Report. The report looks at what the Authority is trying to achieve and reports on progress by concentrating on those areas that the Authority has prioritised.
- There are arrangements for an internal audit service with reviews included in an annual plan.

***Define and document the responsibilities, with clear delegation arrangements for effective communication***

- During 2010/11 the Authority had a management structure that included a Chief Executive (who is also the "National Park Officer" and the Head of Paid Service) and four Directors. Together, they form the Authority's Corporate Management Team. The number of directors will reduce to 3 during 2011/12.
- The Director of Corporate Services has been nominated as the Monitoring Officer and the Chief Finance Officer - Gwynedd Council's Head of Finance - is the officer who has responsibilities under Section 151 of the Local Government Act 1972.
- Meetings of the Management Team are held fortnightly, with the Head of Finance and Head of Personnel attending, as well as two other heads of service on a rota basis.
- A Standards Committee is held twice a year; its role is to promote and maintain high standards of conduct by members, and to help them to follow the Authority's Code of Conduct.

***Develop and communicate codes of conduct for members and staff***

- A Code of Conduct for Members has been established for Snowdonia National Park Authority which includes a section that specifically refers to interest and a Members' Register of Interests.

***Review and update processes and controls required to manage risks***

- A Risk Management Policy and Strategy is in place. The risk identification process is led and co-ordinated by the Risk Management Group, with input from the Management Team and Heads of Service. The risk register lists the risks and those officers who are responsible for managing them. The target date for mitigation steps is also noted. The register is reviewed quarterly by the Risk Management Group.
- Through this process the National Park Authority aims to minimise its exposure to risk.
- The Authority's Standing Orders outline the appropriate arrangements that should be followed for minuting in Committee meetings and for referring decisions.
- The Authority has adopted a risk profile. Risks have been allocated in three categories – high, medium and low priority. The Authority updates its risk profile annually.

***Function of the audit committee***

- The Performance and Resources Committee undertakes audit committee functions in accordance with CIPFA requirements.

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- The Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom. The Code states that Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
  - In accordance with the requirements of the CIPFA Code of Practice, the Internal Audit Manager prepares an annual report that summarises the results of internal audit work during the year on the overall system of internal control within the Authority.

***Ensuring compliance with relevant laws, regulations, internal policies and that expenditure is lawful***

- The Authority's internal and external auditors are expected to report to the relevant officers about any failure to comply with either policy or legislation.
- Snowdonia National Park Authority has prepared a Corporate Health, Safety and Welfare policies in accordance with the Health and Safety in the Workplace Act 1974. The policy states that the Authority recognises and accepts, as far as is reasonably practicable, its duties as an employer towards its workers and others that may be affected by its activities. These policies have been collated in one booklet. The policy was amended in September 2010.
- The aim of Snowdonia National Park Authority is to achieve the highest standard when managing health, safety and welfare.

***Whistle blowing and receiving complaints from the public***

- The Authority has a Complaints Procedure that, to allow public access, is detailed on the Authority's website. The procedure outlines how complaints are dealt with internally, and how to take the matter further if the complainant is not satisfied with the initial reply. The Monitoring Officer deals with any complaints that have been made to the Ombudsman. In accordance with the procedure, officers are required to respond to complaints within a set deadline and to inform the complainant if this is not possible, stating a reason.
- Further, the Monitoring Officer prepares an annual report outlining the complaints referred to the Ombudsman and the work of the Standards Committee.
- A Whistle Blowing Policy was adopted by the Authority on 9 December 2009. The aims of this policy are:
  - To inform staff how to raise serious concerns.
  - To encourage staff to feel confident that genuine concerns can be raised without fear of reprisals.
  - To assure staff that legitimate concerns will be thoroughly and fairly investigated.
  - To ensure that whistle-blowers receive feed-back on any action taken.
  - To describe how a matter can be taken further in the event of dissatisfaction with the Authority's response.

- An Anti-Fraud and Anti-Corruption Strategy was adopted in December 2009 and contains measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. The strategy is separated into five parts:
  1. Culture
  2. Prevention
  3. Deterrence
  4. Detection and investigation
  5. Awareness and Training

***Identify and develop the needs of members and senior officers***

- An Induction Programme for New Members includes an induction course for new members, new member planning training, code of conduct training and an environmental awareness session. A training and development programme for new members is also in place for all Members, which includes internal training and courses held jointly with other organisations.
- Training needs for senior officers are assessed as part of the appraisal process. When general training needs become apparent, appropriate action is undertaken – a recent example being the attendance of the majority of the senior management team and heads of service at a strategic leadership course at Bangor University.

***Establishing clear channels of communication with the community and other stakeholders, ensuring accountability and open consultation***

- Twenty minutes are allocated at the start of each meeting of the Authority to allow the public the opportunity to ask specific questions about the work of the Authority. In addition to this, the Authority's committee agendas are available on the website with the minutes, apart from exempt items.
- The Communication and Awareness Strategy 2009-2012 was adopted during 2009 in order to achieve public understanding and knowledge about the National Park and the environment in general. The Strategy Contains an implementation plan that outlines who is responsible for completing tasks, and by when. The aims of the Strategy are:
  - To improve the understanding and awareness of the special qualities of the National Park by the general public.
  - To reach out and be fully accessible to all.
  - To communicate and enhance support of the work of the Authority by increasing awareness of its role and objectives and an improved understanding of its policies and priorities.
  - To enhance understanding of the importance of the Welsh language and the unique cultural heritage of the area.
  - To enhance understanding of the Authority's work and priorities amongst partner organisations, opinion formers and politicians.

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***Incorporating good governance arrangements in respect of partnerships and reflecting these in the governance arrangements***

- Snowdonia National Park Authority acknowledges and accepts the need for partnership working in accordance with Welsh Assembly initiatives such as “Making the Connections”
- Each significant partnership arrangement is governed through a formal agreement and clear lines of accountability e.g.
  - Snowdonia Green Key
  - Local Service Boards
  - Joint wardening with CCW on Dyffryn Ardudwy and Harlech National Nature Reserves
  - Dolgellau Town Heritage Initiative
  - National Parks initiatives in partnership with Visit Wales e.g. Sustainable Tourism Project, Britain’s Breathing Spaces.
  - Partnership with other public bodies to develop a new visitor centre near Llyn Ogwen

***Arrangements for ensuring adequate and effective financial management***

- The Chief Finance Officer is the officer responsible for the administration of financial affairs as required by Section 151 of the Local Government Act 1972.
- In addition to the responsibility under Section 151 of the Local Government Act 1972, the Chief Finance Officer also has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These further statutory duties arise from:
  - The Local Government Finance Act 1988
  - The Local Government and Housing Act 1989
  - The Accounts and Audit (Wales) Regulations 2005
  - The Local Government Act 2003
- The Chief Finance Officer is responsible for:
  - The proper administration of the Authority's financial affairs;
  - Setting and monitoring compliance with financial management standards;
  - Reporting on the robustness of estimates, and also the adequacy of the proposed financial and controlled reserves for the purposes of making budgetary calculations.
- In accordance with Section 114 of the Local Government Act 1988, the Chief Finance Officer shall report to the Authority and external auditor if it appears to him that the Authority, a committee of the Authority, a joint committee on which the Authority is represented, or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure;
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Authority;
- Is about to make an unlawful entry in the Authority's accounts.

**Part 4: EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK**

Snowdonia National Park Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Authority, who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates.

- The Authority has produced a Management Plan 2010-2015 that identifies a vision for the Park and specific objectives, together with an outline of how these will be implemented and monitored.
- Any report that is presented to the Authority for decision must state clearly and concisely the likely effect of the decision on the Authority's resources.
- The role of the Standards Committee and the Performance and Resources Committee is to ensure compliance and to promote and maintain standards of behaviour by members.
- The Whistleblowing Policy and Anti-Fraud & Anti-Corruption Policy are in place and are available to members, Authority staff and to the public on the website. They also note the procedures that should be followed. The Director of Corporate Services reports on the Whistleblowing Policy to the Standard Committee every 12 – 18 months. The next report has been scheduled for October 2011.
- The Authority's Standing Orders note the arrangements for committees and the Standing Orders: Contract set out how to deal with contracts.
- The Wales Audit Office Annual Report notes that improvement has been seen in the time taken to decide on planning applications, and in the time taken to respond to complaints regarding cases of breaches of planning rules.
- The Wales Audit Office presented its annual ISA260 report to the Authority meeting on the 15th September 2010, which included an unqualified audit opinion on the Authority's financial statements and related notes.
- The Wales Audit Office conducts an annual review of the internal audit service provider. In its latest review the external auditor concluded that the Internal Audit service has achieved the expected professional standards.
- The Internal Audit Manager reported that the Authority, in his opinion, has a sound framework of control to provide reasonable assurance regarding the effective and efficient achievement of the Authority's objectives, as the steps taken by the Authority during the financial year to establish and strengthen internal controls and to ensure that recommendations to remedy weaknesses identified by the Internal Audit service have been satisfactory. This included work on the financial systems where full assurance was given, and there was no need to present recommendations.
- The Authority was not subject to an Ombudsman review of alleged maladministration during 2010/11.
- A number of external organisations undertake reviews of the Authority's arrangements. The relevant departments will give due attention to the matters identified.

- During the year, Directors and Heads of Service have worked to establish improvement objectives for each improvement area by using guidance provided by the Wales Audit Office. These will be operational in 2011-14. An implementation plan for achieving the objectives, and there are performance indicators to monitor if these objective are being achieved. The improvement areas identified are:
  - Greater clarity and effectiveness in the planning enforcement function;
  - Improved communication and engagement with the communities outside of planning;
  - Improved internal performance management arrangements;
  - Improved customer offer in the Information Centres;
  - More and better access by the customer to electronic services and information;
  - More clarity and guidance for the user about planning policies by adopting Supplementary Planning Guidance.
- The Wales Audit Office Annual Improvement Report notes that in this year's assessment they have looked at how the Authority is doing so far on three of its five objectives for 2010-11. The Wales Audit Office concluded that whilst it was not possible to measure if the Authority's activities were having any effect on the achievement of the special qualities of the Park being improved, and that there are more high quality access opportunities for people of all abilities to land and water in the Park, the management arrangements had improved and that the Authority had done well in focussing on its finances, and making sure that the Authority controls the money it spends.
- The Director of Corporate Services reports on the matters arising from the Complaints Procedure to the Annual Meeting of the Authority.

## Part 5: SIGNIFICANT GOVERNANCE ISSUES

The processes outlined in previous sections of this statement describe the methods used by the Authority to identify the most significant governance issues that need to be addressed.

Overall, we are of the opinion that the Authority has robust governance arrangements in place. In accordance with the Local Government (Wales) Measure 2009, the Authority is expected to publish and improvement plan that notes its arrangements for ensuring continuous improvement when exercising its functions and ensuring that improvement objectives are achieved. The Authority's Business and Improvement Plan, that was presented to the Authority on 13 April 2011, sets out the approach that is to be adopted by the Authority when undertaking its business. These include:

- an enabling role with less emphasis placed on ownership and control
- avoid embarking on projects that have long term maintenance obligations
- encourage and enable local communities to take responsibility and control for delivering services in their area
- electronic media is used as the principal means of providing services and information
- a strategic approach to sustainable tourism, environmental education and wardening
- sourcing new income streams to support Park purposes and the Authority.

The Authority's improvement plan, which notes the arrangements for ensuring improvement in accordance with the requirements of the Local Government (Wales) Measure 2009 include six improvement areas which are:

Improvement Areas / Significant Governance Issues	Action to be taken
<p><u>1.Planning Enforcement</u> :-</p> <p>a) People will have a better understanding of why and when enforcement action is taken.</p> <p>b) Cases of alleged unauthorised development will take less time to be resolved.</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Work with our people by looking at how cases are currently dealt with and streamline the system if possible ensuring value for money is achieved and that the enforcement team is strengthened as appropriate</li> <li>• Talk to people who come into contact with the enforcement team to find out how best we can improve</li> <li>• Publish guidance notes and sending them to people who report cases of alleged unauthorised development</li> <li>• Ensure that we are open and accountable by publishing our performance</li> <li>• Keep people informed</li> </ul>
<p><u>2.Communities</u> :-</p> <p>Community councils and our key stakeholders will have a better understanding of what the Authority does and the special qualities of the Park.</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Develop partnerships with key stakeholders that have a role to play in delivering the objectives in the Park Management Plan</li> <li>• Ensure that we support opportunities for disabled people, people from minority ethnic groups and people from Communities First areas neighbouring the Park to enjoy the special qualities of the Park</li> <li>• Ask Community Councils and/or key stakeholders for their views where appropriate at an early stage in the preparation of significant new policies, programmes and plans, taking their</li> </ul>

	<p>views into account and giving feedback on the final outcome.</p> <ul style="list-style-type: none"> <li>• Develop further community based engagement opportunities by building on the current annual meetings with Community Councils and other forums.</li> </ul>
<p><u>3.Performance</u> :-</p> <p>a) The performance management arrangements will be more effective to ensure we maintain service standards during a period of diminishing resources.</p> <p>b) Staff and members will have a better understanding of how their work contributes to the delivery of the Authority's service priorities and improvement objectives.</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Explain the performance management framework to all staff and members</li> <li>• Ensure that the corporate work programme is linked to the service priorities and improvement objectives</li> <li>• Ensure that team plans and individual work plans link to the corporate work programme</li> <li>• Deliver a personal development programme for staff, members and volunteers that maximises the potential of each individual within resources available</li> </ul>
<p><u>4.Information Centres</u> :-</p> <p>Most visitors to the Information Centres will be very satisfied with what the centres offer in terms of choice and quality of goods, information and customer service</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Over the next three years, develop the centres that will be retained</li> <li>• Achieve Customer Service Excellence in this area</li> <li>• Ensure that all staff receive appropriate training</li> <li>• Ensure that we buy most goods from local sources</li> <li>• Stock what our customers want</li> </ul>
<p><u>5.Electronic Services</u> :-</p> <p>a) The range and type of services available electronically is in line with the needs of the public.</p> <p>b) Users of the electronic service will be very satisfied with their experience.</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Develop electronic services over the next 3 years</li> <li>• Move over three years to a position where more business transactions are done electronically</li> <li>• Work with partners to improve Broadband in remote areas</li> <li>• Increase the number of cashless transactions</li> </ul>
<p><u>6.Planning Policy</u> :-</p> <p>People will have a better understanding of the planning policies in the Local Development Plan.</p>	<p>The Authority acknowledges the need to:</p> <ul style="list-style-type: none"> <li>• Prepare and adopt Supplementary Planning Guidance</li> <li>• Arrange and encourage Agents and Community Councils to attend workshops</li> <li>• Publish web bulletins and more guidance</li> <li>• Ensure all relevant staff are provided with appropriate training so as to enable them to provide advice to the public</li> </ul>

**Part 6: OPINION**

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

  
**ANEURIN PHILLIPS**

**SNOWDONIA NATIONAL PARK AUTHORITY  
CHIEF EXECUTIVE**

**DATE** 06 - 09 - 2011

  
**Cyng. GAERWYN ROBERTS**

**SNOWDONIA NATIONAL PARK AUTHORITY  
CHAIR**

**DATE** 06 - 09 - 2011

## 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