

STATEMENT OF ACCOUNTS**2004/05****CONTENTS**

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STATEMENT OF ACCOUNTS 2004/05**1. STATEMENT OF RESPONSIBILITIES****1.1 The Authority's Responsibilities**

The Authority is required:

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

1.2 The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in Great Britain ('the Code'), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2005.

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

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

The Chief Finance Officer has also:

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

1.3 Declaration of the Chief Finance Officer:

This Statement of Accounts presents fairly the financial position of Exmoor National Park Authority at 31 March 2005, its Income and Expenditure for the year ended 31 March 2005 and the Statement of Balances at 31 March 2005.

C W Burrows

Chief Finance Officer: Date:

1.4 Approved by Exmoor National Park Authority:

This Statement of Accounts was approved by resolution of the Resources Committee of the Authority on 19 July 2005.

A Collins

Chairman: Date:



STATEMENT OF ACCOUNTS 2004/05

To Follow

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3. FOREWORD

3.1 The Authority's Accounts for the year ended 31 March 2005 are set out on pages 10 to 16 and are supported by the Statement of Accounting Policies which follow this Foreword and the Auditor's Report (to follow). The Accounts also include at Section 10 Notes to the Accounts (pages 17 to 21) to assist understanding. The format of the Accounts follows Best Practice as defined in the Code of Practice on Local Authority Accounts.

3.2 The Authority was created and given powers under the Environment Act 1995 and came into existence on 1 April 1997. DEFRA sets the level of funding for the Authority. In 2004/05 funding was set at £3,118,950, £3,090,756 and then the sum was received from DEFRA as a National Park Grant. Additionally, the Authority received from DEFRA a Sustainable Development Fund of £200,000 and additional general allocations of £300,000; and from the Office of the Deputy Prime Minister (ODPM) of a Planning Delivery Grant of £76,353 and a capital grant of £300,000 towards implementing Electronic Government. The Authority sets an annual balanced budget based on the National Park Grant, and any additional Government Grants and the estimated income for services provided. Additionally, the Authority either takes the lead role or actively participates in a range of partnership schemes to secure external funding. The Authority set its budget on the basis that £150,000 additional National Park Grant received in 2003/04 would be spent in 2004/05.

3.3 The Statements included in the Accounts are:

- Revenue Account (pages 10 - 12)
This shows the cost of providing services across the functional heads and how these services were financed from income and, National Park Grant. Net revenue expenditure amounted to £3,354,863 against a total budget of £3,367,109 giving a surplus for the year of £12,246 which has been added to the general reserve and carried forward to 2005/06. In addition £404,219 was transferred from reserves to meet specific revenue purposes and £409,875 was transferred to reserves to meet specific revenue purposes including provision for the outstanding commitments at the end of the year for projects underway but for which the works had not been completed. Transfers to reserves were significantly in excess of transfers from reserves in 2003/04 to preserve the unspent balances on the Sustainable Development Fund, and the Planning Delivery Grant. This use of reserves enables funds to be targeted to achieving objectives without the necessity of having to conform to the year end accounting regime.
- Balance Sheet (page 13)
This details the Authority's financial position at 31 March 2005 listing the value of assets and liabilities. The Notes to the Accounts provide information to assist in understanding the detail of the Balance Sheet.
- Statement of Movements in Reserves (page 14)
This sets out the movements during the year for the reserves held by the Authority.
- Cash Flow Statement (page 15 - 16)
This Statement which is to follow summarises the movement of cash arising from all the activities of the Authority.

STATEMENT OF ACCOUNTS 2004/05

5. STATEMENT OF ACCOUNTING POLICIES

5.1 General

The general principles adopted in compiling these Accounts are those recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and conform to Statements of Standard Accounting Practice (SSAPs) where these are applicable to local authorities, except where specific mention is made below.

5.2 Basis for Inclusion of Debtors and Creditors at the Year End

The Accounts follow the 'accruals' concept whereby amounts due to and from the Authority in respect of the financial year, but not actually settled at the year end are brought into the Accounts. The amounts so included are estimated for each line of expenditure or income, and any difference between the actual figures and those estimates are reflected in the Accounts the following year. This applies to items of both a revenue and capital nature.

5.3 Nature of Reserves

The Authority has established a number of funds for the management of its finances:

- the Fixed Asset Restatement Reserve represents the difference between the current assessed value and the historical cost of acquiring fixed assets;
- the Capital Financing Reserve represents capital expenditure financed from revenue, capital reserves, capital grants, capital contributions and debt redeemed. The Authority has no outstanding debt;
- the Government Grants Deferred represents capital expenditure financed by government grants;
- the Match Funding Reserve is being built up to enable projects to go ahead in partnership with other agencies or to take advantage of external funding opportunities;
- the Capital Earmarked Reserve comprises funds earmarked for the acquisition or development of land and property;
- the Revenue Earmarked Reserve comprises the sums earmarked for specific projects of a revenue nature;
- the Revenue General Reserve is the sum set aside to meet unforeseen contingencies and provide working capital.

5.4 Basis of Recording Fixed Assets in the Balance Sheet

The bases that have been used in valuing operational assets are:

| | |
|--------------------|--|
| Land and Buildings | Existing Use Value where there is sufficient evidence of market transactions |
|--------------------|--|

Depreciated replacement cost where the asset is of specialist nature or where there is little or no evidence of market transactions

Open Market Values

Vehicle Plant and Equipment Net current replacement cost or net realisable value in existing use

The figures for Land and Buildings are based on a capital valuation of property assets as at 1 April 2004 carried out by the Somerset Property Services arm of Somerset County Council. Reassessment of Asset Valuations is taking place at intervals of no greater than five years. Valuation adjustments are accounted for via the Fixed Asset Restatement Reserve. Arrangements will be made for the next review to be carried out at 1 April 2009.

Certain small items which have an expected life of more than the year of account (e.g. tools and equipment) are charged to the revenue account in the year of acquisition. A de minimus figure of £5,000 is used for capital purposes.

5.5 **Basis of Depreciation Provisions**

The asset values shown in the Balance Sheet, including those for vehicles, plant and equipment, are, where appropriate, written down annually on a straight-line basis to reflect the extent to which the assets have been consumed. Annual depreciation is charged on all these assets as at 31 March.

Freehold land is not depreciated; However, assets with a known finite life, such as leasehold land and buildings, together with those with an estimated operational life including leasehold land and buildings are depreciated..

Vehicles, Plant and Equipment are depreciated over 5 – 7 years.

5.6 **Basis of Charges to Services for the Use of Fixed Assets**

The capital charges reflecting depreciation and the opportunity cost of capital invested is shown within the gross expenditure under the Functional Heads of the Revenue Account.

The cost of financing the purchase of the fixed assets is accounted for separately ‘below the line’ in the Asset Management Revenue Account; this account brings together the capital charges and the cost of financing those assets. As a result the capital charges themselves have no overall effect on the Authority’s spending.

Lease charges are charged direct to revenue and remain within the gross expenditure figure of services shown in the Revenue Account. (*see 10.15 below*)

5.7 **Basis of Valuation of Stocks**

Stocks are stated at historical cost which is lower than net realisable value.

5.8 **Allocation of Support Service Costs**

Costs of Support Services (Finance, Personnel, Information Technology, General Administration and Legal Services) have been reallocated across the Functional Headings within the Revenue Account.

5.9 **Best Value Accounting Practice**

The Statement of Accounts, and supporting notes have been compiled in accordance with the guidance set out in the Best Value Accounting Code of Practice. Capital charges and apportionable overheads have been allocated to each service area, as required under the Code. Corporate and Democratic Core and Unapportionable Central Overheads are disclosed separately in the accounting records maintained by the Authority.

5.10 **Retirement Benefits**

Under the 2003 Code of Practice on Local Authority in the United Kingdom a Statement of Recommended Practice (the SORP) requires the full recognition of Financial Report Standard 17 (FRS17) Retirement Benefits. As a participating employer of the Somerset County Council Fund included in the Statement of Accounts is a recognition of the net asset/liability by showing pensions reserve in the balance sheet as determined by the Fund's Actuary. Full details of the disclosures required by FRS17 are shown in Section 10: Notes of the Accounts (Paragraph 10.4).