

Report of Head of Finance & Fundraising

Subject: Draft Statement of Accounts for the Year Ended 31st March 2024

Background:

This report accompanies the Draft Statement of Accounts 2023/24. They are for information purposes only and Members are requested to note the contents.

RECOMMENDATION: To note the Draft Statement of Accounts for the year ended 31 March 2024 which will be made available for external audit.

Background documents

Draft Statement of Accounts

(For further information, please contact Catrin Evans at catrine@pembrokeshirecoast.org.uk)



**Parc Cenedlaethol
Arfordir Penfro**

**Pembrokeshire Coast
National Park**

**REPORT & ACCOUNTS FOR
THE YEAR ENDING 31 MARCH
2024**

**Pembrokeshire Coast National Park Authority
Annual Report and Accounts for the year ended 31 March 2024**

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Narrative Report

Introduction

The purpose of the narrative report is to provide information on the authority, its main objectives and strategies and the principal risks it faces. The report 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 18 to 59 which consist of: -

- The Comprehensive Income and Expenditure Statement which consolidates all the gains and losses of the Authority during the financial year. These gains and losses reconcile to the overall movement in net worth.
- The Balance Sheet which sets out the financial position of the Authority as at 31st March 2024.
- The Movement in Reserves Statement which summarises the changes in 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.
- The Statement of Accounting Policies and explanatory notes which form the basis for the preparation of the accounts.

The Authority's accounts for the year ending 31 March 2024 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code). This format incorporates the requirements of International Financial Reporting Standards (IFRS) wherever this is possible.

Organisational review and external environment

The National Parks and Access to the Countryside Act 1949, subsequently amended by the Environment Act 1995, saw the creation of the Pembrokeshire Coast National Park Authority ("the Authority") in 1996 to protect areas of the Pembrokeshire coastline, inland waterways and other designated inland areas.

The Authority has two statutory purposes:

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

In pursuing these two purposes, the Authority also has a duty to foster the economic and social well-being of communities living within the Park.

The strategic aim of the National Park is detailed in its Management Plan 2020-2024 which sets out actions & responsibilities to meet the National Park purposes of conservation, enjoyment and understanding. Developed in partnership with

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stakeholders, the delivery of the management plan is monitored through the Authority's performance monitoring framework and focuses on five key themes:



One of the Authority's key responsibilities to its communities is to act as the Planning Authority for the geographical area of the National Park. Other principal services include work in areas such as conservation, recreation management and transport, promoting understanding, rangers and volunteers, forward planning and communities.

Business performance & operational model

The Authority's Management Plan sets out the priorities, objectives and key actions for a five-year period. The 2020-2024 Plan came into effect on 1 April 2020 and during 2023/24 the Authority began the process of reviewing the current National Park Management Plan including holding workshops with Members and initiating a public consultation on the Park's Special Qualities. A quarterly performance monitoring system is in place to enable effective performance reporting to the Operational Review Committee and the Audit and Corporate Services Review Committee. Annual performance is reported in our annual report on 'Meeting Well-Being Objectives' which is available on our website. The Authority also produces an Assurance Monitoring Report covering compliance, public and statutory duties including corporate improvement. This is one element of our risk management approach which supports officers and Members in monitoring, assessing and responding to compliance and corporate improvement areas of work.

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Overall Service Performance

The Authority classifies its services based on delivery criteria and is noted below. Overall, our service areas performed well against budget due to a process of good cost control and monitoring. Cost pressures however underpin performance with underlying increasing costs of staffing, materials, energy and professional fees. Increased investment income and additional revenue funding has contributed to a positive out turn for the year despite an expected budgeted deficit:

Service Areas:	Net Exp	Budget	Variance	2023
	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	421	435	(14)	442
Conservation of the Cultural Heritage	115	118	(3)	106
Development Control	467	457	10	382
Forward Planning & Communities	295	295	(0)	148
Promoting Understanding	1,084	1,141	(57)	1,225
Recreation & Transport	(104)	(198)	94	117
Rangers, Estates & Volunteers	1,395	1,385	10	1,233
Democratic Representation & Management	511	482	29	548
Support Service Costs	1,906	1,870	36	1,562
Past Service / Curtailment Cost	-	-	-	8
Cost of Services	6,090	5,985	105	5,771
Financing & Investment Income & Expenditure	(627)	(78)	(549)	(41)
Other Operating Expenditure	13	-	13	-
Taxation & Non -specific Grant Income	(5,525)	(5,123)	(402)	(4,642)
Capital grants	(1,023)	-	(1,023)	-
(Surplus)/Deficit on Provision of Services	(1,072)	784	(1,856)	1,088
Other items allocated to Authority reserves	845	(288)	1,133	(1,289)
Total Comprehensive Income and Expenditure	(227)	496	(723)	(201)

Conservation of the Natural Environment relates to the conservation work carried out by the Authority.

Conservation of Cultural Heritage includes our conservation work on historic buildings and archaeology.

Development Control & Management refers to our planning team and despite a reduced income in the year, these were offset by savings in salary costs, travel fees and advertising costs.

Forward Planning & Communities refer to our strategic development planning and enforcement activities.

Promoting & Understanding relates to our regenerative tourism activities and includes our visitor centres, marketing, educational and wellbeing activities in the community. Additional funding in the year, underspends in certain projects and improved performance in our visitor centres resulted in a net saving of £57k in the year.

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Recreation & Park Management includes our car park facilities and national trail work. The Authority saw a decline in car park revenue principally from annual passes together with increased costs of payment services in the year.

Rangers, Estates & Volunteers includes our countryside management team who manage our paths and trails as well as our nature recovery work.

Democratic Representation & Management relates to our corporate management activities and corporate governance e.g. audit costs.

Service Management & Support Services refer to the administrative support costs of the Authority including IT, finance, HR, legal, administrative, fundraising and performance monitoring as well as general buildings maintenance. This saw an increase in planned overhead costs which was met by additional Welsh Government revenue grant funding.

Financial Performance & significant matters in the Accounts

The year ending 31 March 2024 has been a challenging year with the Authority operating in a sustained and unsettled external environment, together with internal challenges including the implementation of a staffing restructure and changes in senior management. There has been continued impact of steep price rises experienced since the pandemic. This has increased the Authority's underlying running costs, with particular pressures around fuel and wages. At the same time, the general public have been experiencing increases to their cost of living, which indirectly impacts the Authority's ability to increase income from sale of its goods and services. Despite this and poor weather over the main summer season of 2023, our visitor services saw an increase in its income generation by 16%, principally due to a sustained level of event activities and value for money entry.

A summary of total revenue & expenditure is illustrated below:

TOTAL REVENUE BUDGET	2024		2023	
	£'000	%	£'000	%
National Park Grant - Welsh Government	4,287	44%	3,561	39%
National Park Levy - Pembrokeshire County Council	1,083	11%	1,083	12%
Authority Generated Income	2,423	25%	2,333	25%
Service/Project Specific Revenue Grants	1,909	20%	2,211	24%
<i>Total revenue funding</i>	9,702	100%	9,188	100%

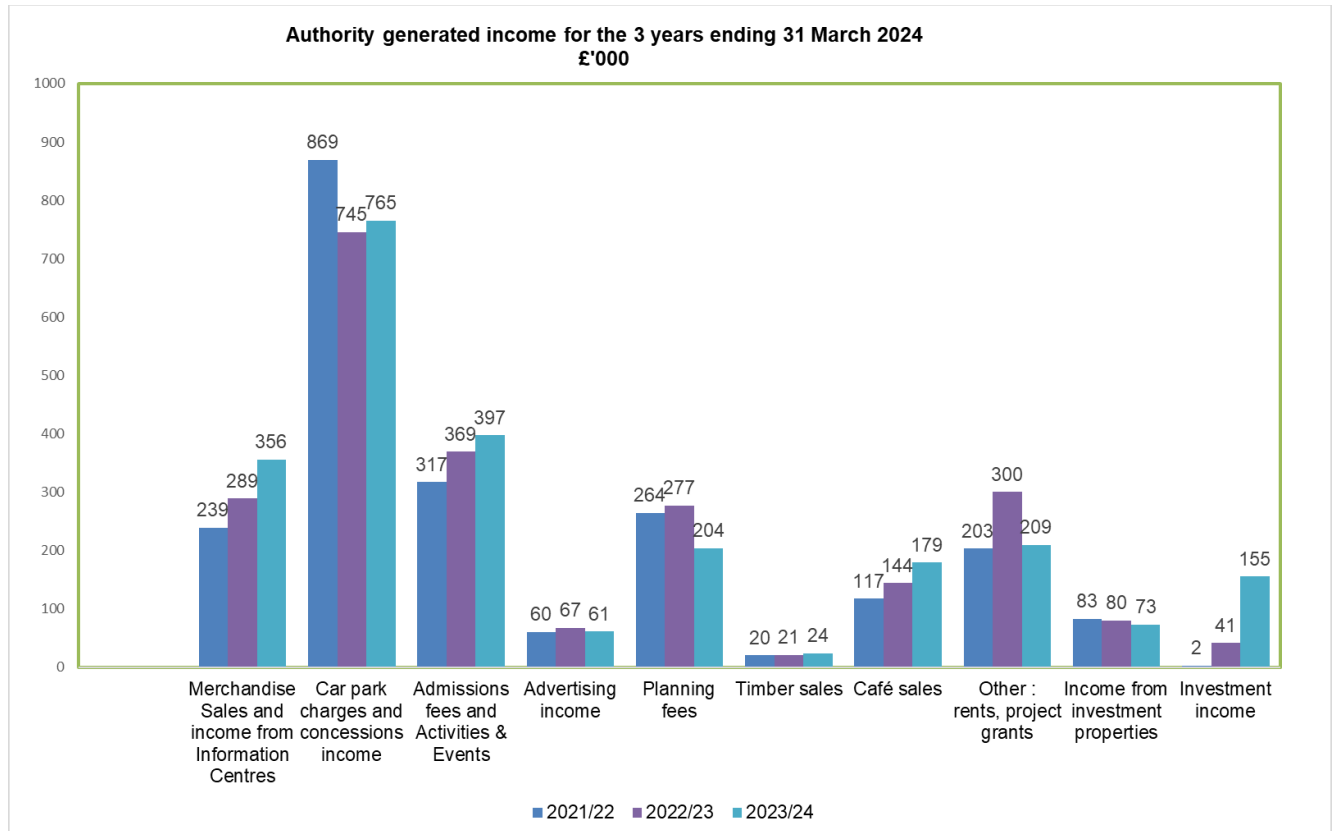
The Welsh Government sets the level of Government funding for the National Park Authority on an annual basis through National Park Grant. For 2023/24, the level of core funding allocated resulted in a flat-cash settlement at the same level since 2020/21 at £3,249k. However, during the year the Authority received a revenue top up of £440k for 23-24 and capital allocation of £115k (2023: Top up of £312k) which ensured the budgeted deficit was prevented and enabled the delivery of projects and additional capital expenditure.

In setting the amount of National Park Grant, the Welsh Government also determines, in accordance with statutory powers, the minimum amount that can be raised by the National Park Authority as a Levy against Pembrokeshire County Council. The National Park Grant represents 75% of the Authority's core grant funding, with the remaining 25% represented by the Levy. This has remained the same at £1.083m since 21-22. The Authority however,

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generates 25% (2023: 25%) of its income locally, for example through car park charges, planning fees and 20% from other service and project specific grants such as the maintenance of the Coast Path (National Trail). Any deficit or surplus is managed via the Authority’s revenue reserves.

An analysis of total authority generated income over the last three years is noted below:



Despite the poor summer weather of 2023 and cost of living crisis, our visitor services have shown great reliance with growth in all areas of merchandising, admissions and café sales. Our admission prices to our heritage centres remain competitive and offer families good value for money. The team have followed a strategy of continual improvement, linking products to exhibitions, extending and adapting their offer with great success. Car parking income declined following a marked increase in annual car park pass prices and general return to post pandemic visitor levels. Income from investment properties has also seen a decline due to the visitor trend. Some of the rents we receive are either wholly or partially turnover based. The short-lived spike in UK ‘staycation’ activity as an immediate consequence of Covid saw those turnover based rental incomes perform well in 21-22 as a result but have since declined over the last two years. As an example, our turnover rent from Marloes Sands car park was £24K in 21-22, £16K in 22-23 and down to £12K in 23-24. Our investment income on the other hand improved due to the higher interest rates.

Wider economic challenges and cost of living increases have meant a general decrease in householder type planning applications in 2023-24 which have led to a fall in planning

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income. Across Wales there was an increase in smaller householder type applications in 2020-21 and 2021-2022 as an immediate post Covid lockdown reaction. However, planning fees are set by Welsh Government and there has been no fee increase since August 2020. WG have assured Planning Authorities that there will be a planning fee income rise in 2024-25 which should see this figure improve in the next two financial years.

A summary of costs for the year are detailed below:

TOTAL REVENUE EXPENDITURE	2024		2023	
	£'000	%	£'000	%
Employees	5,304	55%	4,695	51%
Premises related	1,170	12%	975	11%
Transport & Travel	205	2%	220	2%
Supplies, Services and Grants	2,306	24%	2,464	27%
Transfers to Reserves	410	4%	748	8%
Contribution to capital projects	80	1%	85	1%
Increase/ (decrease) in general fund	227	2%	1	0%
Total revenue expenditure	9,702	100%	9,188	100%

Despite a 6% increase in full time equivalent staff numbers, employee costs saw an increase of almost 13% driven by higher wage settlements together with an estimated provision of £100k for the impact of a grading review backdated to April 2023. Premises saw supply and material costs increase with electricity charges increasing by as much as 180%.

Cash flows during the year were managed within existing resources and there was no need for temporary borrowing. Both revenue and capital funds were monitored and re-projected on a regular basis. Cash flows were well managed during 2023/24, with a resultant marked increase in investment income of 278% due to increased interest rates and change in deposit arrangements. No cash flow difficulties are forecast within existing planning horizons, with a good level of cash backed reserves held in liquid bank deposits. Useable reserve balances have increased, in particular earmarked reserves. These have been set aside to meet forecast future deficits, infrastructure improvement works and delivery of committed projects.

The Authority had no material provisions as at 31 March 2024 and during 2023/24 there were no significant debt write offs. There were no material events after the reporting date.

The General Fund overall closed at £1.37m (2023: £1.14m), an increase of 20%, which is an improvement to the assumptions in the Mid Term Financial Strategy (Budget Reports).

Overall Net Assets held by the Authority increased by £4.7m from £28,565k in 2022/23 to £33,293k in 2023/24. This largely relates to movements in non-current assets, where asset values increased by £629k (due to capital expenditure and revaluations), and the pension fund which increased by £2.7m. Cash balances increased by £1.3m due to funding received in advance which is reflected in earmarked reserves and unapplied capital grants.

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The net defined benefit pension fund has seen an increase in value of £2.7m to £7.6m. The defined benefit pension asset is valued by actuaries and impacts the Authority's unusable reserves.

Total capital expenditure for 2023-24 amounted to £529k (2023: £465k). Details are noted in note 21 of the accounts. The capital expenditure was funded by capital receipts of £319k, capital grants of £130k and earmarked reserves of £80k (note 21). This saw the completion of the EV installation project at £61k and investment in new machinery with a focus on meeting health & safety, decarbonisation and work efficiencies amounting to £241k. Remaining expenditure, such as new car park facilities at Newport Sands, aim to improve facilities in the longer term. These unspent budgets relate to ongoing schemes where the budget will be added to a revised capital programme for 2024/25. There is £1.1m of useable capital resources as well as earmarked reserves remaining as at 31 March 2024 which will be used to fund the Authority's future capital programme. Further grant funding is also expected for 24-25 to enable completion of the Newport Sands facility. A summary of the movement in the capital investment programme is noted below:

Capital Programme 2023/24	Original Approved Budget	Revised Working Budget	Total Actual Expenditure 31-03-2024	Budget remaining
	£	£	£	£
Plant & Equipment	-	195,000	176,925	18,075
Carew Causeway Repairs	80,000	80,000	8,628	71,372
Castell Henllys Improvement Programme	90,000	90,000	975	89,025
Castell Henllys Wood Pellet Silo	25,000	25,000	-	25,000
Green Room Redevelopment Project	495,000	495,000	3,367	491,633
Oriel Y Parc Resurface Yard	-	51,035	51,035	-
Newport Sands Development	-	124,000	128,405	-
Fleet Upgrade	50,000	50,000	27,154	22,846
Decarbonisation / Net Zero feasibility for our Buildings	100,000	100,000	3,227	96,773
Carew Castle Enhancement & Interpretation	47,500	47,500	-	47,500
Carew Castle Visitor Access improvements	32,000	32,000	-	32,000
EV Charging points	-	61,000	60,338	-
PV projects	50,000	50,000	6,353	43,647
Improvements to Works Depots	25,000	25,000	-	25,000
Oriel Y Parc Gallery Humidity system replacement	-	35,000	34,985	-
IT equipment	-	-	26,993	-
TOTAL	994,500	1,460,535	528,385	932,150

The capital programme was not fully achieved due to limited staff resource, increasing demands on staff time, demanding complex work often requiring lengthy specialist heritage and technical consultation, increasing cost of materials and difficulty in obtaining suitable suppliers through the tendering and procurement process.

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Governance

The governance arrangements of the Authority are addressed in the Annual Governance Statement for 2023-2024. There have been no significant changes in the governance arrangements in the year. Significant weaknesses are addressed in our Annual Governance Report.

Risks & opportunities

The Park operates a risk management framework and documents its key risks in the Corporate Risk Register. This is reviewed by the Audit and Corporate Services Review Committee annually. The Annual Governance Statement includes an assessment of current key weaknesses of the Authority's governance arrangements together with planned actions to address these.

During 2023/24, the Authority reviewed its appetite for risk and produced a risk appetite statement to address how the Authority deals with risks while working to achieve its objectives. This has been incorporated into the Risk Management framework and is being embedded into our approach to managing risks.

Basis of preparation

The 2023-24 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code') did not introduce any significant changes which require a change to our accounting policies. The statements are structured to comply with the disclosure requirements of the Code and in an order judged to provide the most logical sequence, with reference to the significance of the main statements and supporting notes. The accounting policies used in the preparation of the accounts are listed on pages 24 to 30.

The accounts are prepared and presented based on material grounds taking into account a materiality threshold of £200k, which is consistent with external audit's planning materiality. Assets costing more than £10k with an economic useful life of over one year are capitalised. Assets under this value are treated as a revenue cost.

The Authority's accounts have been prepared on the basis that the Authority continues to operate as a going concern for the foreseeable future. This is judged to be reasonable mainly based on the Medium-Term Financial Strategy (MTFS/Budget) which was approved in March 2024. This projected a balanced budget position for 2024/25 of £4.4m of useable reserves. Key controls including regular budget monitoring will continue to keep the MTFS updated to ensure that if budget assumptions are not met, corrective action can be taken in a timely manner.

The Authority uses rounding to the nearest thousand pounds in the accounts. The accounting policies allow for small rounding differences, but these do not impact on the overall reporting of the Authority's financial performance.

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Strategy & resource allocation

Our financial plan is set out in our Medium-Term Financial Strategy (Budget Reports). The strategy formalises the Authority's key revenue and capital plans in relation to the management of its finances, given the prevailing and future financial environment. It sets out projections for future years' budgets over a five-year period to inform understanding of the likely availability of financial resources, which will be used in the provision of services. The full MTFS and Park Management Plan documents can be found on the Authority's website.

The Authority's future financial outlook will continue to be challenging over the next few years as the impact of cumulative reductions in core funding is felt and costs remain high.

Late 2023 and 2024 has seen an easing in inflation rates (CPI) with a reduction from over 11% in October 2022 to 2% in May 2024. The October 2022 rate was the highest in over 40 years (the CPIH National Statistic series begins in January 2006).

The Bank of England expects inflation to rise slightly in the second half of 2024 but stabilise around 2% into 2025. Inflationary pressures, however, remain in the economy influenced by unsettled conditions in the Middle East, high NMW settlements, potential major redundancies in South Wales and a summer general election leading to government uncertainty. More unexpected global shocks could destabilise inflation and a period of uncertainty remains. As a result, interest rates are likely to be held at 5.25% in the short term but with the advantage of receiving good returns on cash balances.

Over the past two years higher inflation has led to higher than expected pay awards. This increased cost, combined with flat line settlements from the Welsh Government and the levy has contributed towards the Authority facing a deficit position. The Park Authority now needs to consider options such as reducing the scale of the business, as well as potential strategies for growing the business and mitigating even further financial risk and impact.

The Authority aims to develop greater agility to respond to economic and funding challenges and achieve long term financial resilience.

Outlook

The Authority's MTFS for 24-25 assumes a flat cash level of funding without uplift over subsequent years of the strategy. This indicates significant deficits for the years 24-25 to 27-28 which will require either significant additional income generation from either existing or new sources combined with either cost reductions or service curtailment to balance the budget. The Authority, in the past, has grown its income from non-core grant sources which has helped sustain service levels.

Meeting the financial pressures, however, requires a rigorous approach to identifying efficiencies, maximise non-core funding streams opportunities and the reprioritisation of spending within services. Accordingly, the Authority plans to adopt a strategy which will involve:

- I. Maintaining a balanced budget position.

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- II. Strong financial management: The Authority controls and monitors the actual position of the Authority on a regular basis setting out actions to correct any emerging issues.
- III. Asset maintenance: the Capital Programme should ensure adequate programmes of maintenance to sustain values of key assets, especially income-generating assets.
- IV. Maximise resource base: the Authority will ensure the best use of physical and other assets including staff time.
- V. Value for money: continuous review of budgets to ensure resources are targeted on key objectives and deliver value for money.
- VI. Maximise income streams while at the same time minimising the financial risks to the Authority.

Like many other public sectors and third sector organisations, the Authority continues to face increases in costs due to inflationary pressures combined with reduced core income. These two factors have put the Authority in the difficult position of setting an operating budget deficit for 2024/25.

However, the Authority's cash reserve position provides a cushion to address this deficit in the short term. It is also worth noting that the revenue forecasts beyond 2024/25 are equally as challenging. The financial situation will therefore be managed by:

- where appropriate, discontinuing certain activities,
- improved efficiencies,
- cost savings,
- reviewing opportunities to generate income
- seeking sources of grant aid.

The Authority has also identified several investment projects that may contribute to a balanced and robust long term financial strategy. These include the expansion and improvement of current areas of service such as Oriel Y Parc, Carew Castle & Mill and Castell Henllys. Whilst these developments are reliant on future grant funding, some earmarked reserves exist to support investment in these and potential new income generation projects.

Statement of Responsibilities for the Financial Statements

The Authority's responsibilities for the accounts under local government legislation and other requirements are:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Financial Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- to approve the statement of accounts.

Chair..... **Councillor D Clements**

Date.....

The Chief Financial Officer's legal and professional responsibility for the accounts:

The Chief Financial 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 Financial Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgments 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 Financial Officer's Certificate

I hereby certify that the Statement of Accounts presents a true and fair view of the financial position of the Authority as at 31st March 2024 and its expenditure and income for the year ended 31st March 2024.

.....
Chief Financial Officer – Richard Griffiths (S151 Officer)

Date

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

Opinion on the financial statements

I have audited the financial statements of the Pembrokeshire Coast National Park Authority for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004. Pembrokeshire Coast National Park Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

In my opinion, in all material respects, the financial statements:
give a true and fair view of the financial position of Pembrokeshire Coast National Park Authority as at 31 March 2023 and of its income and expenditure for the year then ended; and have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of Pembrokeshire Coast National Park Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit: the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24; and the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

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Matters on which I report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

I have not received all the information and explanations I require for my audit; adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 55, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by the Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

My procedures included the following:

enquiring of management, the Authority's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Pembrokeshire Coast National Park Authority's policies and procedures concerned with:

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- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals.
- obtaining an understanding of Pembrokeshire Coast National Park Authority's framework of authority, as well as other legal and regulatory frameworks that Pembrokeshire Coast National Park Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Pembrokeshire Coast National Park Authority.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Audit Committee about actual and potential litigation and claims;
- reading minutes of meetings of the Authority as those charged with governance, and its committees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Pembrokeshire Coast National Park Authority's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Authority's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

**Pembrokeshire Coast National Park Authority
Annual Report and Accounts for the year ended 31 March 2024**

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

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

**Adrian Crompton
Auditor General for Wales
1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ**

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Pembrokeshire Coast National Park Authority
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Comprehensive Income & Expenditure Statement

	Notes	2024			2023		
		Gross expenditure	Gross Income	Net expenditure	Gross expenditure	Gross Income	Net expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment		1,127	(706)	421	1,110	(668)	442
Conservation of the Cultural Heritage		118	(2)	115	115	(9)	106
Development Control		684	(216)	467	668	(286)	382
Forward Planning & Communities		395	(100)	295	342	(194)	148
Promoting Understanding		2,700	(1,617)	1,084	2,847	(1,622)	1,225
Recreation & Transport		869	(973)	(104)	1,107	(990)	117
Rangers, Estates & Volunteers		1,483	(88)	1,395	1,542	(309)	1,233
Democratic Representation & Management		651	(140)	511	630	(82)	548
Support Service Costs		1,955	(49)	1,906	1,661	(99)	1,562
Past Service / Curtailment Cost	32	-	-	-	8	-	8
Cost of Services		9,982	(3,892)	6,090	10,030	(4,259)	5,771
Financing & Investment Income & Expenditure	9			(627)			14
Other Operating Expenditure	10			13			17
Taxation & Non -specific Grant Income	11			(6,548)			(4,642)
(Surplus)/Deficit on Provision of Services				(1,072)			1,160
(Surplus)/deficit on revaluation of fixed assets	17			(824)			(1,518)
Actuarial (gains)/losses on pension assets/liabilities	32			(2,832)			(13,200)
Other Comprehensive Income and Expenditure				(3,656)			(14,718)
Total Comprehensive Income and Expenditure	4			(4,728)			(13,558)

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Balance Sheet

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Fixed Assets					
Property, Plant & equipment	17	15,776		15,122	
Heritage Assets	18	646		646	
Intangible Assets	19	-		25	
Investment property	20	1,317		1,165	
Pension Fund Asset	32	7,649		4,923	
Long term assets			25,388		21,881
Current assets					
Inventories	23	157		154	
Debtors	25	873		533	
Cash & cash equivalents	24	8,084		6,755	
			9,114		7,442
Current liabilities					
Creditors due within one year	26		(1,209)		(758)
Net assets			33,293		28,565
Reserves					
Useable reserves	27	7,971		6,787	
Unusable reserves	28	25,322		21,778	
Total reserves			33,293		28,565

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Movement in Reserves Statement for the year ending 31 March 2024

	General Funds	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Useable Reserve	Revaluation Reserve	Capital Adjustment Account	Pension Reserve	Accumulated Absences Reserve	Total Unusable Reserves	Total Authority Reserves	
Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance as at 1 April 2023	1,142	4,937	389	319	6,787	5,771	11,162	4,922	(77)	21,778	28,565	
Total Comprehensive Income and Expenditure	1,072	-	-	-	1,072	824	-	2,832	-	3,656	4,728	
Adjustments between accounting basis & funding basis under regulations	(845)	538	(61)	480	112	(86)	75	(105)	4	(112)	-	
Increase/(Decrease)	227	538	(61)	480	1,184	738	75	2,727	4	3,544	4,728	
Balance as at 31 March 2024	27/28	1,369	5,475	328	799	7,971	6,509	11,237	7,649	(73)	25,322	33,293

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Movement in Reserves Statement for the year ending 31 March 2023

	General Funds	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Useable Reserve	Revaluation Reserve	Capital Adjustment Account	Pension Reserve	Accumulated Absences Reserve	Total Unusable Reserves	Total Authority Reserves
Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2022	1,141	5,056	389	-	6,586	4,316	11,192	(7,010)	(77)	8,421	15,007
Total Comprehensive Income and Expenditure	(1,160)	-	-	-	(1,160)	1,518	-	13,200	-	14,718	13,558
Adjustments between accounting basis & funding basis under regulations	7 1,161	(119)	-	319	1,361	(63)	(30)	(1,268)	-	(1,361)	-
Increase/(Decrease)	1	(119)	-	319	201	1,455	(30)	11,932	-	13,357	13,558
Balance as at 31 March 2023	1,142	4,937	389	319	6,787	5,771	11,162	4,922	(77)	21,778	28,565

Cashflow Statement

	Notes	2024 £'000	2023 £'000
Net (surplus)/deficit on the provision of services		(1,072)	1,160
Adjust net (surplus)/deficit on the provision of services for non-cash movements	29	(785)	(1,976)
Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	20	<u>74</u>	<u>80</u>
Net cash flows from Operating Activities		(1,783)	(736)
Investing Activities	31	<u>454</u>	<u>470</u>
Net (increase)/decrease in cash and cash equivalents		(1,329)	(266)
Cash and cash equivalents at the beginning of the reporting period		<u>(6,755)</u>	<u>(6,489)</u>
Cash and cash equivalents at the end of the reporting period	24	<u>(8,084)</u>	<u>(6,755)</u>

Statement of Accounting Policies

a) **General Principles**

The purpose of the Statement of Accounting Policies is to explain the calculation bases of the figures in the accounts.

The accounts have been prepared in accordance with:

- The Code of Practice on Local Authority Accounting in the United Kingdom – which interprets International Financial Reporting Standard (I.F.R.S) guidelines. This document, prepared by CIPFA, pulls together legislative requirements and other guidance notes applicable to the preparation and publication of local authority accounts.
- Service Reporting Code of Practice for Local Authorities (SeRCOP)
- The accounting convention adopted is historic cost with current value for some classes of fixed assets.

b) **Accounting Concepts**

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

- Relevance
- Reliability
- Comparability
- Understandability
- Materiality
- Faithful representation
- Timeliness
- Accruals
- Going concern
- Primacy of legislative requirements

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

c) **Accruals of Income & Expenditure**

- Customer and other receipts in the form of sales, fees, charges, rents and grant aid are accrued and accounted for in the period to which they relate. All known uncollectable debts are written off at the time they become uncollectable.
- The full cost of employees is charged to the accounts for the period in which the employee worked.
- Reimbursed travel expenses are not accrued for the 12th month of each year.
- Interest payable on external borrowings and interest income is accrued and accounted for in the accounts for the period to which it relates, in so far as the amounts are material.
- The costs of supplies and services are accrued and accounted for in the period during which they were consumed or received.

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d) Contingent Assets and Contingent Liabilities

Contingent Assets and Liabilities are not recognised within the Financial Statements but are disclosed by way of a note to the Balance Sheet. The note, where necessary, will identify the nature of the asset or liability and an estimate of its potential financial impact and timing.

e) Events after the reporting period

Where an event after the Balance Sheet provides evidence of conditions existing at the Balance Sheet date occurs, the amounts recognised in the accounts will be adjusted. Where an event occurs after the Balance Sheet date and is indicative of conditions that arose after the Balance Sheet date, amounts recognised in the accounts will not be adjusted and the event will be disclosed by way of a note to the statements if material. However, during the year there have been no such events.

f) Grants Received

Grants received are matched with the expenditure to which they relate. The National Park Grant from the Welsh Government and the Levy from Pembrokeshire County Council, which finance the general activities of the Authority, are credited to the revenue account for the period in respect of which they are payable. Revenue grants for specific services are presented against those services in the Comprehensive Income & Expenditure Account. Where the acquisition of a fixed asset is financed either wholly or in part by a grant from another organisation, the amount of grant is credited to the Capital Adjustment Account. Changes in regulations require that unless any conditions have not been met, 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.

g) Group Accounts

Group Accounts are not applicable to the Authority's accounts, as no relationships exist with any subsidiaries, associates or joint ventures as defined for reporting purposes.

h) Investments and Capital Instruments

The Authority does not hold any investments in listed and unlisted companies. Surplus cash is deposited in short-term money market accounts with the Authority's bankers. The Authority does not issue or hold any capital instruments listed or publicly traded on a stock exchange or market.

i) Leases

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

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

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No Finance Leases exist.

j) Employee Benefits

Short term employee benefits include wages and salaries, paid annual leave, paid sick, paternity, and maternity leave and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements, including flexitime, earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services and then reversed out through the Movement in Reserves Statement.

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 appropriate service in the Comprehensive Income and Expenditure Statement. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year. The Statement of Accounts includes a statement to disclose information in relation to exit packages.

The Authority's employees have access to the Dyfed Pension Fund, a defined benefit scheme, which is administered by Carmarthenshire County Council. The cost of providing pensions for employees is funded in accordance with the statutory requirements governing the scheme in which the Authority participates. However, accounting for these pensions is to be done in accordance with generally accepted accounting practice as interpreted by the Code. Where the payments made for the year in accordance with the scheme requirements do not match the change in the Authority's recognised asset or liability for the same period, the recognised cost of pensions will not match the amount to be met through approved net funding. This is represented by an appropriation to or from the pension's reserve which equals the net change in the pension's liability recognised in the Comprehensive Income & Expenditure Statement.

The assets of the fund are measured at their fair value at the balance sheet date and any liabilities, such as accrued expenses, are deducted. The attributable scheme liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities comprise:

- Any benefits promised under the formal terms of the scheme; and
- Any constructive obligations for further benefits where a public statement or past practice by the employer has created a valid expectation in the employees those benefits will be granted.

The surplus/deficit in the scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The Authority should recognise an asset to the extent that it is able to recover a surplus either through reduced contributions in the future or through refunds from the scheme. The Authority should recognise a liability to the extent that it reflects its legal or constructive obligation. Any changes in the defined benefit asset or liability is analysed into its component parts.

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k) Provisions

Provisions are made and charged to the appropriate revenue account when the Authority has a present obligation based on a past event, where it is probable that a transfer of economic benefit will occur and where a reliable estimate can be made of the value of the benefit. Provisions are charged to the Comprehensive Income & Expenditure Statement, but when expenditure is incurred it is charged direct to the provision. Provisions are reviewed at the end of each period and exclude future operation losses and items where it is no longer probable that a transfer of economic benefit will take place. A provision for bad and doubtful debts is included in the accounts and the carrying amount for debtors has been adjusted accordingly.

l) Reserves

Earmarked reserves are amounts set-aside from revenue, with prior approval, for a specific purpose, falling outside the definition of provisions. Transfers to and from Earmarked Reserves are disclosed in the Movement of the Authority's Reserves Statement Balance as Net Transfer to or from Earmarked Reserves.

General reserves are balances held for contingency and cash-flow purposes and are not earmarked for other specific purposes. Recognition is given to LAAP Bulletin 77 – Guidance Note on Local Authority Reserves & Balances in reviewing and monitoring the levels of reserves.

Capital reserves are not available for revenue purposes. The Capital Adjustment Account is non-distributable and held for balance sheet purposes only. The usable capital receipts reserve and unapplied capital grants reserve can only be used for capital expenditure purposes, the latter reflecting capital grants received but not yet applied to capital projects.

m) Inventories & Long-term Contracts

Stocks of merchandise, timber, and stamps are included in the accounts at cost. Other immaterial stock, for example stationery, is treated as current expenditure and charged directly to revenue.

n) Non-Current Assets

Fixed assets comprise capital expenditure on:

- All land and buildings purchases.
- Land and buildings enhancement exceeding £10,000.
- All items (such as vehicles and equipment) with a useful life in excess of one year and costing or valued at over £10,000 either individually or collectively. Repairs and general maintenance expenditure is charged directly to revenue and not capitalised.

Fixed assets are initially measured at cost but are then generally revalued on a rolling 5-year revaluation programme to ensure that their value is accurately reflected in the Authority's balance sheet. If market or other situations dictate, then assets outside of the rolling programme can be revalued where appropriate. Revaluations are undertaken by the Authority's qualified Estates Officer, Carmarthenshire County Council and by qualified surveyors employed by R.K. Lucas & Son, in accordance with the RICS Appraisal & Valuation Manual and CIPFA guidelines as they relate to Asset Valuations.

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When assets are revalued, any difference between the stated values and historic cost is represented in the Revaluation Reserve.

Non-current assets are carried in the Balance Sheet as follows:

- Operational property, plant and equipment assets are carried at their current value to the authority in their existing use.
- Non-operational property, plant and equipment – surplus assets are carried at fair value.
- Non-operational assets in the course of construction/development are recorded at cost.
- Infrastructure – depreciated historical cost.
- Community assets – depreciated historical cost or valuation rather than current or fair value.
- Assets held for sale – measured at the lower of their carrying amount and fair value less costs to sell. These non-current assets are taken outside the scope of capital accounting pending sale although they remain subject to capital financing arrangements under the Prudential Framework.

Assets subject to positive revaluation have been reflected in the Revaluation Reserve and assets with negative revaluation, without a prior revaluations reserve balance, have been charged to the Comprehensive Income & Expenditure statement. Asset values are not altered when the Authority is not aware of any material change in an asset's value.

Proceeds from the sale of individual assets of £10,000 or less are not treated as capital receipts and are, instead, credited directly to the revenue account. Proceeds above this de-minimus are credited to the Usable Capital Receipts Reserve, on an accruals basis.

Upon disposal of an asset, the net book value of the asset is written off against the Capital Adjustment Account. Where a fixed asset is disposed of for other than a cash consideration, or payment is deferred, an equivalent asset is recognised and included in the balance sheet at its appropriate value.

Depreciation is charged on all fixed assets with a finite useful life, accounting for estimated residual values. Depreciation rates, on a straight-line basis, are as follows:

Asset:	Depreciation rate:
Freehold land	Nil
Freehold buildings	25 years or useful life
Car parks	Reduced to 50% of cost/valuation over 25 years
Intangible assets	4 years
Plant & machinery	10 years
IT equipment	4 years
Vehicles & equipment	5 years
Assets in the course of construction	Nil

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Fully depreciated assets are reviewed to ascertain whether their value in the balance sheet and their potential future lifespan are appropriately represented. Where necessary, asset depreciable lives are extended, or assets are revalued to achieve the appropriate representation.

Under IFRS 13 Fair Value Measurement standard, any surplus assets (assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale) held by the Authority are revalued at market value rather than value in existing use. Operational property, plant and equipment assets are outside the scope of IFRS 13.

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 previous 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. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off value of disposals is not a revenue charge as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement

o) Capital Charges and Revenue Expenditure Funded From Capital Under Statute

The cost of services in the Comprehensive Income & Expenditure Account includes a capital charge for all fixed assets used by each service, as recorded in the Balance Sheet at 31st March 2024. These charges equate to the sum of depreciation. The General Fund Balance is adjusted so the overall result is of no financial impact on the amounts raised from the National Park Grant and Local Authority Levy – that is, the adjustments are self-balancing. All expenditure on repairs and maintenance relating to fixed assets is charged to the appropriate service revenue account. Payments that, under legislation, are funded from capital resources but where no fixed assets are created, are charged to the appropriate service in the Comprehensive Income & Expenditure Statement. These charges are subsequently reversed out in the Movement in Reserves Statement with an equal charge to the Capital Adjustment Account.

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p) Interest Charges and Receipts

Surplus funds are invested in short term liquid deposits. The interest is credited to the Comprehensive Income & Expenditure Account.

q) Value Added Tax

The accounts have been prepared exclusive of VAT as the Authority recovers VAT on its activities.

r) Investment Properties.

The Authority holds Investment properties which are a separate class of property (land or a building, or part of a building, or both) which is held solely to earn rentals or for capital appreciation, or both, and are carried at their market value. Income from rental of Investment properties and impairments in the value of Investment Properties are shown in the Financing and Investment Income & Expenditure line of the Comprehensive Income & Expenditure Statement. Investment properties are carried at fair value and following the specifications in IFRS 13 at highest and best use.

s) Heritage Assets

The Authority is required to separately record Heritage Assets from other assets. Heritage Assets are assets preserved in trust for future generations because of their cultural, environmental or historic associations. The review of the impairment, acquisition and disposal of heritage assets is reviewed by the Authority's Asset Management Group. Heritage Assets are subject to the Authority's normal revolving five yearly assets revaluations program and are valued on an historical cost basis. Depreciation of Heritage Assets, where appropriate, is in line with the general policy on depreciation.

Notes to the Accounts

1. Accounting standards that have been issued but not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. As at the balance sheet date, the following new standard and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- IFRS 16 Leases will require that lessees recognise most leases on their balance sheets as right-of-use assets with corresponding lease liabilities (there is recognition for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS16 for local government to 1 April 2024 and the impact of this is unknown as this stage.

2. Critical judgements in applying accounting policies

Other than those disclosed elsewhere in these notes the Authority has not had to make any critical judgements about complex transactions or those involving uncertainty about future events. However, with the uncertainty regarding the future level of funding for the National Park Authority beyond 2024, there is the assumption the authority will be able to conduct its primary functions post 2024 and be a going concern.

3. 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.

- In the Authority's Balance Sheet on 31 March 2024, there is a risk of material adjustment in the forthcoming financial year in the size of the pension asset. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.
- The Statement of Accounts contains accruals for income and expenditure known as at the balance sheet date. This includes the accumulative absences accrual which represents the value of staff leave due, but not taken, as at the end of the financial year.
- Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to

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individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase in these circumstances.

4. Expenditure & Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Authority (i.e. government grants, rents, fees & charges etc.,) has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The expenditure and funding analysis also shows how this expenditure is allocated for decision making purposes between the service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	31-Mar-24			31-Mar-23		
	Net expenditure chargeable to the General Reserve	Adjustment between funding & accounting basis	Net comprehensive Income & Expenditure Statement	Net expenditure chargeable to the General Reserve	Adjustment between funding & accounting basis	Net comprehensive Income & Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	395	26	421	314	128	442
Conservation of the Cultural Heritage	108	7	115	89	17	106
Development Control	431	36	467	283	99	382
Forward Planning & Communities	316	(21)	295	108	40	148
Promoting Understanding	850	234	1,084	789	436	1,225
Recreation & Transport	(287)	183	(104)	(147)	264	117
Rangers, Estates & Volunteers	1,214	181	1,395	906	327	1,233
Democratic Representation & Management	495	16	511	499	49	548
Support Service Costs	1,616	290	1,906	1,255	307	1,562
Past Service Gain / Pension Curtailment	-	-	-	-	8	8
Net Cost of Services	5,138	952	6,090	4,096	1,675	5,771
Other Income & Expenditure	(5,365)	(5,453)	(10,818)	(4,097)	(15,232)	(19,329)
(Surplus)/Deficit for year	(227)	(4,501)	(4,728)	(1)	(13,557)	(13,558)
Opening balance of General Reserve	(1,142)			(1,141)		
Closing Balance of General Reserve	(1,369)			(1,142)		

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5. Adjustments between the funding and accounting basis

	Capital	Other	Pension	Total	Capital	Other	Pension	Total
	31-Mar-24				31-Mar-23			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	18	44	28	90	11	37	80	128
Conservation of the Cultural Heritage	-	1	6	7	-	(3)	20	17
Development Control	-	(1)	36	35	-	-	99	99
Forward Planning & Communities	-	-	16	16	-	(1)	41	40
Promoting Understanding	149	-	85	234	133	-	303	436
Recreation & Transport	188	(16)	11	183	239	(17)	41	263
Rangers, Estates & Volunteers	135	(29)	75	181	99	(14)	242	327
Democratic Representation & Management	-	1	15	16	-	(1)	50	49
Support Service Costs	234	(5)	63	292	132	(1)	177	308
Past Service Gain / Pension Curtailment	-	-	-	-	-	-	8	8
Net Cost of Services	724	(5)	335	1,054	614	-	1,061	1,675
Other Income & Expenditure	(439)	(2,055)	(3,061)	(5,555)	(1,574)	(664)	(12,994)	(15,232)
(Surplus)/Deficit for year	285	(2,060)	(2,726)	(4,501)	(960)	(664)	(11,933)	(13,557)

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6. Expenditure & income analysed by nature

	2024	2023
	£'000	£'000
Expenditure		
Employee benefits	5,409	5,964
Other services	3,677	3,662
Depreciation, amortisation & revaluations	572	558
Total expenditure	<u>9,658</u>	<u>10,184</u>
Income		
Fees, charges & services income	(5,070)	(4,259)
Interest & investment income	(228)	(121)
Government grants and contributions	(5,432)	(4,644)
Total Income	<u>(10,730)</u>	<u>(9,024)</u>
(Surplus)/Deficit on provision of services	<u>(1,072)</u>	<u>1,160</u>

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7. Adjustments between the funding and accounting basis under Regulation

	2024	2023
	£'000	£'000
Adjustments primarily involving the capital adjustment account:		
Reversal of items debited or credited to the comprehensive income and expenditure statement:		
Charges for depreciation & impairment of non-current assets	724	545
Losses on revaluation of property, plant & equipment	12	69
Movement in fair value of investment properties	(152)	(56)
Non current assets written out	16	-
Revenue Expenditure funded from capital under statute	-	(164)
Revenue Expenditure funded from capital grants	-	164
Insertion of items not debited or credited to the comprehensive income and expenditure statement:		
Capital expenditure charged against the General Fund	(528)	(465)
Transfers (to)/from earmarked reserves	(538)	119
Adjustment primarily involving the capital grants unapplied account:		
Capital Grants and Contributions Unapplied credited to the Comprehensive Income and Expenditure Statement	(799)	-
Adjustment primarily involving the capital receipts reserve:		
Capital receipts used	319	(319)
Adjustments primarily involving the pension reserve:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(436)	(395)
Actuarial gains on pension assets & liabilities		
Employers Pension contributions and direct payments to pensioners payable in the year.	541	1,663
Adjustment primarily involving the accumulated absences account:		
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	(4)	-
Total adjustments between accounting basis & funding basis under regulation	<u>(845)</u>	<u>1,161</u>

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8. Earmarked reserves

This note sets out the amounts set aside from the General Fund to Earmarked Reserves to provide financing for future expenditure. The amounts transferred from Earmarked Reserves are required to meet earmarked general fund expenditure incurred in the year.

	Opening balance as at 1 April 2023	Transfers to revenue	Transfers from revenue	Balance as at 31 March 2024
	£'000	£'000	£'000	£'000
Receipts In Advance*	(2,176)	605	(1,261)	(2,832)
Ringfenced project funds	(234)	49	(49)	(234)
Asset management & replacement fund	(67)	-	(100)	(167)
Planning (LDP) fund	(49)	-	(38)	(87)
Staff Restructuring	(760)	-	760	-
National Park Wales	(28)	-	-	(28)
Gate refurbishment fund	(38)	11	(8)	(35)
Sustainable development fund	(29)	-	(109)	(138)
Planning Enforcement fund	(98)	20	-	(78)
Invasive Species fund	(22)	-	-	(22)
Carew Causeway maintenance fund	(154)	-	-	(154)
Digital transformation & IT infrastructure fund	(109)	22	(150)	(237)
Green Room redevelopment fund	(113)	3	(640)	(750)
Pay regrading & pay award fund	(800)	110	340	(350)
Decarbonisation fund	(250)	-	-	(250)
Porthgain redevelopment plan	(10)	10	-	-
Investment & delivery fund	-	-	(143)	(143)
Total	(4,937)	830	(1,398)	(5,505)

9. Financing & investment income

	2024	2023
	£'000	£'000
	£	£
(Gain)/Deficit in fair value of investment properties	(152)	(56)
Income from Investment properties	(74)	(80)
Pensions Net Interest Cost	(246)	191
Interest receivable and similar income	(155)	(41)
	<u>(627)</u>	<u>14</u>

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10. Other operating expenditure

	2024	2023
	£'000	£'000
	£	£
Movement on Bad Debt Provision	(3)	3
Pension Administration Expenses	16	14
	<u>13</u>	<u>17</u>

11. Taxation & non-specific grant income

	2024	2023
	£'000	£'000
	£	£
National Park Grant - Welsh Government	(4,287)	(3,437)
Levy on Pembrokeshire County Council	(1,083)	(1,083)
Capital grants and contributions	(1,178)	(122)
	<u>(6,548)</u>	<u>(4,642)</u>

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12. Grant income analysis

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

	2024	2023
	£'000	£'000
	£	£
Credited to Taxation and Non-Specific Grant Income:		
NPA Grant (Welsh Government)	(4,287)	(3,561)
Levy on Pembrokeshire County Council	(1,083)	(1,083)
Other Grant Income (Welsh Government)	(155)	(122)
	<u>(5,525)</u>	<u>(4,766)</u>
Credited to Services:		
Welsh Government: Sustainable Landscapes Sustainable Places projects, Invasive Species, Designated landscapes projects	(948)	(1,131)
Natural Resources Wales: National Trail/Coast Path; woodland schemes, National Parks Wales, Castlemartin Ranger	(286)	(225)
Pembrokeshire Coast National Park Trust projects	(36)	(49)
Pembrokeshire County Council: Local Places for Nature/ Biodiversity grant/Shared Prosperity Fund	(190)	(159)
AIG	(29)	-
Dept Works and Pensions Kickstart Scheme	-	(1)
Ministry of Defence - Castlemartin Ranger.	(21)	(20)
Sport Wales: West Wales Walking for Wellbeing project	-	(72)
Community Fund Roots to Recovery	(104)	(101)
National Lottery Heritage Fund	(77)	-
WEFO Funded projects: Rediscovering Ancient Connections & Celtic Routes	-	(67)
Gwynedd County Council Dawnsio Y Dibyn & Pollinators	(38)	(27)
Other grants	(25)	-
	<u>(1,754)</u>	<u>(1,852)</u>
Total revenue grants	<u>(7,279)</u>	<u>(6,618)</u>

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13. Staff remuneration

Staff with remuneration in excess of £60,000 (or pro rata) – earnings subject to pay as you earn taxation and pension contributions - was as follows:

	Chief Executive Officer		Director (Placemaking & Engagement)*		Director (Nature Recovery & Tourism)		Monitoring Officer	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Gross Pay	89	87	67	50	70	67	17	17
P11D values	1	1	1	-	1	1	-	-
Employer Pension Contributions	10	9	7	6	7	7	2	2
Total	100	97	75	56	78	75	19	19

* vacant post for part of 2023

The median remuneration of the Authority was £25,979 (2023: £24,054) with the ratio of the Chief Executive Officer to the median remuneration of 3.45:1 (2023: 3.60).

14. Members allowances & expenses

Total members' allowances paid during the year amounted to £107,479 (2023: £100,213) plus, reimbursement of travelling, subsistence and other expense payments amounting to £3,637 (2023: £4,938).

15. Termination benefits

There were no compulsory redundancies in 2023-24, (2023: None).

The numbers of all exit packages, including pension payments and agreed severances, with total cost per band and total cost are set out in the table below:

	NUMBER OF SETTLEMENTS			COST
	to £20,000	£20,001 to £40,000	£40,001 to £60,000	£'000
2023-24	-	1	-	9
2022-23	2	1	-	35

During the year, the Authority paid £9k in termination benefits, (£35k in 2022-23).

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16. Audit fees

	2024	2023
	£'000	£'000
	£	£
Fees payable to the Wales Audit Office with regard to external audit services carried out by the appointed auditor.	31	30
Fees payable to the Auditor General for Wales in respect of statutory inspections and the LG Measure 2011.	18	18
	49	48

17. Property, plant & equipment

The following is a summary of capital expenditure during the reporting period, including assets acquired under finance leases, analysed for each category of fixed assets together with the sources of finance and capital financing requirement. The movements consist of additions arising from the capital programme, assets made operational during the year, asset revaluations, depreciation charges where applicable, disposals, impairments and reclassifications of held assets.

	Operational L&B	Non operational assets	Plant & Equipment	TOTAL
	£'000	£'000	£'000	£'000
23-24 Fixed asset schedule				
Cost/Valuation				
Opening balance 1-4-23	14,223	52	3,395	17,670
Additions	176	26	342	544
Disposals	-	(16)	-	(16)
Revaluations	537	-	-	537
Balance @ 31-3-24	14,936	62	3,737	18,735
Accumulated depreciation				
Opening balance 1-4-23	829	-	1,719	2,548
Charge for year	261	-	438	699
Revaluations	(288)	-	-	(288)
Balance @ 31-3-24	802	-	2,157	2,959
Net book value @ 31-3-24	14,134	62	1,580	15,776
Net book value @ 31-3-23	13,394	52	1,676	15,122

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22-23 Fixed asset schedule	Operational L&B £'000	Non operational assets £'000	Plant & Equipment £'000	TOTAL £'000
Cost/Valuation				
Opening balance 1-4-22	12,838	18	3,016	15,872
Additions	51	35	379	465
Assets made operational in year	1	(1)	-	-
Revaluations	1,333	-	-	1,333
Balance @ 31-3-2	14,223	52	3,395	17,670
Accumulated depreciation				
Opening balance 1-4-22	705	-	1,438	2,143
Charge for year	240	-	281	521
Revaluations	(116)	-	-	(116)
Balance @ 31-3-23	829	-	1,719	2,548
Net book value @ 31-3-23	13,394	52	1,676	15,122
Net book value @ 31-3-22	12,133	18	1,578	13,729

No assets were made operational during the year (2023: £51,000).

Preliminary expenditure at the year end, held under non-operational (under construction) group is made up of:

	2024 £'000 £	2023 £'000 £
Green room redevelopment	40	36
Green bridge	-	16
Newport development	3	-
Carew causeway	9	-
PV installations	10	-
Castell Henllys improvements	1	-
	63	52

During the year the Green Bridge costs were written off (2023: £Nil). No assets were made operational in the year (2023: £51k).

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Revaluations & impairment

Land & buildings are revalued on a five-year rolling programme in accordance with the statement of accounting policy. Assets revalued during the year were:

Brewery Meadow Car Park, Saundersfoot
 Manorbier Car Park
 St. Davids Car Park & Overflow
 St. Davids Visitor Centre
 Llanion South Building & Chapel
 Milton Dept, Milton
 Castell Henllys - Roundhouses
 St. Brides Scouts Cottages & Walled Garden
 Freshwater East Caravan Site

	2024	2023
	£'000	£'000
	£	£
Revaluation of fixed assets included in (surplus)/deficit on the provision of services	(25)	(69)
Upward/(Downward) revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	849	1,518
Sub total	824	1,449
Revaluation and Impairment of investment properties	152	56
Total	976	1,505

A summary of the financial impact (excluding depreciation) of asset revaluations and impairment over the past five years is presented below:

18. Heritage assets

The Authority's classification of heritage assets relates to specific buildings, monuments, cliffs, sand dunes, woodlands and other types of property. The total valuation as at the balance sheet date was £646k (2023: £646k).

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19. Intangible assets

Intangible assets are assets such as software licences that do not have a physical substance but provide future economic benefits to the Authority.

	2,024	2,023
	£'000	£'000
	£	£
Balance as at 1 April	25	50
Amortisation for year	(25)	(25)
Balance as at 31 March	<u>-</u>	<u>25</u>

20. Investment properties

The following items of income has been accounted for in the financing and investment Income and expenditure line in the Comprehensive Income and Expenditure Statement:

	2024	2023
	£'000	£'000
	£	£
Rental income from investment property	<u>74</u>	<u>80</u>

There are no restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties in the year:

	2024	2023
	£'000	£'000
	£	£
Balance as at 1 April	1,165	1109
Net gain from fair value adjustments	152	56
Balance as at 31 March	<u>1,317</u>	<u>1,165</u>

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21. Capital expenditure & commitments

The following projects were funded as part of the capital programme for the year:

	2024	2023
	£'000	£'000
	£	£
Promoting Understanding & Enjoyment:		
- Castell Henllys	1	-
- St. David's Visitor Centre	35	-
- Carew Causeway	9	-
Recreation & Park Management:		
- E.V. Charging Points	61	71
- Carparks	51	-
- Newport Sands development	128	-
Conservation of Natural Environment	-	50
Corporate & Support Services:		
- Vehicles & Equipment	204	309
- Green Room Development	3	35
- IT equipment	27	-
- PV installations	10	-
Total capital spend in year	<u>529</u>	<u>465</u>

Financing of fixed assets & intangibles

The net cash additions to fixed assets and intangibles of £529k (2023: £465k) (additions less transfers from non-operational assets) were financed as follows:

	2024	2023
	£'000	£'000
	£	£
Capital receipts	319	-
Capital grants	130	380
Earmarked reserves (revenue)	80	85
	<u>529</u>	<u>465</u>

Capital commitments

As at 31st March 2024, the Authority had no capital commitments, (2023: £79k) and held no assets for resale (2023: £Nil).

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22. Leases and lease type arrangements

Finance Leases

The Authority had no finance leases as at 31st March 2024, (2023: £Nil).

Operating Leases

The Authority leases some of its vehicles under contract hire agreements, and photocopiers under long-term rental agreements. The gross cost of these arrangements was £27,140, (2023: £34,984). The Authority rents 13 properties to support its purposes, which includes for example, Carew Castle & Tidal Mill. The rental costs of these properties for the year was £31,222 (2023: £26,217).

An analysis of the Authority's minimum lease expenditure in future years are:

	2024			2023		
	Land & buildings	Vehicles & equipment	Total	Land & buildings	Vehicles & equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Falling due within one year	25	16	41	26	22	48
Between one year and five years	96	4	100	96	21	117
After five years	285	-	285	255	-	255
	406	20	426	377	43	420

The Authority acts as Lessor on 24 properties, generating an income of £73,302 (2023: £80,241). Examples of these properties are the lease of land at Freshwater East to the Caravan Club, and the lease of Llanion Park North Block. Some of these property leases exceed 20 years and are valued on a long-leasehold basis. They have a combined net asset value of £1,304,251 with nil cumulative depreciation.

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

	2024	2023
	£'000	£'000
	£	£
Falling due within one year	101	121
Between one year and five years	323	358
After five years	2,366	2,549
	2,790	3,028

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23. Inventories

	2024	2023
	£'000	£'000
	£	£
Balance as at 1 April 2023	154	134
Purchases	234	262
Recognised as an expense in the year	(234)	(246)
Written off	3	4
Balance as at 31 March 2024	<u>157</u>	<u>154</u>

24. Cash & cash equivalents

	2024	2023
	£'000	£'000
	£	£
Bank accounts & deposits	8,080	6,752
Cash	4	3
	<u>8,084</u>	<u>6,755</u>

25. Debtors

	2024	2023
	£'000	£'000
	£	£
Trade receivables	267	243
Prepayments	305	88
Other debtors	301	202
	<u>873</u>	<u>533</u>

26. Creditors: amounts due within one year

	2024	2023
	£'000	£'000
	£	£
Trade payables	515	552
Other creditors	695	206
	<u>1,209</u>	<u>758</u>

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27. Useable Reserves

	2024	2023
	£'000	£'000
	£	£
General fund	1,369	1,142
Earmarked reserves	5,475	4,937
Capital receipts	328	389
Capital grants unapplied	799	319
	<u>7,971</u>	<u>6,787</u>

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

28. Unusable reserves

	2024	2023
	£'000	£'000
	£	£
Revaluation reserve	6,509	5,771
Capital Adjustment Account	11,237	11,162
Pensions reserve	7,649	4,922
Accumulated absences account	(73)	(77)
	<u>25,322</u>	<u>21,778</u>

These are analysed below:

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Revaluation reserve

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

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

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

	2024	2023
	£'000	£'000
	£	£
Balance as at 1 April	5,771	4,316
Increase in value of assets	561	1,624
Decrease in value of assets and impairment losses not charged to the surplus/deficit	(25)	(106)
Difference between fair value depreciation and historical cost depreciation	<u>202</u>	<u>(63)</u>
Balance as at 31 March	<u>6,509</u>	<u>5,771</u>

Capital Adjustment Account

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

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	2024	2023
	£'000	£'000
	£	£
Balance as at 1 April	11,162	11,192
Charges for depreciation and impairment of non current assets	(724)	(545)
Revenue expenditure funded from capital under statute	-	(164)
Revenue grant funded from capital under statute grant	-	164
Depreciation adjusting amounts written out of the Revaluation Reserve	86	63
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	61	-
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	447	380
Capital expenditure charged against the General Fund balances	80	85
Non current assets written out on disposal	(15)	-
Revaluation on Property, Plant & Equipment	140	(13)
	<u>11,237</u>	<u>11,162</u>

Pensions reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pay 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.

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	2024	2023
	£'000	£'000
	£	£
Balance at 1 April	4,922	(7,010)
Actuarial gains or losses on pensions assets and liabilities	2,832	13,200
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(525)	(1,649)
Employer's pensions contributions and direct payments to pensioners payable in the year	436	395
Administration Expenses	(16)	(14)
Balance at 31 March	<u>7,649</u>	<u>4,922</u>

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 as at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024	2023
	£'000	£'000
	£	£
Balance at 1 April	(77)	(77)
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	4	-
Amounts accrued as at 31 March	<u>(73)</u>	<u>(77)</u>

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29. Cashflow statement – operating activities

	2024	2023
	£'000	£'000
Depreciation & amortisation	(724)	(546)
Revaluations & impairments	152	(13)
(Increase)/Decrease in inventories	3	(20)
(Increase)/Decrease in debtors	340	(1)
Increase in creditors	(451)	(130)
Provision of services costs for post-employment benefits	(105)	(1,268)
Other non cash items charged to the CIES	-	2
	(785)	(1,976)

30. Cashflow statement – investing activities

	2,024	2,023
	£'000	£'000
Interest received	155	41
	155	41

31. Cashflow statement – financing activities

	2,024	2,023
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	528	550
Other receipts from investing activities	(74)	(80)
Net cash flows from investing activities	454	470

32. Defined Benefit Pension

The Authority offers defined retirement benefits to staff, relating to pay and service, under the Dyfed Pension Fund (Local Government Pension Scheme), being a funded scheme administered by Carmarthenshire County Council. Although these benefits will not actually be payable until employees retire, the Authority has a current commitment to make the benefits payments that needs to be disclosed at the time that employees earn their future entitlement. The Authority's contribution rates are determined by the Fund's professionally qualified actuaries based on triennial valuations of the Fund, the most recent of which was as at 31st March 2022, and are set with the aim of ensuring that the overall liabilities of the fund can be met when matched with employee contributions. The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme.

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Local authorities are required to recognise the costs of retirement in the Net Cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, this conflicts with the charge the Authority is required to make in the Comprehensive Income & Expenditure Account based on the cash payable in the year to the pension fund, so the real cost of retirement benefits is then reversed out of the accounts in the statement of movement on the general fund balance. Under International Accounting Standards 19 (IAS 19) the accounting for pension's schemes has been revised for all fiscal years beginning on or after 1st January 2013 and these changes reflected in the financial statements includes interest on Assets. The expected return on assets is replaced with the "interest on assets". This is the interest on assets held at the start of the period and cash flows occurring during the period, calculated using the discount rate at the start of the year. The pension cost under the revised IAS 19 will see the interest cost and expected return on assets replaced with the "net interest cost". This will be calculated as interest on pension liabilities less the interest on assets. The revised IAS 19 guidance requires that all actuarial gains and losses be recognised in the year of occurrence via Other Comprehensive Income and Expenditure and can no longer be deferred. Actuarial gains and losses on liabilities due to changes in actuarial assumptions will need to be split between the effect of changes in financial assumptions and changes in demographic assumptions. Administration expenses are recognised as a separate item within the pension cost.

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 is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

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Total post-employment benefit charged to	2024		2023	
Comprehensive Income and Expenditure Statement	£'000	£'000	£'000	£'000
Service Costs:				
Current service cost		771		1,450
Effects of curtailment		-		-
Past Service Cost*		-		8
Financing & Investment Income & Expenditure:				
Interest cost on Liabilities	1,419		1,203	
Interest on Plan Assets	(1,665)		(1,012)	
Net Interest On Pension		<u>(246)</u>		<u>191</u>
Other Operating Income & Expenditure				
Administration Costs		<u>16</u>		<u>14</u>
Total Post-Employment Benefits charged to Surplus/Deficit on Provision of Services		<u>541</u>		<u>1,663</u>
Other Post Employment Benefits charged to Comprehensive Income & Expenditure:				
Return on plan assets (excluding the amount included in the net interest expense)		(2,109)		2,046
Actuary Experience (gain)/loss		148		3,097
Actuary (Gain) / Loss on financial assumptions		(474)		(17,141)
Actuary (Gain) / Loss on demographic assumptions		(397)		(1,202)
Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement		<u>(2,832)</u>		<u>(13,200)</u>
Reversal of charges made to surplus/deficit on provision of services in the Movement in Reserves Statement				
Current service cost		(771)		(1,450)
Past service gain / loss		-		(8)
Interest cost on Liabilities		(1,419)		(1,203)
Interest on Plan Assets		1,665		1,012
Administration Costs		(16)		(14)
Actual Amount charged against General Fund		<u>(541)</u>		<u>(1,663)</u>
Employer Contributions		<u>436</u>		<u>395</u>

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	Funded liabilities: Local Government Pension	
	2024	2023
	£'000	£'000
Benefit Obligations at beginning of Year	30,062	43,275
Current Service Cost	771	1,450
Interest On Pension Liabilities	1,419	1,203
Member Contributions	255	227
Past Service Cost*	-	8
Actuarial (Gains)/Losses on Liabilities	-	-
Remeasurement of Liabilities:		
Experience (gain)/loss	148	3,097
(Gain) / Loss on financial assumptions	(474)	(17,141)
(Gain) / Loss on demographic assumptions	(396)	(1,202)
Curtailments	-	-
Benefits Paid	(1,275)	(855)
Benefit Obligations at End of Year	<u>30,510</u>	<u>30,062</u>

Reconciliation of Present value Scheme Assets:

	Local Government Pension Scheme	
	2024	2023
	£'000	£'000
Fair Value at beginning of Year	34,984	36,265
Interest on / Expected Return on Plan Assets	1,665	1,012
Remeasurement / Actuarial Gains/(Losses) on Assets	2,109	(2,046)
Administration Expenses	(16)	(14)
Employer Contributions	436	395
Member Contributions	255	227
Benefits/transfers paid	(1,274)	(855)
Roundings	-	-
Fair Value at End of Year	<u>38,159</u>	<u>34,984</u>
Net Surplus	<u>(7,649)</u>	<u>(4,922)</u>

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	2024	2023	2022
	£'000	£'000	£'000
Actuarial (Gains)/Losses recognised in the Movement in Reserve Statement	<u>(2,832)</u>	<u>(13,200)</u>	<u>(2,699)</u>

The *current service costs* reflect the liabilities expected to arise from employee service in the current period. The *past service costs* reflect the increase in liabilities related to employee service in prior periods arising from the improvement of retirement benefits in the current period. The *curtailment/settlement costs* reflect changes in liabilities relating respectively to actions that relieve the employer of primary responsibility for a pension obligation (e.g. a group of employees being transferred to another scheme) or events that reduce the expected years of future service of employees or reduce the accrual of defined benefits over their future service for some employees (e.g. closing a business unit). The *return on assets* reflects the average rate of return expected on the actual assets held in the pension scheme. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. These assumptions are made by the Fund's actuaries, Mercer Ltd, and are based on the actuarial valuation report at 31st March 2022. *Interest on pension liabilities* reflects the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement. The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2024 are as follows:

	2024
	£'000
Present Value of Funded Benefits Obligations	30,473
Present Value of Unfunded benefit obligations	37
Total present value of Benefit Obligations	<u>30,510</u>
Fair Value of Plan Assets	(38,159)
Unrecognised Past Service	-
Deficit/(Surplus)	<u>(7,649)</u>

Prior year scheme values:

	Present value	Fair Value of
Scheme Year	Scheme Liabilities	Scheme Assets
	£000	£000
31st March 2023	30,062	34,984
31st March 2022	43,275	36,265
31st March 2021	42,566	34,087
31st March 2020	35,690	27,117
31st March 2019	35,708	30,103

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	2024	2023
	£'000	£'000
Financial assumptions:		
Rate of CPI inflation / CARE benefits revaluation	2.70%	3.30%
Rate of increase in salaries	4.20%	4.80%
Rate of increase in pensions in payment / deferment	2.80%	3.40%
Discount rate	4.90%	2.80%
Mortality assumptions:		
Longevity at 65 for current pensioners:	Years	Years
Men	21.5	21.9
Women	23.8	24.1

Post retirement mortality assumptions (normal health)

	2024	2023
Non-retired members M/F:		
- Mortality table	SAPS 3 / SAPS 3 middle	SAPS 3 / SAPS 3 middle
- Improvements	CMI 22 1.5% / CMI 22 1.5%	CMI 21 1.5% / CMI 21 1.5%
- Weightings	105% / 97%	110% / 100%
- Additional parameters	S=7, A=0, W20=W21=0, W22=25%	S=7.5, A=0, W20=W21=0
Retired members M/F:		
- Mortality table	SAPS 3 / SAPS 3 middle	SAPS 3 / SAPS 3 middle
- Improvements	CMI 22 1.5% / CMI 22 1.5%	CMI 21 1.5% / CMI 21 1.5%
- Weightings	102% / 97%	107% / 101%
- Additional parameters	S=7, A=0, W20=W21=0, W22=25%	S=7.5, A=0, W20=W21=0

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Scheme assets are analysed as follows:

		2024	2023
		£'000	£'000
Equities:	UK quoted	4,678	6,675
	Global quoted	18,533	14,291
	Japan	1,530	1,235
	Emerging Markets	2,179	2,820
	European ex UK	842	1,004
Bonds:	UK Government indexed	-	189
	WPP Global Fund	3,590	2,477
Property:	Property Funds	4,700	4,705
Alternatives	Black Rock UK SAIF	1,458	1,336
	Infrastruture WPP GCM Grosvenor	265	-
	Infrastructure WPP Capital Dynamics	30	-
	WPP Global Provate Credit	162	-
Cash:	Cash accounts	191	252
Total		38,158	34,984

The end of year figures for the market value of the assets and the split between investments categories have been calculated as at 28/2/24. The corresponding split of assets at the start of the year has been calculated as at 31/3/23. The actuarial assumptions used in the calculation of the end of year balance sheet liabilities are based on the 2024 actuarial valuation assumptions, other than the financial assumptions which are shown above. A deduction of £16k (2023: £14k) in respect of expenses was made for the year. The forecasted employer's contribution for 2024/25 is £428k; implied service cost including net interest cost £740k and administration cost of £16k.

Further information on the Dyfed Pension Fund, such as the annual report, is available from the Fund administrators at Carmarthenshire County Council, or on-line at www.dyfedpensionfund.org.uk

33. Financial Instruments

Other than cash, trade receivables and trade payable there are no financial instruments carried on the Balance Sheet.

34. Related party transactions

The National Park Authority is made up of 18 members, 12 appointed by Pembrokeshire County Council and 6 directly by the Welsh Government. Members of the Authority have direct control over the Authority's financial and operating policies. The Authority maintains registers of Members' Interests and Gifts & Hospitality, with register of Members' Interest available for inspection on the Authority's website. There are no issues to report arising from the entries in these registers, and the Authority's ability to control or influence another party as result of the recorded interests is considered highly unlikely.

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Disclosure notes 12 and 21 show the amount and sources of significant revenue and capital funding which the Authority received during the year. In addition to the receipt of a Levy from Pembrokeshire County Council the Authority also contracts with them for the supplies of goods and services including the provisions of refuse management, vehicle maintenance, and specialist planning advice. The Welsh Government has significant influence 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, provides a Term of Government Remit Letter and prescribes the terms of many of the transactions that the Authority has with other parties. The aggregate level of income and expenditure and end of year balances on the following third parties are:

Organisation	31-Mar-24 31-Mar-23			
	Income	Expenditure	Creditor	Debtor
	£'000	£'000	£'000	£'000
Welsh Government	5,403	49	8	-
Pembrokeshire County Council	1,273	341	5	209

During the year the Authority contributed £6k (2023: £4k) to support the running of Pembrokeshire Coast National Park Trust. The trust is registered with the charity commission with the status of a charitable incorporated organisation and the only voting members are the charity trustees. The Authority also provides other non-cash services to the Trust, including officer time, advice and office space. The Trust has eight current trustees, two of whom are members of the National Park Authority.

The Authority also paid a subscription of £10k (2023: £10k) to the National Park Partnership, a limited liability partnership between the 15 U.K. National Park Authorities.

35. Provisions, contingent liabilities & assets

The Authority had no material contingent liabilities or assets as at 31 March 2024, 2023: £Nil).

36. Statement reporting review of internal controls

The Authority has published its Annual Governance Statement for 23-24 in which it reviews its internal controls and documents its governance arrangements. The Statement includes a specific note confirming that the Authority’s financial management arrangements conform to the governance requirements of the CIPFA/Solace code ‘Delivering Good Governance in Local Government’.

37. Events after the reporting period

There were no events after the year end and the date of this report that require the financial statements to be adjusted or disclosed by way of note. (2023: None).

38. 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 CIPFA's Service Reporting Code of Practice. Similarly, the information used by the Authority for decision making is also prepared under the Best Value Accounting Code of Practice. Accordingly, there is no requirement under this note for reconciliation between the Comprehensive Income and Expenditure Statement and amounts reported for resource allocation decisions.

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