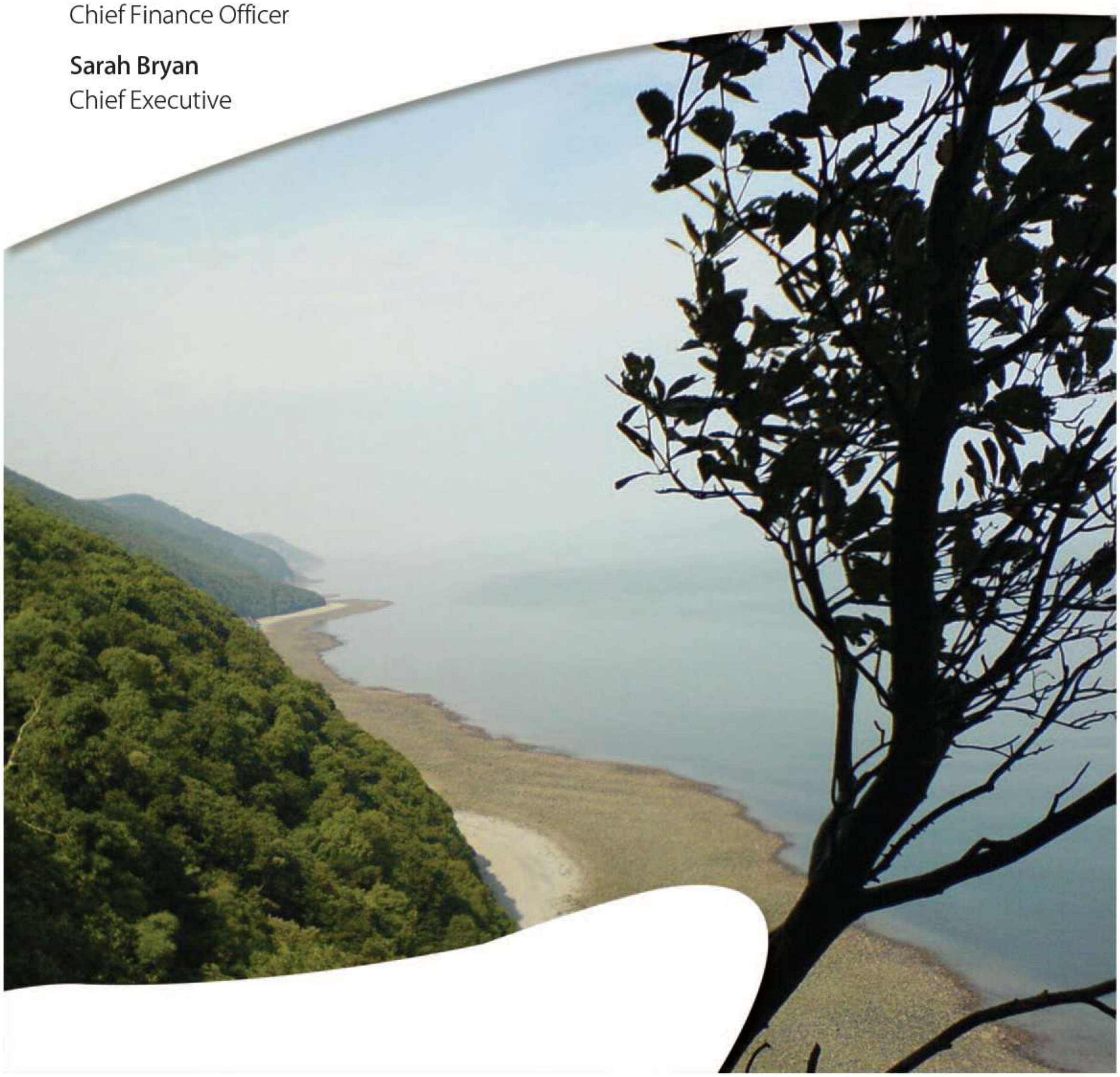
EXMOOR NATIONAL PARK

Exmoor National Park

Statement Of Accounts 2025/26

Ben Barrett
Chief Finance Officer

Sarah Bryan
Chief Executive



STATEMENT OF ACCOUNTS

2025/26

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STATEMENT OF ACCOUNTS 2025/26

NARRATIVE REPORT

Introduction

1. The Authority was created and given powers under the Environment Act 1995 and came into existence on 1 April 1997. The Act sets out two primary purposes for Exmoor National Park Authority ('the Authority'):
   - To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park area; and
   - To promote opportunities for understanding and enjoyment of the National Park's special qualities.

2. In carrying out these purposes the Authority also has a duty to seek to foster the social and economic well-being of local communities in the National Park and is the Planning Authority under the Town and Country Planning Acts for the National Park area.

3. Exmoor National Park Authority is required under section 66(1) of the Environment Act 1995 to produce a National Park Management Plan (the 'Partnership Plan') and State of the Park report and review them every five years. The National Park Authority is responsible for preparing the Plan, but it is developed in consultation with partner organisations, communities, visitors and businesses and will be delivered with a wide range of partners. The fundamental basis for the Plan, and for the work of the National Park Authority, are the National Park statutory purposes and duty. Evidence from the updated State of the Park report forms an important basis for the review of the Partnership Plan, and ongoing monitoring. In April 2018 the Partnership Plan 2018-23 was published by the Authority. This sets out the Vision and Ambitions for the National Park under three themes of 'People, Place and Prosperity'.

4. The National Park Management Plan 2025–2030, The Partnership Plan for Exmoor, has now been adopted. The Plan sets out the shared vision, ambitions and priorities for the National Park over the five-year period and provides the framework through which the Authority, partner organisations, communities, visitors and businesses will work together to conserve and enhance Exmoor's special qualities, respond to the nature and climate crises, and support thriving communities and a sustainable local economy.

Governance

5. The Annual Governance Statement is included within this publication but does not form part of the Authority's accounts. The Annual Governance Statement (AGS) is found at the back of this document and explains the:

   - Scope of responsibilities;
   - Governance Framework; and
   - Significant governance issues and challenges faced by the Authority.

6. Authority meetings are now undertaken in ‘hybrid’ form where presenters are able to deliver remotely and members are present in person.

7. The AGS also details significant governance issues that will be covered over the course of 2025/26. These include the transition to a new Corporate Plan matching the new National Park Management Plan and continued diversification of income and financial resilience measures.

Organisation

8. To achieve the purposes and duty described in 1 and 2, the organisation is structured in terms of the following headings: Conservation of Cultural Heritage, Conservation of the Natural Environment, Forward Planning & Communities, Development Management, Promoting Understanding, Rangers, Estates & Volunteers and Recreation Management.

Performance

9. 2025/26 was the last year of a 3-year Corporate Strategy (2023-2026) with separately defined actions for 2025/26. The Plan was approved on the 1 April 2025, A mid-year report of progress in implementing the Corporate Plan was taken to the Authority in December 2025, and the full report to be presented to Authority in July 2026. Papers are available from the Exmoor National Park Authority’s website.

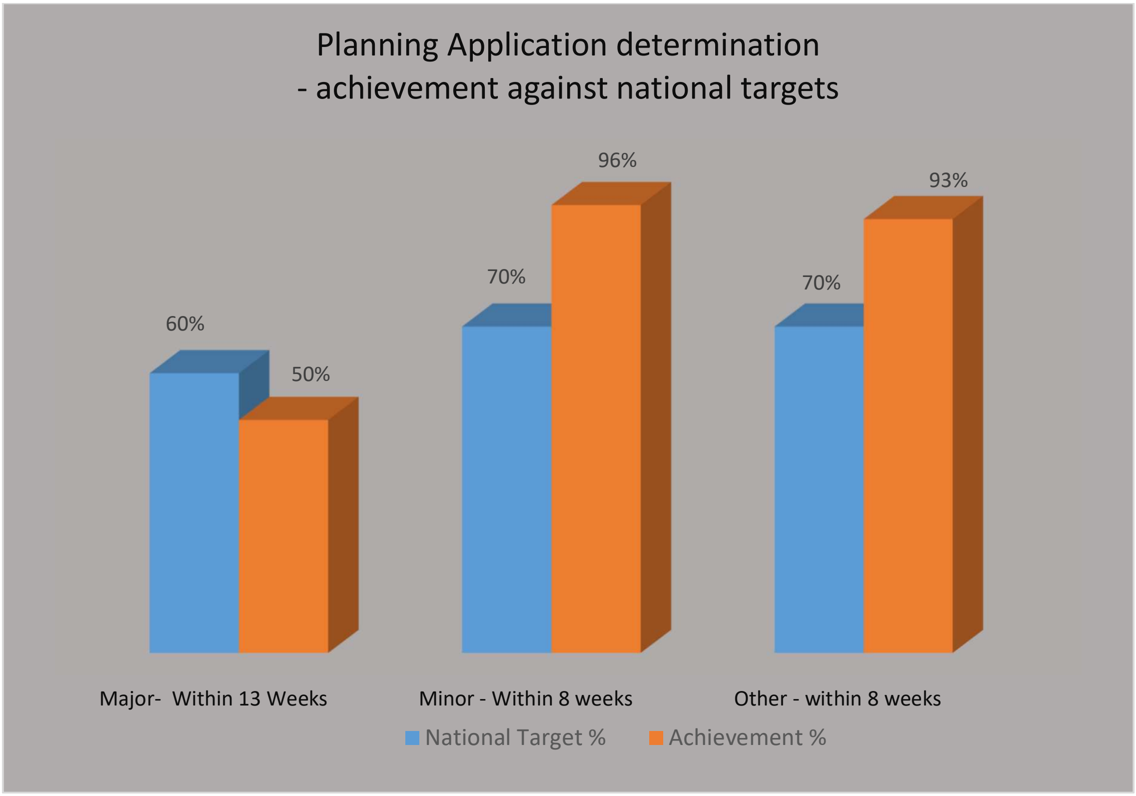
10. The actions within the plan are grouped around the Priorities identified in the Exmoor National Park Authority Corporate Strategy 2023-26 as follows:

    1. **A clear response to the nature and climate crises**
    2. **A welcoming place for all, improving people’s health and well-being**
    3. **A cared for landscape and heritage**
    4. **A place with flourishing, vibrant, communities and businesses**
    5. **A highly performing Estate, delivering National Park purposes**
    6. **A great organisation to work for**

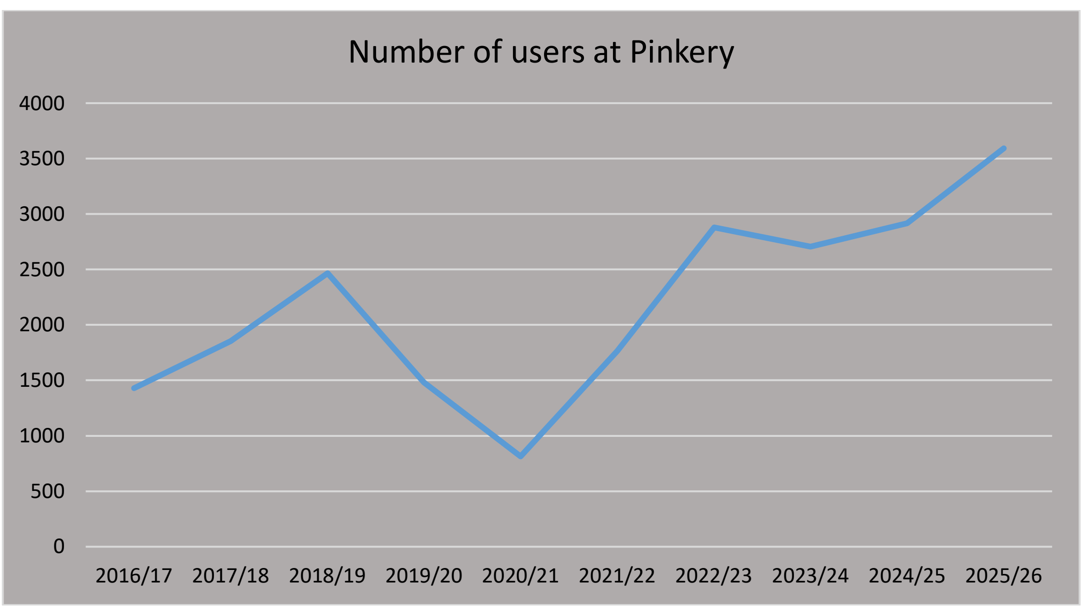
11. Progress against key corporate indicators is given in the charts below. Performance is monitored quarterly by Leadership Team to ensure that the actions within the Corporate Plan are being achieved and, if necessary, to provide an opportunity for resources to be re-allocated or to review the proposed action.

12. For an analysis of performance in 2025/26 that goes beyond the Key Corporate Indicators please look for the report on the Authority’s website.

Key Corporate Indicators 1 April 2025 to 31 March 2026

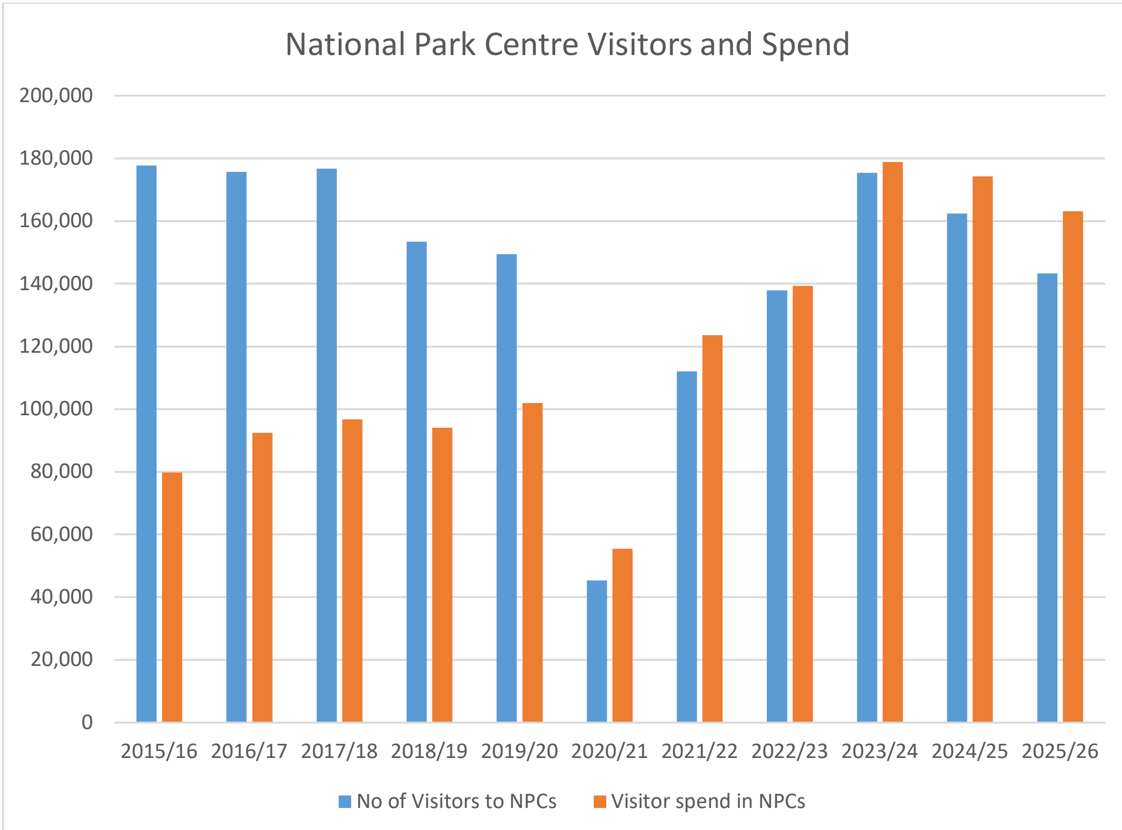


Pinkery Centre Occupancy rates

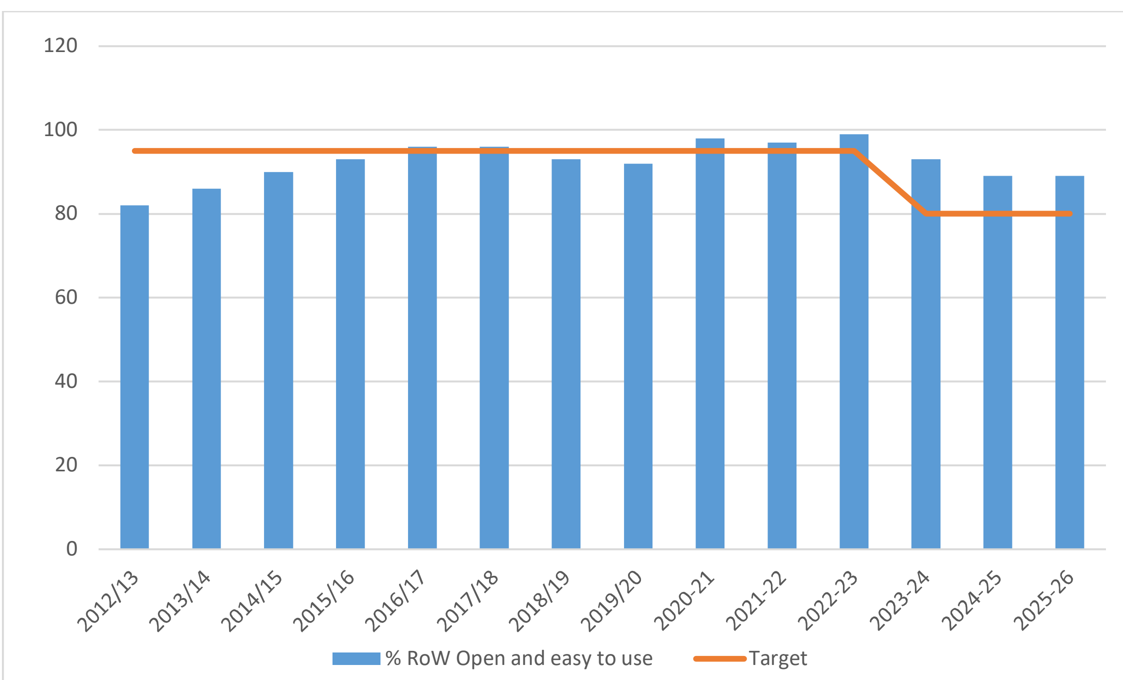


13. The Pinkery Centre is Exmoor National Park Authority's Centre for Outdoor Learning. The user numbers for 2025/26 were 3,593 (2024/25 at 2,917 exceeded the previous highest level of 2,881 recorded in 2022/23).

National Park Centre Visitor Numbers and Income Trend



Rights of Way Open and Easy to Use Score



Financial Statements

14. Information relating to financial performance for the year ended 31 March 2026 is contained in the following statements:

Comprehensive Income and Expenditure Statement (page 12);
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

The Comprehensive Income & Expenditure Statement shows a surplus for 2025/26 of £0.120m. This compares with a surplus of £1.388m for 2024/25.

Movement in Reserves Statement (page 13);
This statement shows the movement in the year on the different reserves held by the authority, analysed between 'usable' and other 'unusable' reserves. 'Usable' reserves are made up of Earmarked Reserves, General Fund Balances and Capital Receipts. The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to government grants for the year.

Usable reserves decreased by £0.314m over the course of 2025/26 to £3.653m (2024/25 increase of £0.475m to £3.968m), unusable reserves increased over the same period by £0.435m to £20.585m (2024/25 increase of £0.913m to £20.150m).

Balance Sheet (page 14)
This statement shows the values as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

Exmoor NPA has £24.239m of assets in excess of its liabilities at the end of 2025/26 (£24.118m 2024/25). This is an increase of £0.120m. The Authority owns £21.661m of Property, Plant and Equipment however many of these assets could not be realized at this level. Covenants attached to certain assets mean that they can only be sold to similar organisations and for the notional sum of £1.

Cash Flow Statement (page 15)
The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The statement shows how the amount of Cash and Cash Equivalents decreased by £480k over the course of 2025/26.

Financial Performance

15. The revenue budget for 2025/26 was agreed by the Authority on 4 March 2025. Shortly afterwards, in April 2025, DEFRA confirmed an 8.2% reduction in National Park Grant (RDEL), reducing core revenue funding to approximately £2.97m.

16. This reduction in revenue funding was accompanied by a rebalancing of funding towards capital, with the Authority receiving an in-year Capital Departmental Expenditure Limit (CDEL) allocation totalling £1,403,500. The Authority responded to this change through a revised budget and Medium-Term Financial Plan early in the financial year, ensuring that resources were aligned to the revised funding position.

17. 2025/26 was the first full year of operation following the implementation of the Business Review on 1 April 2024. The revised structure enabled the Authority to operate on a more sustainable footing but required continued adaptation as funding levels changed and project-based activity increased.

18. The Authority experienced a year of significant activity, including delivery of externally funded programmes, a substantial capital programme and continued expenditure on a longstanding planning legal case. These pressures were managed through a combination of revised budgets, external funding, and the controlled use of reserves.

19. The Farming in Protected Landscapes programme continued to be a key funding stream, with 52 projects delivered and over £520k allocated with no underspend. The Authority also progressed major initiatives including the Exmoor Pioneers programme and the Landscape Recovery project, alongside a broad range of grant and partnership-funded activity.

20. The key recommendations to the Authority the year ended 31 March 2026 are:

    - The core budget shows an underspend for the year of £10k when compared with the revised budget. The reconciliation between this surplus and that shown in the Comprehensive Income and Expenditure Account is as follows:

	£000	£000
Net (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Account		**(803)**
Capital Grant Received	1403	
Non Cash Transactions		
Net Transfers from Reserves	(274)	
Reverse IAS19 Pensions transactions	220	
Reverse Depreciation & Impairment charges	(201)	
Revenue Expenditure Funded By Capital Under Statute	(150)	
Downwards revaluation of Assets	(177)	
Movement in employee absence accrual	(8)	
Management Accounts Budget Surplus		**10**

21. In addition to external funding, the Authority benefited from continued strong treasury performance during the year, with higher interest rates contributing to increased investment income, supporting the overall revenue position.

22. The Authority delivered a significant and expanded capital programme during 2025/26, supported by the DEFRA CDEL allocation. This represented a step change in the scale of capital investment and included a wide range of projects aligned to Corporate Plan priorities.

23. The outturn position for the year shows net expenditure before reserve appropriations of £511k and an overall net deficit after reserve transfers of £140k. This represents a planned and managed call on reserves in response to the in-year funding reduction and operational pressures.

24. The reported net deficit includes £150k relating to a Revenue Expenditure Funded from Capital Under Statute (REFCUS) adjustment. Excluding this statutory accounting item, the underlying management accounts position shows a small operational surplus which has been added to the General Fund balance, increasing reserves at year end.

25. During the year, the Authority also managed a number of cost pressures, including the staff pay award and costs associated with organisational change. These were accommodated through the revised budget process, vacancy management and the use of earmarked reserves.

26. The Authority made appropriate use of reserves to manage in-year pressures and to support delivery of priority projects. Despite this, reserve balances remain at a level considered adequate to support future financial resilience and to manage ongoing risks.

27. Overall, the Authority has demonstrated effective financial management during 2025/26, maintaining control of its underlying financial position despite reduced core funding. The increased reliance on capital funding and external income represents a shift in the Authority's funding model and will require continued careful management in future years.

Financial Outlook and Medium-Term Financial Plan

28. In recent years, the Authority has successfully managed its financial position within a context of reducing or static National Park Grant funding, increasing inflationary pressures and a growing reliance on externally funded programmes and partnerships.
29. The 2025/26 financial settlement confirmed a reduction in revenue funding of 8.2%, with National Park Grant reducing to approximately £2.97m. This continues a long-term trend of real-term reductions in core funding and reinforces the need for ongoing financial adaptation.
30. This reduction in revenue funding has been accompanied by a corresponding increase in capital funding, with DEFRA providing a Capital Departmental Expenditure Limit (CDEL) allocation of £1.4m for 2025/26. Whilst this provides significant opportunities for investment, it also represents a structural shift in funding, with increased reliance on capital resources rather than core revenue funding. For 2026/27 a one-off, time-limited Resource Departmental Expenditure Limit (RDEL) allocation of £1.7m was allocated to all National Park Authorities.

31. The Authority has responded to this shift through the development and ongoing review of its Medium-Term Financial Plan (MTFP), which seeks to align available resources with Corporate Plan priorities and ensure the long-term sustainability of the organisation.
32. A key feature of the Authority's financial strategy is the continued development of externally funded projects and partnership activity. Programmes such as Farming in Protected Landscapes, Exmoor Pioneers and Landscape Recovery will continue to play a central role in delivering outcomes while supplementing core funding.
33. The Authority will also continue to seek opportunities to increase income through fees, charges, property income and investment returns, although these income streams are subject to wider economic conditions and cannot fully offset reductions in core grant.
34. Financial planning continues to take account of a range of ongoing risks and pressures, including inflation, pay awards, legal costs and the capacity required to deliver an expanded capital programme. These factors increase the importance of maintaining robust financial controls and adequate reserves.
35. The Authority's reserves position remains a key component of its financial resilience. Planned and controlled use of reserves will continue to support delivery of priority projects and manage in-year financial pressures, whilst maintaining balances at a level considered adequate by the Chief Finance Officer.
36. Despite these challenges, the Authority remains well placed to continue delivering its statutory purposes and Corporate Plan priorities. The combination of prudent financial management, effective use of reserves and successful external funding provides a stable platform for the short to medium term.
37. However, uncertainty remains over future funding settlements beyond 2025/26, and there is a clear risk that further reductions in revenue funding may occur. The Authority will therefore continue to review its Medium-Term Financial Plan during 2026/27 to identify further savings, efficiencies and income generation opportunities.
38. In conclusion, the Authority faces a challenging financial outlook, with increasing pressure on revenue budgets and a continued shift towards capital and externally funded activity. Maintaining financial resilience will require ongoing discipline, flexibility and a proactive approach to securing and managing resources.

B Barrett
Chief Finance Officer
June 2026

Sarah Bryan　　　　Andrea Davis

S Bryan Chief Executive　　　　**Chairman**

Date:

2. STATEMENT OF RESPONSIBILITIES

2.1 The Authority's Responsibilities

The Authority is required to:

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

2.2 The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

2.3 Chief Finance Officer's Certificate:

I certify that this Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations 2015 and that it gives a true and fair view of the financial position of Exmoor National Park Authority as at 31 March 2026 and its income and expenditure for the year ended 31 March 2026.

B Barrett

Chief Finance Officer: Ben Barrett **Date:** 30 June 2026

Approval of Accounts:

Chairman: Andrea Davis **Date**

Comprehensive Income and Expenditure Statement

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

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000 (Notes 10 & 11)	Net Expenditure £000
286	(113)	173	Conservation of Cultural Heritage	391	(169)	222
2,225	(2,041)	184	Conservation of Natural Environment	1,754	(1,518)	236
32	(107)	(75)	Forward Planning	276	(79)	197
452	(99)	353	Development Management	447	(124)	323
814	(405)	409	Promoting Understanding	852	(355)	498
579	(639)	(60)	Rangers, Estates & Volunteers	1,208	(683)	524
287	(240)	47	Recreation Management	448	(516)	(68)
1,521	194	1,715	Support Services	1,192	(51)	1,141
582	-	582	Corporate Management	587	-	587
36	-	36	Partnership Fund	8	-	8
6,814	**(3,450)**	**3,364**	**Cost of Services**	7,163	(3,495)	3,668
13	(279)	(266)	Other Operating Expenditure (Note 12)	12	-	12
47	(184)	(137)	Financing and Investment Income and Expenditure (Note 13)	48	(159)	(111)
-	(3,712)	(3,712)	Taxation and Non-Specific Grant Income (Note 14)	-	(4,372)	(4,372)
6,874	**(7,625)**	**(751)**	**(Surplus)/Deficit on Provision of Services**	**7,223**	**(8,026)**	**(803)**
		(611)	(Surplus) on revaluation of Property, Plant and Equipment (Notes 22 & 23)			575
		(26)	Remeasurement of Net Defined Benefit Liability/(Asset) (Note 33)			108
		(637)	**Other Comprehensive Income and Expenditure**			**683**
		(1,388)	**Total Comprehensive Income and Expenditure (Surplus)/Deficit**			**(120)**

Movement in Reserves Statement

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

	General Fund Balance £000	Capital Receipts Unapplied £000	Total Usable reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024	**3,493**	**-**	**3,493**	**19,237**	**22,730**
Movement in reserves during 2024/25					
Total Comprehensive Income and Expenditure	751	-	**751**	637	**1,388**
Adjustments between accounting basis & funding basis under regulations (Note 20)	(726)	450	**(276)**	276	**-**
Increase/(Decrease) in 2024/25	**25**	**450**	**475**	**913**	**1,388**
Balance at 31 March 2025 (Notes 21 and 30)	**3,518**	**450**	**3,968**	**20,150**	**24,118**
Movement in reserves during 2025/26					
Total Comprehensive Income and Expenditure	803	-	**803**	(682)	**120**
Adjustments between accounting basis & funding basis under regulations (Note 20)	(1,117)	-	**(1,117)**	1,117	**-**
Increase/(Decrease) in 2025/26	**(314)**	**-**	**(314)**	**434**	**120**
Balance at 31 March 2026 (Notes 21 and 30)	**3,204**	**450**	**3,654**	**20,585**	**24,239**

Balance Sheet

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

31 March 2025 £000		Notes	31 March 2026 £000
21,287	Property, Plant & Equipment	22	21,607
54	Heritage Assets	23	54
21,341	**Long Term Assets**		**21,661**
83	Inventories	-	82
748	Short Term Debtors	25	972
3,697	Cash and Cash Equivalents	26	3,217
4,528	**Current Assets**		**4,271**
(12)	Receipts in Advance	-	(80)
(596)	Short Term Creditors	27	(592)
(608)	**Current Liabilities**		**(672)**
(1,143)	Other Long-Term Liabilities	33	(1,021)
(1,143)	**Long Term Liabilities**		**(1,021)**
24,118	**Net Assets**		**24,239**
3,968	Usable Reserves	21	3,654
20,150	Unusable Reserves	30	20,585
24,118	**Total Reserves**		**24,239**

Authorised for Issue

The un-audited Accounts were authorised for issue by the Chief Finance Officer on 30th June 2026.

B Barrett

Chief Finance Officer: Ben Barrett **Date:**

Cash Flow Statement

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

2024/25 £000		**2025/26 £000**
(751)	**Net (surplus) or deficit on the Provision of Services**	**(803)**
	Adjustments for-	
(490)	Non Cash Movements (Note 35)	(169)
(1,241)	**Net Cash flows from Operating Activities**	**(972)**
95	Investing Activities (Note 36)	1452
-	Financing Activities (Note 37)	-
1,146	**Net (increase)/decrease in Cash and Cash equivalents**	**480**
2,551	Cash and Cash Equivalents at the beginning of the reporting period	3,697
3,697	**Cash and Cash Equivalents at the end of the reporting period**	**3,217**
(1,146)	**Net (increase)/decrease in Cash and Cash equivalents**	**480**

NOTES TO THE ACCOUNTS

Note 1: Accounting Policies

i **General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year-end 31 March 2026. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the UK 2025/26 (The Code) supported by International Financial Reporting Standards (IRFS) and statutory guidance issued under section 12 of the 2003 Act.

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

ii **Accruals of Income and Expenditure**

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

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- Small amounts outstanding at year end are treated on a payments basis. In total, these do not have a material effect on the year's accounts.

iii **Cash and Cash Equivalents (Note 26)**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

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

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

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

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account.

vi **Employee Benefits (Notes 16,33)**

<u>Benefits Payable During Employment</u>

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable at the year-end.

Post Employment Benefits
Most employees of the Authority are members of the following pension scheme:

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

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

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

- The liabilities of the SC LGPS pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond (annualised yield at the 20-year point on the Merrill Lynch AA-rated corporate bond yield curve).

- The assets of SC pension fund attributable to the Authority are included in the Balance Sheet at their fair values.

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

- The change in the net pensions liability is analysed into seven components:

- **Service Cost comprising:**

    - Current service cost: the increase in liabilities as a result of years of service earned this year which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

    - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years will be debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.

- Net interest on the defined liability: i.e. net interest expense for the authority – the change during the period in the net defined liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability at the beginning of the period, taking into account any changes in the net defined liability during the period as a result of contribution and benefit payments.

- **Remeasurement comprising:**
  - The return on plan assets: excluding amounts included in net interest on the net defined liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Gains or losses on settlements and curtailments – the results of actions to relived the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
  - Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Contributions paid to the Somerset Council pension fund:
  - Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits
The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

vii **Events After the Balance Sheet Date (Note 6)**
Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events

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

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

viii **Financial Instruments (Note 24)**

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost.

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

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

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

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

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

ix **Government Grants and Contributions (Note 19)**

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments and

- the grants or contributions will be received.

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

x Inventories

Inventories held for resale at the three National Park Centres are included in the Balance Sheet at the lower of net realisable value and cost.

xi Property, Plant and Equipment (Note 22)

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Intangible assets are those without a physical substance such as websites and software.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

De-minimis

Expenditure below £5,000 on property, plant and equipment is treated as revenue expenditure and is charged to the relevant service line in the Comprehensive Income & Expenditure Statement in the year that it is incurred unless the terms of a grant require it to be applied to capital expenditure.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority).

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

- infrastructure, community assets and assets under construction – depreciated historical cost

- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

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

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

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

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

<u>Impairment</u>

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

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

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

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

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

<u>Depreciation</u>

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

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer

- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

<u>Disposals</u>

Where an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive

Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

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

Non-current assets-held-for-sale

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

xii **Contingent Liabilities and Contingent Assets (Note 34)**

Contingent Assets

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

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

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

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

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

xiv **Heritage Assets (Note 23)**

The Authority's Heritage Assets are assets held by the Authority principally for their contribution to knowledge and/or culture. They are recognised and measured in accordance with the Authority's accounting policies on Property, Plant and Equipment. The authority only recognises two Heritage Assets; the Brendon Hills Incline, and the Pottery Kiln in Dunster. The incline is valued at Existing Use Value while the Pottery Kiln applies the reinstatement (insurance) value as there is no existing use for the Pottery Kiln.

Xv **Provisions (Note 28)**

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the Provision is reversed and credited back to the relevant service. leases.

Xvi **Leases (Note 37)**
Where under IAS17 Leases it is judged that substantially all of the risks and rewards incidental to the ownership of an asset have been transferred, then the lease is classified as a Finance Lease. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

<u>The Authority as Lessee</u>
Operating Leases
Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment.

<u>The Authority as Lessor</u>
Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet

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

There are no accounting changes due in 2025/26 that are anticipated to have a material effect on the Authority's financial performance or financial position.

Note 3: Material Items of Income and Expenditure

The Authority did not have any material items requiring separate presentation within the Comprehensive Income and Expenditure Statement. However, during 2025/26 the Authority received £1.4m of capital funding from DEFRA (CDEL), representing a significant change in the nature of funding compared to prior years. In addition, £150k of Revenue Expenditure Funded from Capital Under Statute (REFCUS) was incurred. These items are disclosed within the Narrative Report and relevant notes.

Note 4: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out within the notes in the Statement of Accounts the Authority may have to make certain judgements about complex transactions or those involving uncertainty about future events.

The case of Virgin Media Ltd v. NTL Pension Trustees II Ltd has confirmed the requirement for trustees of an opted-out pension scheme proposing rule changes to obtain an actuarial certificate that the scheme will continue to provide benefits which are broadly equivalent to or better than the state scheme that members had opted out of.

The case determined that if a rule had been amended without the support of a certificate the amendment was void, even where the "broadly equivalent" test would have been passed. This meant that benefits accrued under the scheme might have to be recalculated as if qualifying rule changes had never been made, with potentially far-reaching consequences.

The Local Government Pension Scheme (LGPS) is an opted-out pension scheme. However, there has been some discussion about whether the case would have an impact, as rules changes about benefits are imposed through legislation rather than through decisions by the administering authority or employers. In November 2024, the LGA issued guidance in LGPC Bulletin 257 that reported that HM Treasury was still assessing the implications but did not believe the case expressly addresses whether actuarial certifications are required for public service pension schemes. Relevant amendments to public service schemes would have been made by legislation, which remains valid until it is revoked or repealed by subsequent legislation or (for regulations) specifically declared void by a court.

The Government has in September 2025 tabled amendments to the Pension Schemes Bill that would allow for retrospective actuarial confirmations. This should leave only rule changes that did not meet the "broadly equivalent" test at risk of being voided.

On the basis that there has been no statement from HM Treasury that the case applies to the LGPS and the fact that there has been no authoritative identification of rule changes that might be at risk of being voided, this Authority has made a judgement not to include any provision within its pensions liabilities for the potential impact.

Note 5: Assumptions Made About the Future and Other Major Sources of Estimation

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.

There are three items in the Authority's Balance Sheet as at 31 March 2026, for which there is a significant risk of material adjustment in forthcoming financial years. They are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects of the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £357K. However, the assumptions interact in complex ways. During 2025/26, the Authority's actuaries advised that due to estimates being adjusted (as a result of experience and updating the assumptions) the net pension liability had decreased by £122K.
Pensions Asset Ceiling	In calculating the net pensions asset, the Authority has made a judgement that the statutory framework for setting employer's contributions under the Local government Pension Scheme constitutes a minimum funding requirement. As a result, the Authority's ability to realise the full economic benefits of the net pensions asset of £1.021m calculated under the Accounting Code's provisions for post-employment benefits through reductions in future employer's contribution is limited. An asset Ceiling therefore applies. The practical effect of this is to move the basis of measurement for the net pensions closer to the assumptions made in the triennial valuation of the scheme under which the employer's contribution were set by the Scheme's Actuary. It does not indicate that the authority has paid excess amounts into the Scheme that it will never be able to recover	The effect of the asset ceiling has been determined by the Scheme's actuaries on the basis of the limitations on the Authority's ability to recover the full economic benefit of its asset through reductions in future employer's contributions because of the minimum funding requirement imposed on it by the funding strategy for the Scheme in place as at 31 March 2026. The Scheme's Actuary has assessed the Authority's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Authority. The net pensions asset has therefore been adjusted by this effect of the asset ceiling
Property Plant and Equipment - Valuation	The Authority engages a qualified Royal Institution of Chartered Surveyors (RICS) surveyor from NPS, to provide valuations of land and property assets at the year end. The values of assets are adjusted to their current values by reviewing the sales of similar assets in the region, applying indexation and considering impairment of individual assets. The valuer works closely with the	Significant changes in the assumptions of future income streams/growth, occupancy levels, ongoing property maintenance and other factors would result in a significantly higher or lower fair value measurement for these assets. In particular, the pandemic and the high levels of inflation being experienced continue to affect economies and real estate markets globally. Nevertheless, an adequate quantum of market evidence exists upon which to base opinions of

	finance staff on all valuation matters.	value. The year-end balance of PPE was £21.607m, a 1% increase in valuation would equate to £0.2m
Debtors/ Bad Debt provision	Contained within these accounts are estimates of the debt outstanding related to a long running planning dispute. These have been estimated by lawyers based upon actual costs incurred but not all of these may be recognized by the courts. The debt will be recovered based upon a house that has been repossessed and is in the process of being sold. These accounts contain a provision for the difference before the estimated debt and the possible proceeds on the repossessed property that are available to the Authority.	A 10% difference between the costs estimate by lawyers and that determined by the courts would equate to a £50k misestimate in the debtor. A 10% difference between the sale proceeds and the estimated value would equate to £73k. This would directly impact on the funds available to meet the related debt.

Note 6: Events after the Balance Sheet Date

The unaudited Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no events after the Balance Sheet date that need to be reported.

Note 7: Related Parties

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

Central Government

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants. Grants received from government departments are set out in the subjective analysis in Note 19 on Grant Income.

Members

Members of the Authority have direct control over the Authority's financial and operating policies. 12 of the Authority's members are also elected members of other local authorities within Devon and Somerset. The Authority's Standing Orders requires a register to be kept of members disclosable pecuniary interests and declarations of related party transactions in a register of interests. In addition, members are asked to declare separately any transactions with the Authority. A summary of Members' allowances paid in 2025/26 is shown in Note 15.

Officers

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

The Authority's transactions with the Somerset Council Pension Fund are detailed within Note 33 to the Financial Statements.

Note 8: Expenditure and Funding Analysis

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

2024/25				**2025/26**		
Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding & Accounting basis £000 (Note 9)	Net Expenditure in the CI&ES £000		Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding & Accounting basis £000 (Note 9)	Net Expenditure in the CI&ES £000
185	(12)	173	Conservation of Cultural Heritage	161	61	222
192	(8)	184	Conservation of Natural Environment	209	29	236
(78)	3	(75)	Forward Planning & Communities	214	(17)	197
363	(10)	353	Development Management	318	5	323
454	(45)	409	Promoting Understanding	427	70	498
(276)	216	(60)	Rangers, Estates & Volunteers	481	43	524
135	(88)	47	Recreation Management	(82)	14	(68)
1,805	(90)	1,715	Support Services	1,197	(57)	1,141
601	(19)	582	Corporate Management	639	(53)	587
40	(4)	36	Partnership Fund	8	0	8
3,421	**(57)**	**3,364**	**Net Cost of Services**	**3,572**	**76**	**3,668**
(3,896)	(219)	(4,115)	Other Income & Expenditure	(3,257)	(1,214)	(4,471)
(475)	**(276)**	**(751)**	**(Surplus)/Deficit on Provision of Services**	**315**	**(1,119)**	**(804)**
(3,493)			**Opening General Fund Balance**	**(3,968)**		
(475)			Deficit/(surplus) on General Fund in Year	315		
(3,968)			**Closing General Fund Balance**	**(3,653)**		

Note 9: Note to the Expenditure and Funding Analysis

Adjustments between the Funding and Accounting Basis 2025/26.

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a)	Net change for Pensions Adjustment (note b)	Other Differences (note c)	Total Adjustments
	£000	£000	£000	£000
Conservation of Cultural Heritage	74	(13)	0	**61**
Conservation of Natural Environment	45	(17)	1	**29**
Forward Planning & Communities	-	(17)	-	**(17)**
Development Management	30	(26)	1	**5**
Promoting Understanding	104	(35)	1	**70**
Rangers, Estates & Volunteers	81	(39)	1	**43**
Recreation Management	7	7	0	**14**
Support Services	38	(97)	2	**(57)**
Corporate Management	0	(53)	0	**(53)**
Partnership Fund	0	0	0	**0**
Net Cost of Services	**379**	**(290)**	**6**	**95**
Other Income & Expenditure	(1,214)	0	0	**(1,214)**
Surplus/Deficit on the Provision of Services	**(835)**	**(290)**	**(6)**	**(1,119)**

Adjustments between the Funding and Accounting Basis 2024/25

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a)	Net change for Pensions Adjustment (note b)	Other Differences (note c)	Total Adjustments
	£000	£000	£000	£000
Conservation of Cultural Heritage	(6)	(6)	-	**(12)**
Conservation of Natural Environment	(2)	(6)	-	**(8)**
Forward Planning & Communities	-	3	-	**3**
Development Management	-	(11)	1	**(10)**
Promoting Understanding	(33)	(14)	2	**(45)**
Rangers, Estates & Volunteers	211	5	-	**216**
Recreation Management	(87)	(1)	-	**(88)**
Support Services	(31)	(64)	5	**(90)**
Corporate Management	-	(19)	-	**(19)**
Partnership Fund	-	(4)	-	**(4)**
Net Cost of Services	**52**	**(117)**	**8**	**(57)**
Other Income & Expenditure	(279)	60	-	**(219)**
Surplus/Deficit on the Provision of Services	**(227)**	**(57)**	**8**	**(276)**

a) Adjustments for Capital Purposes - this column adds in depreciation and impairment, financing and revaluation gains and losses in the services line
b) Net Change for Pensions Adjustments - Net change for removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

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

c) Other Differences - other differences debited / credited to the CIES and amounts payable / receivable to be recognised under statute i.e. accumulated absences.
Notes Supporting the Comprehensive Income and Expenditure Statement

Note 10: Expenditure and Income Analysed by Nature

2024/25 £000	Expenditure	2025/26 £000
3,639	Employee Benefits Expenses	3,688
3,682	Other Service Expenses	3,487
(494)	Depreciation, Amortisation & Impairment	0
47	Interest Payments	48
6,874	**Total Expenditure**	**7,223**
	Income	
(3,450)	Grants, Fees, Charges and other Service Income	(3,495)
(3,712)	Government Grants – National Park Grant	(4,372)
(279)	Profit on Sale of Assets	0
(184)	Interest & Investment Income	(159)
(7,625)	**Total Income**	**(8,026)**
(751)	**(Surplus)/Deficit on the provision of service**	**(803)**

Note 11: Segmental Income

2025/26

	Grants & Contributions	Fees & Charges	Sales Income	Other	Total
	£000	**£000**	**£000**	**£000**	**£000**
Conservation of Cultural Heritage	(168)				**(168)**
Conservation of Natural Environment	(1,490)	(28)			**(1,518)**
Forward Planning & Communities	(20)		(14)	(46)	**(80)**
Development Management		(124)			**(124)**
Promoting Understanding	(55)	(147)	(153)		**(355)**
Rangers, Estates & Volunteers	(468)	(21)	(11)	(183)	**(683)**
Recreation Management & Transport	(380)	(136)			**(516)**
Support Services	(6)		(5)	(40)	**(51)**
Corporate Management					
Total Income	**(2,587)**	**(456)**	**(183)**	**(269)**	**(3,495)**

2024/25

	Grants & Contributions	Fees & Charges	Sales Income	Other	Total
	£000	**£000**	**£000**	**£000**	**£000**
Conservation of Cultural Heritage	(113)	-	-	-	**(113)**
Conservation of Natural Environment	(2,031)	(3)	(7)	-	**(2,041)**
Forward Planning & Communities	(27)	-	-	(80)	**(107)**
Development Management	-	(89)	-	(10)	**(99)**
Promoting Understanding	(72)	(162)	(160)	(11)	**(405)**
Rangers, Estates & Volunteers	(461)	(10)	(2)	(166)	**(639)**
Recreation Management & Transport	(89)	(116)	-	(35)	**(240)**
Support Services	(6)	-	-	200	**194**
Corporate Management	-	-	-	-	**-**
Total Income	**(2,799)**	**(380)**	**(169)**	**(102)**	**(3,450)**

Note 12: Other Operating Expenditure

2024/25 £000		2025/26 £000
(279)	(Gains)/Losses on the disposal of non-current assets	0
13	IAS19 Administration expense	12
(266)	**Total**	**12**

Note 13: Financing and Investment Income and Expenditure

2024/25 £000		2025/26 £000
47	Net interest on the net defined pensions liability	48
(184)	Interest receivable and similar income	(159)
(137)	**Total**	**(111)**

Note 14: Taxation and Non-Specific Grant Incomes

2024/25 £000		2025/26 £000
(3,712)	Non-ring-fenced government grants	(4,372)
(3,712)	**Total**	**(4,372)**

Note 15: Members Allowances

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

2024/25 £000		2025/26 £000
18	Special Responsibility Allowance	17
70	Basic Allowance	70
2	Allowance for mileage	3
90	**TOTAL**	**90**

Note 16: Officers' Remuneration

The Authority is required to name all officers that earn over £150,000 per annum for all or part of a year (there are none); and to list all officers who earn between £50,000 and £150,000 for all or part of a year, and who also fit the following criteria:

- They report directly to the Chief Executive, or;
- They are part of the Authority's Senior Management Team, or;
- They hold posts required by statute (the Chief Finance Officer and the Monitoring Officer)

	Salary, Fees and Allowance £000	Expense Allowance £000	Total Remuneration (excl. pension contribution) £000	Pension Contribution £000	Total Remuneration including pension contribution £000
Chief Executive –					
2025/26 -	99	-	99	21	**120**
2024/25 -	96	-	96	20	**116**
Head of Finance and Operations					
2024/25 -	64	-	64	13	**77**
2024/25 –	62	-	62	13	**75**
Head of Climate, Nature and Communities					
2025/26 -	64	-	64	13	**77**
2024/25 -	62	-	62	13	**75**
Head of Access, Engagement and Estates					
2025/26 -	64	-	64	13	**77**
2024/25 -	62	-	62	13	**75**

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

2024/25 Number of employees	Remuneration band	2025/26 Number of employees
5	£50,000 - £54,999	5
-	£55,000 - £59,999	-
3	£60,000 - £64,999	3
-	£65,000 - £69,999	-
-	£70,000 - £74,999	-
-	£75,000 - £79,999	-
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
-	£90,000 - £94,999	-
1	£95,000 - £95,999	-
-	£96,000 - £99,999	1

Note 17: Termination Benefits

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

Exit package cost band (including special payments)	**Number of compulsory redundancies**		**Number of other departures agreed**		**Total number of exit packages by cost band**		**Total cost of exit packages in each band £000**	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	2	-	1	-	3	-	22	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
Total	**2**	**-**	**1**	**-**	**3**	**-**	**22**	**-**

Note 18: External Audit Costs

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

2024/25 £000		**2025/26 £000**
46	Fees payable to Grant Thornton/Bishop Fleming with regard to external audit services carried out by the appointed auditor.	47
-	Audit Fee variation	-
-	Additional fees for IFRIC14 Pension work	-
46	**Total**	**47**

Note 19: Grant & Contribution Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/26:

Credited to Taxation and Non Specific Grant Income	**2024/25 £000**	**2025/26 £000**
National Park Grant – DEFRA	3,712	4,372
Total	**3,712**	**4,372**
Credited to Services		
Farming in Protected Landscapes - DEFRA	1,487	676
Basic Payment & Higher Level Stewardship Scheme – RPA	299	313
Landscape Recovery – Natural England	255	301
National Park Fund – Active Transport	-	200
Somerset Council and Devon County Council – Rights of Way Agency Contributions	146	155
Pioneers Project Funding (HLF)	80	146
ELC Grant UK National Parks	-	90
Access for All (DEFRA)	51	82
Woodland Countryside Stewardship – RPA	117	54
Sowing the Seeds Project	6	52
Generation Green – Green Recovery Challenge Fund	69	-
Grey Squirrel Control – Forestry Commission	55	-
Moorland Bird Survey contributions (Various)	45	
Air Quality Management – Natural England	40	29
MIRE Project contributions	31	
Biodiversity Net Gain (Planning Policy) - DEFRA	27	27
South West Water – Moorland Restoration PES Contributions	19	-
South West Coast Path – Natural England	16	16
Storm Darragh Reinstatement – Natural England	14	-
Feed in Tariff Contributions	12	12
Woodland Grants – FC/RPA	9	-
Tree Nursery Development (Forestry Commission)	8	-
Richmond Review Local Audit Grant (DLUHC)	6	6
UK National Parks Travel Fund	-	6
ENNIS – Natural England	-	5
Cattle Collars – Natural England	5	-
Other	2	417
Total	**2,799**	**2,587**

Notes to Support the Movement in Reserves Statement

Note 20: Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2025/26	**General Fund Balance £000**	**Capital Receipts Reserve £000**	**Capital Grants Unapplied £000**	**Movement in Unusable Reserves £000**
Adjustments to Revenue Resources:				
Amounts by which income & expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs	(230)	-	-	230
Holiday pay	(7)	-	-	7
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	422	-	-	(422)
Total Adjustments to Revenue Resources	**185**	**-**	**-**	**(185)**
Adjustments between Revenue and Capital Resources:				
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(49)	-	-	49
Transfer of sales proceeds credited as part of the gain/loss on disposal	-	-	-	**-**
Total Adjustments between Revenue and Capital resources	**(49)**	**-**	**-**	**49**
Adjustments to Capital Resources:				
Application of Capital Grants to finance Capital Expenditure	(1,253)	-	-	**1,253**
Application of Capital Receipts to finance Capital Expenditure	-	-	-	**-**
Total Adjustments to Capital Resources	**(1,253)**	**-**	**-**	**1,253**
Total Adjustments	**(1,117)**	**-**	**-**	**1,117**

2024/25	**General Fund Balance £000**	**Capital Receipts Reserve £000**	**Capital Grants Unapplied £000**	**Movement in Unusable Reserves £000**
Adjustments to Revenue Resources:				
Amounts by which income & expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs	(57)	-	-	57
Holiday pay	(8)	-	-	8
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	334	-	-	(334)
Total Adjustments to Revenue Resources	**269**	**-**	**-**	**(269)**
Adjustments between Revenue and Capital Resources:				
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(545)	-	-	**545**
Transfer of sales proceeds credited as part of the gain/loss on disposal	(450)	450	-	**-**
Total Adjustments between Revenue and Capital resources	**(995)**	**450**	**-**	**545**
Adjustments to Capital Resources:				
Application of Capital Grants to finance Capital Expenditure	-	-	-	**-**
Application of capital Receipts to finance Capital Expenditure	-	-	-	**-**
Total Adjustments to Capital Resources	**-**	**-**	**-**	**-**
Total Adjustments	**(726)**	**450**	**-**	**276**

Note 21: Transfers to/ from Earmarked Reserves

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

- General Reserve (unallocated) – this is the minimum level required to maintain working balances (in accordance with CIPFA guidance).
- Partnership Fund Reserves (allocated) – these sums are set aside to meet one- off priorities that assist in the delivery of the Partnership Plan.
- Earmarked Reserves (allocated) – these consist of ring-fenced grants and contributions received from third parties, sums set aside for capital schemes and commitments against future obligations.
- Capital Grants – these include funds received from external organisations towards investment in assets.
- Capital Receipts Reserve – holds the proceeds from the disposal of land or other assets which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure

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

	Balance at 31 March 2024 £000	**Transfers In 2024/25 £000**	**Transfers Out 2024/25 £000**	**Increase/ Decrease (-) in useable Reserves 2024/25 £000**	**Balance at 31 March 2025 £000**	**Transfers between Reserves £000**	**Transfers In 2025/26 £000**	**Transfers Out 2025/26 £000**	**Increase/ Decrease in useable Reserves 2025/26 £000**	**Balance at 31 March 2026 £000**
Earmarked Reserves	**3,196**	20	983	(956)	**3,243**	-	337	(613)	**(276)**	**2,967**
Partnership Fund Reserves	**70**	(20)	3	(10)	**43**	-	10	(8)	**2**	**45**
General Fund Balance	**227**	-	5	-	**232**	-	-	(39)	**(39)**	**193**
Capital Grants Unapplied	**-**	-	-	-	**-**	-	-	-	**-**	**-**
Capital Receipts Reserve	**-**	-	449	-	**449**	-	-	-	**-**	**449**
Total Useable Reserves	**3,493**	**-**	**1,440**	**(966)**	**3,967**	**-**	**347**	**(660)**	**313**	**3,654**

Notes to Support the Balance Sheet

Note 22: Property, Plant and Equipment

Movements on Balances

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure £000	Assets Under Construction £000	Total £000
Cost or Valuation 1 April 2025	**20,845**	**546**	**170**	**0**	**21,561**
Additions	569	735	**-**	**-**	**1,304**
De-recognition – Disposals	-	-	-	-	**-**
Revaluation Increase/ decrease (-):	(745)	-	-	-	**(745)**
- to Revaluation Reserve	-	-	-	-	**-**
- to Surplus/Deficit on the provision of service	(39)	-	-	-	**(39)**
Cost or Valuation 31 March 2026	**20,630**	**1,281**	**170**	**0**	**22,081**
Accumulated depreciation 1 April 2025	**0**	**(255)**	**(19)**	**0**	**(274)**
Depreciation Charge	(307)	(193)	(7)	-	**(507)**
Derecognition - Disposals	-	-	-	-	**-**
Depreciation written out to the Revaluation Reserve	30	-	-	-	**30**
Depreciation written out to the Surplus/ Deficit on the provision of services	277	-	-	-	**277**
Total Depreciation at 31 March 2026	**0**	**(449)**	**(26)**	**0**	**(474)**
Net Book Value at 31 March 2025	**20,845**	**291**	**151**	**0**	**21,287**
Net Book Value at 31 March 2026	**20,630**	**832**	**145**	**0**	**21,607**

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure £000	Assets Under Construction £000	Total £000
Cost or Valuation 1 April 2024	**20,172**	**437**	**70**	**0**	**20,679**
Additions	292	153	**100**	**0**	**545**
De-recognition – Disposals	(165)	(44)	-	-	**(209)**
Revaluation Increase/ decrease (-):				-	**-**
- to Revaluation Reserve	581	-	-	-	**581**
- to Surplus/Deficit on the provision of service	(35)	-	-	-	**(35)**
Other movement in cost of valuation	-	-	-	-	**-**
Cost or Valuation 31 March 2025	**20,845**	**546**	**170**	**0**	**21,561**
Accumulated depreciation 1 April 2024	**-**	**(217)**	**(12)**	**-**	**(229)**
Depreciation Charge	(101)	(76)	(7)	-	**(184)**
Derecognition - Disposals	-	38	-	-	**38**
Depreciation written out to the Revaluation Reserve	30	-	-	-	**30**
Depreciation written out to the Surplus/Deficit on the provision of services	71	-	-	-	**71**
Total Depreciation at 31 March 2025	**0**	**(255)**	**(19)**	**0**	**(274)**
Net Book Value at 1 April 2024	**20,172**	**220**	**58**	**0**	**20,450**
Net Book Value at 31 March 2025	**20,845**	**291**	**151**	**0**	**21,287**

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

- Land and Buildings: 40-80 years

- Vehicles, Plant, Furniture and Equipment: 5-10 years
- Infrastructure: 25 years

Revaluations

The Authority carries out a valuation programme which ensures all Property, Plant and Equipment is measured at fair value in accordance with IAS16 and revalued at least every five years. We are currently revaluing assets every year to ensure that the values stated are materially correct. The valuation date is the 31st March. For 2025/26 the valuation was carried out by Helen Bond MRICS and Registered Valuer while employed by the NPS Group Limited in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors – the RICS Valuation – Global Standards January 2020, Chartered Institute of Public Finance and Accountancy (CIPFA) accounting code and the International Financial Reporting Standards (IFRS) and the RICS Code of Measuring Practice.

	Land & Buildings £000	**Heritage Assets £000**	**Infrastructure Assets £000**	**Vehicles, Plant and Equipment £000**	**Total £000**
Carried at Historical Cost	9,273	12	145	832	10,262
Valued at Current Value at 31 March 2026	11,357	42	0	0	11,399
Total	20,630	54	145	832	21,661

There were no capital commitments at the 31 March 2026.

Note 23: Heritage Assets

	Heritage Assets £000
Cost or Valuation 1 April 2025	**54**
Additions	-
Revaluation Increase/ decrease (-):	
- to Revaluation Reserve	-
- to Surplus/ Deficit on the provision of service	-
Cost or Valuation 31 March 2025	**54**
Cost or Valuation 1 April 2024	**54**
Additions	-
Revaluation Increase/ decrease (-):	
- to Revaluation Reserve	-
- to Surplus/ Deficit on the provision of service	-
Cost or Valuation 31 March 2024	**54**

One Heritage asset (Simonsbath Sawmill) was reclassified during 2023/24 to operational land and buildings from Heritage Asset due to the property being rented out during the year.

Note 24: Financial Instruments

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

Financial Assets: Amortised Cost

31 March 2025 £000		31 March 2026 £000
3,689	Funds held by Somerset Council	3,215
8	Cash in hand and at bank	2
649	Contractual Debtors	784
4,346	**Total**	**4,001**

Financial Liabilities: Amortised Cost

31 March 2025 £000		31 March 2026 £000
(548)	Contractual Creditors	(537)
(548)	**Total**	**(537)**

Interest and Investment Income:

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

31 March 2025 £000		31 March 2025 £000
(184)	Interest Income	(159)
(184)	**Total**	**(159)**

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

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

Nature and Extent of Risks Arising from Financial Instruments

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

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

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

Credit Risk and Expected Credit Loss Allowances
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Authority's Annual Investment Strategy and investment solely with Somerset Council.

Amounts arising from expected credit losses would normally be established for investments and debtors based upon estimates of the losses that might be incurred if those owing money to the Authority fail to pay it back. As our primary counter party is a public body and as statute prevents a local authority from default, we have concluded that the expected credit loss is not material and therefore no allowance has been made.

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

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

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

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

- Interest Risk

In terms of short-term cash investments, the variable rate of interest earned on surplus funds moves during the year and any assumptions in annual budgets are made cautiously based on current market and treasury forecasts. A 1% movement in interest rates would result in approximately £25,000 more or less than budget if investments were held for a year.

Note 25: Debtors

31 March 2025 £000		31 March 2026 £000
114	Central government bodies	306
152	Other local authorities	203
138	Public corporations and trading funds	146
735	Other entities and individuals	708
(391)	Bad Debts	(391)
748	**Total**	**972**

Note 26: Cash and Cash Equivalents

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

31 March 2025 £000		31 March 2026 £000
8	Bank Current Accounts	2
3,689	Funds held by Somerset Council	3,215
3,697	**Total Cash and Cash Equivalents**	**3,217**

Note 27: Creditors

31 March 2025 £000		31 March 2026 £000
(123)	Other local authorities	(128)
0	Public corporations and trading funds	(68)
(473)	Other entities and individuals	(396)
(596)	**Total**	**(592)**

Note 28: Provisions

31 March 2025 £000		31 March 2026 £000
-	Provisions	-
-	**Total**	**-**

Note 29: Capital Grants

31 March 2025 £000		31 March 2025 £000
-	**Balance at 1 April**	**-**
-	Capital grants received	(1,403)
-	Capital grants used to finance spend	1,403
-	**Balance at 31 March**	**-**

Note 30: Unusable Reserves

31 March 2025 £000		31 March 2026 £000
(11,996)	Revaluation Reserve	(11,392)
(9,345)	Capital Adjustment Account	(10,269)
1,143	Pensions Reserve	1,021
48	Accumulated Absences Account	55
(20,150)	**Total Unusable Reserves**	**(20,585)**

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.

2024/25 £000		2025/26 £000
(11,538)	**Balance at 1 April**	**(11,996)**
(803)	Upward revaluation of assets	(83)
192	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the provision of Services	687
(611)	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	**574**
18	Difference between fair value depreciation and historical cost depreciation	0
135	Accumulated gains on assets sold or scrapped	
153	**Amount written off to the Capital Adjustment Account**	**0**
(11,996)	**Balance at 31 March**	**(11,392)**

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 form 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 also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 22 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2024/25 £000		2025/26 £000
(8,967)	**Balance at 1 April**	**(9,345)**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
184	Charges for depreciation and impairment of non-current assets	277
(103)	Revaluation gains on Property, Plant and Equipment	101
(18)	Difference between fair value depreciation and historical cost depreciation	-
-	Revenue expenditure funded from capital under statute	-
104	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
(8,800)		**(8,967)**
-	Adjusting amounts written out of the Revaluation Reserve	-

(8,800)	**Net written out amount of the cost of non-current assets consumed in the year**	**(8,967)**
-	Use of Capital Grants to finance capital expenditure	-
-	Use of Capital Receipts to finance capital expenditure	-
(545)	Capital Expenditure charged against the General Fund	(1,302)
(9,345)	**Balance at 31 March**	**(10,269)**

Pensions Reserve

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

2024/25 £000		**2025/26 £000**
1,226	**Balance at 1 April**	**1,143**
(26)	Remeasurement of net defined liability	108
586	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CI & E	445
(643)	Employer's pensions contributions and direct payments to pensioners payable in the year	(675)
1,143	**Balance at 31 March**	**1,021**

Accumulated Absences Account

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

2024/25 £000		**2025/26 £000**
40	**Balance at 1 April**	**48**
(40)	Settlement or cancellation of accrual made at the end of the preceding year	(48)
48	Amounts accrued at the end of the current year	55
-	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.	-
48	**Balance at 31 March**	**55**

Note 31: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The Authority remains Debt Free throughout the periods contained in this Statement of Accounts and therefore does not have incurred expenditure yet to be financed.

	2024/25 £000	**2025/26 £000**
Capital Investment		
Property, Plant & Equipment	**545**	**1,302**
Revenue Expenditure Funded from Capital under Statute	-	150
Sources of finance		
Capital Receipts	-	-
Government Grants and other contributions	-	1,403
Direct revenue contribution	545	49

Note 32: Impairment Losses

The Authority did not recognise any impairment losses during 2025/26 (2024/25 £0k). Impairment losses are recognised as part of the valuation of the authority's non-current assets.

Note 33: Defined Benefit Pension Schemes

Participation in Pension Schemes:

As part of the terms of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. The Authority participates in the Local Government Pension Scheme that is administered locally by Somerset Council. This is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Pension Fund Committee, at Somerset Council, oversees the management of the Fund whilst the day-to-day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers. As administering authority to the Fund, Somerset Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The latest actuarial valuation of the Fund was carried out as at 31 March 2022 and contributions have been set for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks

In addition, as many unrelated employers participate in the Somerset Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers. All of the risks above may also benefit the employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers. The Authority's Pension Fund liability does not represent an immediate call on reserves; it is a snap-shot valuation in time, based on assumptions. The true value of the deficit is assessed on a triennial basis with contribution rates set to recover the balance over the longer-term.

The Court of Appeal judgment on the McCloud and Sargeant cases, relate to age discrimination against the age-based transitional provisions put into place when the new judicial pension arrangements were introduced in 2015. Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. These may affect the value of the liabilities in respect of accrued benefits and therefore the Actuary has made an allowance which is consistent with the method adopted at the last actuarial valuation.

Transactions Relating to Post-Employment Benefits

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

	2024/25 £000	**2025/26 £000**
Service Cost		
• Current Service Cost • Past Service Costs (including curtailments)	526 -	385 -
Total Service Cost	**526**	**385**
Financing and Investment Income and Expenditure		
• Net interest on the defined liability • Administration expenses	47 13	48 12
Total Net Interest	**60**	**60**
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**586**	**445**
Remeasurement of the Net Defined Liability Comprising:		
• Return on plan assets excluding amounts included in net interest • Experience (gain)/loss on defined benefit obligation • Actuarial losses arising from changes in demographic assumptions • Actuarial losses arising from changes in financial assumptions • Changes in effect of asset ceiling • Other actuarial gains & losses on assets	415 (42) (47) (2,752) 2,400 -	(754) 1537 464 (672) (408) (59)
Total re-measurements recognised in Other Comprehensive Income	**(26)**	**108**
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	**560**	**553**
Movement in Reserves Statement		
• Reversal of net charges made to the Surplus for the Provision of Services for post employment benefits in accordance with the Code	**(586)**	**(445)**
Actual amount charged against the General Fund Balance for pensions in the year:		
• Employer's contributions payable to scheme	**643**	**675**

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

	2024/25 £000	2025/26 £000
Present value of funded obligation	(16,095)	(18,493)
Fair value of employer assets	18,608	20,951
Present value of unfunded obligation	(140)	(165)
Impact of Asset Ceiling	(3,516)	(3,314)
Net Liability Arising from Defined Benefit Obligation	**(1,143)**	**(1,021)**

Reconciliation of Change in Impact of Asset Ceiling

	2024/25 £000	2025/26 £000
Opening Impact of asset ceiling	**(1,064)**	**(3,516)**
Interest on impact of asset ceiling	(52)	(206)
Actuarial losses / (gains)	(2,400)	408
Closing impact of asset ceiling	**(3,516)**	**(3,314)**

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The Actuaries calculation of the asset ceiling has followed their interpretation of IFRIC14.

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

	2024/25 £000	2025/26 £000
Opening Balance at 1 April	**(18,247)**	**(16,235)**
Current service cost	(482)	(385)
Interest cost	(883)	(943)
Change in financial assumptions	2,752	672
Change in demographic assumptions	47	(464)
Experience (gain) on defined benefit obligation	42	(1537)
Estimated benefits paid net of transfers in	722	385
Past service costs, including curtailments	(44)	-
Contributions by scheme participants	(167)	(176)
Unfunded pension payments	25	25
Closing Balance at 31 March	**(16,235)**	**(18,658)**

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

	2024/25 £000	2025/26 £000
Opening Balance at 1 April	**18,085**	**18,608**
Interest on assets	888	1,101
Return on assets less interest	(415)	754
Other actuarial gains/(losses)	-	59
Administration expenses	(13)	(12)
Contributions by employer including unfunded	643	675
Contributions by scheme participants	167	176
Estimated benefits paid plus unfunded net of transfers in	(747)	(410)
Closing Balance at 31 March	**18,608**	**20,951**

The liabilities show the underlying commitments that the authority has to pay post-employment (retirement) benefits. Pensions Reserve totalled (£1,021k) in 2025/26 ((£1,143k) in 2024/25) of the total reserves of £24,118k (2024/25 £24,118k).

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

	2024/25		**2025/26**	
	£000	**%**	£000	**%**
Equities	13,823	74%	15,956	76%
Gilts	706	4%	737	4%
Other Bonds	2,299	12%	2,481	12%
Property	1,241	7%	1,261	6%
Cash and cash equivalents	539	3%	516	2%
Total	**18,608**	**100%**	**20,951**	**100%**

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

The total contributions expected to be made to the LGPS by the Authority in the year to 31 March 2027 is £562k.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years' dependant on assumptions about mortality rates, salary levels, etc. The LGPS liabilities have been assessed by Barnett and Waddingham, an independent firm of actuaries, estimates for the Somerset Council Fund being based on the latest full valuation as at 31 March 2025. The deficit is assumed to be repaid over a period of 16 years. This is based on membership data provided as part of the recent valuation.

The principal assumptions used by the actuary have been:

Mortality assumptions	**2024/25**	**2025/26**
Retiring today: • Men • Women	 21.1 23.0	 22.3 23.9
Retiring in 20 years: • Men • Women	 22.4 24.4	 23.9 25.6
Rate of Inflation (RPI)	3.20%	3.30%
Rate of increase in salaries	3.90%	3.90%
Rate of increase in pensions (CPI)	2.90%	2.90%
Rate for discounting scheme liabilities	5.85%	6.1%
Take-up of option to convert annual pension into retirement lump sum	50%	50%
Take-up of active members to pay 50% contributions for 50% benefits	10%	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below is based on reasonably possible changes to the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	18,399	18,658	18,922
Projected service cost	357	369	381
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	18,675	18,658	18,640
Projected service cost	369	369	369
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	18,920	18,658	18,483
Projected service cost	381	369	356
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	19,265	18,658	18,072
Projected service cost	381	369	357

Note 34: Contingent Liability

Devon County Council agreed as part of its Investing in Devon Programme to grant the sum of £600,000 to support the refurbishment, improvement and adaptation of Lynmouth Pavilion. A contingent liability exists as part of the grant conditions require that in the event of the premises ceasing to be used as a visitor and interpretation centre and learning hub during the period of 20 years from the date of completion of the Project the Grantee shall repay the Grant to the Council but subject to a reduction of five per cent for each complete year which has elapsed following the date of completion of the project. With the completion date being the 8 August 2013 at the balance sheet date a contingent liability exists for £240,000.

Notes to Support the Cash Flow Statement

Note 35: Cash Flow Statement – Adjustments to surplus or deficit on the Provision of Services for non-cash movements

2024/25 £000		**2025/26 £000**
(114)	Depreciation and Amortisation	(201)
(35)	Impairment and Downward Valuations	(177)
57	Actuarial Charges for Retirement Benefits	200
4	Increase/(Decrease) in Inventory	(1)
(333)	Increase/(Decrease) in Debtors	224
(250)	(Increase) in Bad Debt Provision	-
(98)	(Increase) in Creditors & Receipts in Advance	(64)
-	Revenue Expenditure funded from Capital under Statute (Refcus)	(150)
279	Carrying amount of Non-Current Assets de-recognised	-
(490)		**(169)**

Note 36: Cash Flow Statement – Investing Activities

2024/25 £000		2025/25 £000
545	Purchase of property, plant and equipment, investment property and intangible assets	1452
(450)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
95	**Net cash flows from investing activities**	**1452**

Note 37: Leases

Finance Leases

The Authority does not hold any Lease considered to be a Finance Leases as either Lessee or lessor.

Operating Leases

The Authority has entered into leases in relation to land holdings in prior years.

2024/25		2025/26
4	<12 Months	3
1	1-5 Years	4
4	5 Years +	4
9		**11**

The Authority leases out property for the fulfilment of National Park Purposes. The future annual minimum lease payments receivable under non-cancellable leases in future years are:

2024/25 £000		2025/26 £000
36	<12 Months	74
6	1-5 Years	40
141	5 Years +	84
183		**198**

Right of Use Assets and corresponding Lease Liabilities have been recognised as follows on 31/3/26:

Assets	**Balance at 31/3/26** **£000**
Land & Property	5
	5

ANNUAL GOVERNANCE STATEMENT 2025/26

1. Scope of responsibility

1.1 Exmoor National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

1.3 Exmoor National Park Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government.* A copy of the code can be obtained from the Chief Executive, Exmoor House, Dulverton,TA22 9HL. This statement explains how the Authority has complied with the Local Code of Corporate Governance and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2015 and the amended regulations for 2021 in relation to the publication of statement on internal control.

2. The purpose of the governance framework

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

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

2.3 A governance framework has been in place at Exmoor National Park Authority for the year ended 31 March 2026 and up to the date of approval of the Corporate Plan and statement of accounts.

3. The Governance Framework

3.1 The key elements of the governance framework include:

- A National Park Management Plan that contains a vision and targets, and a corporate strategy to meet National Park purposes;
- The production of a Medium Term Financial Plan taking account of the anticipated level of National Park Grant;

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

4. Review of Effectiveness

4.1 Exmoor National Park Authority has responsibility for conducting at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Chief Executive and Heads of Section within the Authority who have responsibility for the development and maintenance of the governance environment, the annual report on internal audit, and by the Annual Governance Report of the external auditors. The annual review of the effectiveness of the governance framework is undertaken by the Standards Committee and the Authority approve this Annual Governance Statement.

The Standards Committee now also undertake an annual self-assessment of effectiveness.

4.2 The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is:

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

5. Significant governance issues

5.1 During 2025/26 the governance and internal control systems within the Authority operated effectively and were reviewed by the Solicitor and Monitoring Officer and the Chief Finance Officer. Assurance was provided through internal audit, external audit and Member scrutiny. Where improvement opportunities were identified, including in relation to safeguarding and risk management, actions were implemented and confirmed as complete.

Completed during 2025/26

- Progressed, consulted and launched the new National Park Management Plan
- Implemented a refreshed Risk Management Strategy and Strategic Risk Register
- Strengthened safeguarding, health and safety and anti-harassment governance arrangements
- Launched new Finance Systems (Access Financials), Payroll System (EduPay) and Development Management system (DEF).
- Embedded enhanced financial scrutiny through Authority
- Progressed preparations for Biodiversity Net Gain in planning and completed the statutory Biodiversity Duty Report
- Implemented carbon monitoring and reporting

Actions for 2026/27

- Preparing for the review of the Local Plan, complying with new Government policy on Plan-making;
- Understand the implications of the proposed changes to local government in Devon and the emerging new structures of Strategic Authorities on the Authority’s decision making; and
- Working with Defra to deliver the National policy agenda on climate, nature and engagement with communities;

- Continued diversification of income and financial resilience work
- Monitoring new legislation and changes in policy to ensure that account is taken of the impact on National Parks and National Park communities;
- Implement a new Corporate Plan matched to the 2025-30 Management Plan, Monitoring the performance of the Corporate Plan;
- Continuing to develop customer service standards and culture;
- Continue to engage and communicate flexibly while making best use of technology;
- Continuing to operate within limited resources while increasing revenue from alternative sources;
- Continue to adapt the Farming in Protected Landscapes panel and model of decision making;
- Delivering capital funding including new funding streams for Government targets on creating wildlife rich habitats

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

Signed ………………………………………… ……………………………………..

S Bryan, Chief Executive A Davis, Chairman

Date …………………………………………