



EXMOOR NATIONAL PARK AUTHORITY
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20 November 2025

EXMOOR NATIONAL PARK AUTHORITY FINAL ACCOUNTS COMMITTEE

To: All Members of the Final Accounts Committee of Exmoor National Park Authority

A meeting of the Final Accounts Committee will be held in the **Committee Room, Exmoor House, Dulverton** on **Tuesday 2 December 2025 at 9.30am**

The meeting will be open to the press and public subject to the passing of any resolution under s.100(A)(4) of the Local Government Act 1972.

There is a Public Speaking at this meeting, when the Chairperson will allow members of the public two minutes each in which to ask questions, make statements, or present a petition relating to any item on the Agenda. Anyone wishing to ask questions should notify the Corporate Support Officer by 4pm on the working day before the meeting of the agenda item on which they wish to speak, indicating a brief summary of the matter or matters to be raised (contact details are set out above).

The meeting will be **recorded**. By entering the Authority's Committee Room and speaking during Public Speaking you are consenting to being recorded. We will make the recording available via our website for members of the public to listen to and/or view within 72 hours of the meeting taking place.

Members of the public may use forms of social media to report on proceedings at this meeting. Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairperson so that those present may be made aware.

(The agenda and papers for this meeting can be downloaded from the National Park Authority's website www.exmoor-nationalpark.gov.uk).

Sarah Bryan
Chief Executive

As set out above, the Authority welcomes public engagement with its work and believes that everyone attending a meeting of Exmoor National Park Authority or one of its Committees has the right to be treated with respect and to feel safe at all times, including before, during and after the meeting they attend.

The Authority understands that some situations can be difficult and lead to frustration; however, the Authority is committed to promoting an environment where everyone feels listened to and respected and is not subjected to unacceptable behaviour. Further guidance is provided in our Customer Notice, available on our [website](http://www.exmoor-nationalpark.gov.uk).

A G E N D A

1. **Apologies for Absence**

2. **Declarations of Interest:** Members are asked to declare any interests they may have in relation to items on the agenda for this meeting.

3. **Minutes:** (1) To approve as a correct record the Minutes of the meeting of the Final Accounts Committee held on 5 November 2024 (Item 3)

(2) To consider any Matters Arising from those Minutes.

4. **Public Speaking**

The Chairperson will allow members of the public to ask questions, make statements or present a petition on any matter on the Agenda for this meeting.

5. **Statement of Accounts for 2024/25**

To consider the report of the Chief Finance Officer (Item 5).

Representatives from Grant Thornton will be in attendance to introduce the Audit Findings Report for 2024/25.

- To consider the Audit Findings Report for 2024/25.
- To consider the Auditor's Annual Report for 2024/25.
- To consider and approve the Letter of Representation.
- To adopt the Statement of Accounts for 2024/25 and to note the draft Audit Opinion on Financial Statements.

The Statement of Accounts to be signed by the Chairperson.

6. **Any Other Business of Urgency**

Further information on any of the reports can be obtained by contacting the National Park Authority at the address and telephone numbers at the top of the agenda. Details of the decisions taken at this meeting will be set out in the formal Minutes which the Committee will be asked to approve as a correct record at its next meeting. In the

meantime, details of the decisions can be obtained by emailing Committees@exmoor-nationalpark.gov.uk

**EXMOOR NATIONAL PARK AUTHORITY
FINAL ACCOUNTS COMMITTEE**

MINUTES of the meeting of the Final Accounts Committee of the Exmoor National Park Authority held on Tuesday 5 November 2024 at 2.30pm in the Committee Room, Exmoor House, Dulverton.

PRESENT

Miss A V Davis (Chairperson)
Mrs M Chilcott
Mr M Ellicott
Mr R Milton
Mrs F Nicholson
Mr J Patrinos
Mr S J Pugsley
Miss E Stacey

In Attendance:

Mr B Barrett, Chief Finance Officer
Mr O Edwards, Grant Thornton (via Microsoft Teams connection)
Ms G Hawkins, Grant Thornton (via Microsoft Teams connection)
Ms C Emeshie, Grant Thornton (via Microsoft Teams connection)

1. **APOLOGIES FOR ABSENCE:** Apologies for absence were received from Mr B Geen.
2. **DECLARATIONS OF INTEREST:** There were no declarations of interest.
3. **MINUTES:** The [Minutes](#) of the meeting of the Final Accounts Committee held on 9 April 2024 were approved as a correct record. There were no matters arising.
4. **PUBLIC QUESTION TIME:** There were no speakers at public question time.
5. **STATEMENT OF ACCOUNTS FOR 2023/24**

The Committee considered the [report](#) of the Chief Finance Officer.

Mr Oscar Edwards, Ms Grace Hawkins and Ms Chinyere Emeshie of the Authority's external auditors Grant Thornton, joined the meeting remotely via Microsoft Teams, and presented the Audit Findings Report and Auditor's Annual Report to the Committee. This summarised the 2023/24 audit of the Authority's financial statements and its arrangements to secure value for money in its use of resources.

The Committee's Consideration

It was confirmed that the auditors were required to consider whether the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources; the Authority's financial sustainability; and the Authority's governance arrangements.

5 November 2024

Members were pleased to note that the external auditors anticipated issuing an unqualified audit opinion and that the auditors' work on the Authority's value for money arrangements did not identify any significant weaknesses.

In relation to governance and the improvement recommendation that the Standards Committee formally publish its annual self-assessment of effectiveness, Members were advised that this would be dealt with at a meeting of the Standards Committee later in the day.

The Chairperson thanked the Chief Finance Officer and the external audit team for their work and asked that thanks be extended to the Authority's finance team.

RESOLVED:

1. To receive the Audit Findings Report of the External Auditor as set out in Annex 1 to the report and to confirm that the changes contained within the report have been carried out.
2. To receive the Auditor's Annual Report of the External Auditor at Annex 2 and to confirm that the recommendation contained within the report will be carried out.
3. To authorise the Chief Finance Officer to issue the letter of representation as set out in Annex 3 to the report.
4. To adopt the Statement of Accounts for 2023/24 as set out in Annex 4 to the report.

6. ANY OTHER BUSINESS OF URGENCY: There was none.

The meeting closed at 2.45pm

(Chairperson)

EXMOOR NATIONAL PARK AUTHORITY

FINAL ACCOUNTS COMMITTEE

2 December 2025

STATEMENT OF ACCOUNTS FOR 2024/25

Report of the Chief Finance Officer

Purpose of Report: To introduce the Audit Findings Report and Annual Report of the External Auditor and present the Statement of Accounts for 2024/25 for adoption.

RECOMMENDATIONS: The Final Accounts Committee is recommended to:

- (1) **RECEIVE** the Audit Findings Report of the External Auditor at Annex 1 and **CONFIRM** that the changes contained within the report, have been carried out.
- (2) **RECEIVE** the Auditor's Annual Report of the External Auditor at Annex 2 and **CONFIRM** that the recommendation contained within the report, will be actioned.
- (3) **AUTHORISE** the Chief Finance Officer to issue the letter of representation as set out in Annex 3.
- (4) **ADOPT** the Statement of Accounts for 2024/25 as set out in Annex 4

Authority Priority: Develop and maintain effective and efficient services.

Legal and Equality Implications: Local Government Act 2003, Parts 1-3 (Capital Finance, Financial Administration and Grants), Sections 1-39 Accounts and Audit (England) Regulations 2011, Part 2 (Financial Management and Internal Control)

CIPFA Code of Practice on Local Authority Accounts in the United Kingdom 2013 (the CODE).

The equality and human rights implications of this report have been assessed as having no impact on any particular individual or body.

Financial and Risk Implications: The external auditor's fees are provided for in the annual budget and the assurances given by the auditors form a key part of the Authority's risk management and governance processes.

Climate Change Response: This report does not have an adverse impact on our ability to respond to Climate Change.

1. The Audit Findings Report

- 1.1 The draft Audit Findings Report has been produced by Oscar Edwards and Grace Hawkins, for Grant Thornton, and is attached at Annex 1. It is anticipated that a representative from Grant Thornton will be attending the Committee to present this report to Members. The audit was still ongoing at the time of preparing papers for this committee and the audit team will present their latest version of the report at the meeting.

2. The Auditor's Annual Report

- 2.1 The Auditor's Annual Report has been produced by Chinyere Emeshie, Value for Money Assistant Manager for Grant Thornton, and is attached at Annex 2. It is anticipated that a representative from Grant Thornton will be virtually attending the Committee to present this report to Members.

3. Letter of Representation

- 3.1 Annually the letter of representation is given by the Chief Finance Officer on behalf of the Authority.
- 3.2 It is regarded as best practice for the letter to be approved by the Final Accounts Committee before signing and attached as Annex 3 of this report is the letter proposed for 2024/25, this will also be subject to amendments following the completion of the audit. This follows the usual format required by the External Auditors and Members are recommended to approve it for signature.

4. Statement of Accounts

- 4.1 The accounts of the Authority have been prepared on a going concern basis. This is based upon the judgement of management that:
- the Authority has a history of stable finances, responsible budget setting and has access to financial resources in the future; and
 - there are no significant financial, operating or other risks that would jeopardise the Authority's continuance.
- 4.2 As a consequence of the external audit, some disclosure amendments have been made to the accounts – these adjustments are referred to within the Audit Findings Report in Annex 1. These amendments have an insignificant impact on the financial outcome for 2024/25 and the financial position of the Authority at 31 March 2025. The updated Statement of Accounts is attached at Annex 4 for adoption. As the audit is ongoing at the time of paper completion, it is possible that further revisions will be required, and a final set will be presented to this committee. Following adoption these will be signed by the Chairman. The Auditors Audit Opinion will be included in the final Statement of Accounts.
- 4.3 I would once again like to place on record my thanks to the Finance Team and other staff involved with the preparation of the Statement of Accounts and the audit process. I would also like to extend my thanks to the audit team at Grant Thornton who carried out their audit in a very professional manner.

Ben Barrett

Chief Finance Officer

November 2025

Audit Findings (ISA 260) Report for Exmoor National Park Authority

Year ended 31 March 2025

18 November 2025

Exmoor National Park Authority
Exmoor House
Dulverton
TA22 9HL

Grant Thornton UK LLP
2 Glass Wharf
Bristol BS2 OEL
www.grantthornton.co.uk

18 November 2025

Dear Ben Barrett

Audit Findings for Exmoor National Park Authority for the 31 March 2025

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Chartered Accountants

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Grace Hawkins

Director
For Grant Thornton UK LLP

Chartered Accountants

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1 Headlines and status of the audit

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Exmoor National Park Authority (the ‘Authority’) and the preparation of the Authority’s financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the Authority’s financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), and Narrative Report), is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work started in September and is on course to be completed by December 2025 as planned. Our findings are summarised on pages 14 to 51. To date, we have identified one adjustment to the financial statements that has resulted in a £30k adjustment to the Authority’s Comprehensive Income and Expenditure Statement. This also serves to increase the useable reserves balance by the same amount.

Audit adjustments are detailed at page 34. We have also raised recommendations for management as a result of our audit work. These are set out at page 40. Our follow up of recommendations from the prior year’s audit are detailed at page 48.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters:

- receipt of management representation letter; and
- review of the final set of financial statements
- conclusion of PPE work
- conclusion of all sample testing relating to grants income and other service expenditure
- conclusion of movement in reserves checks

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited.

Our anticipated financial statements audit report opinion will be unmodified/unqualified. We anticipate signing your accounts in December 2025.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance.

We have completed our VFM work, which is summarised on page 52, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the ‘Act’) also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until:

Confirmation has been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the C&AG and therefore no further work is required to be undertaken in order to discharge the auditor’s duties in relation to consolidation returns under paragraph 2.11 of the Code.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Please note that ENPA have not been subject to any backstop measures and all prior year audits have been signed before the deadlines. However, the committee should familiarise themselves with the dates as above and ensure that the draft accounts continue to be delivered on time to facilitate timely and efficient audits.

Headlines

Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for local government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised on the balance sheet by the lessee, except where:

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS 17 where operating leases were charged to expenditure.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

Impact on the Authority

Upon receipt of the draft accounts, we have become aware that managements assessment was that the impact of IFRS16 is trivial and therefore no updates have been made to the accounts in respect of this accounting standard.

Upon review, we agree with managements assessment. The Authority has only £9k of operating leases in total, with the remainder of leases being as lessor which does not come under IFRS16. Overall, we do not consider this to be an area of risk. We have updated our risk assessment from planning accordingly. Please refer to page 22 below.

2 Materiality

Our approach to materiality

As communicated in our Audit Plan dated April 2025, we determined materiality at the planning stage as £0.142m based on 2.5% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft financial statements. As a result, materiality has been updated based on the actual gross expenditure for the year to £0.172m

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £172k based on professional judgement in the context of our knowledge of the Authority, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements.
- We have used 2.5% of gross expenditure as the basis for determining materiality.
- In arriving at the materiality, we have considered various benchmarks including the key users of the financial statements and the performance measures they are interested in, the business environment, the control environment including any known control issues and frauds which may make misstatement more likely, and other sensitivities such as changes in regulations.
- The basis of our materiality remains unchanged from the prior year except for one change relating to the use of 2.5% (PY 2%). This has created a higher materiality for the audit and has been changed following updated internal guidance on setting materiality levels.

Performance materiality

- We have determined performance materiality at £120k, this is based on 70% of headline materiality (PY 75%). We have revised the performance materiality percentage compared to the prior year to reflect the high number of errors reported in the prior years audit findings report for high value balances such as land and building valuations. The use of 70% remains unchanged from our audit plan.

Specific materiality

- We have set a specific lower materiality of £10k relating to the disclosure for senior officer's remuneration. This is the same approach as taken in the prior year. The rationale for this is that the senior officer's disclosure is a politically sensitive area in which key users of the financial statements are interested in. The £10k level applied relates to each individual officer rather than the value of the senior remuneration note as a whole.
- **Reporting threshold**
- We will report to you all misstatements identified in excess of £8.5k, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

	Authority (£)	Qualitative factors considered
Materiality for the financial statements	£172k	<ul style="list-style-type: none">• Key users of the financial statements and which performance measures key stakeholders for the entity are interested in• Business environment• Control environment (e.g. known issues, frauds that could make misstatement more likely)• Other sensitivities (e.g. Changes in regulations)
Performance materiality	£120k	<ul style="list-style-type: none">• Our experience from prior period audits e.g. a significant numbers of errors or findings.• Any known changes in the business activities which could lead to more complex accounting.• Any changes relating to the control environment including internal audit findings, changes in IT infrastructure or other known changes.
Specific materiality for Senior Officer Remuneration	£10k	<ul style="list-style-type: none">• Key users of the financial statements and which performance measures key stakeholders for the entity are interested in.• The £10k threshold applies to the disclosures for an individual officer rather than the value of the senior remuneration note as a whole.
Reporting threshold	£8.5k	<ul style="list-style-type: none">• This is set at a level in which we have judged those charged with governance would be interested in. We have deemed this to be 5% of headline materiality.

3 Overview of significant and other risks identified

Overview of audit risks

The below table summarises the significant and other risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor’s judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Risk 1 - Management override of controls	Significant	↔	✓	Low	●
Risk 2 - Valuation of land and buildings	Significant	↔	✘	Medium	TBC
Risk 3 – Valuation of the pension fund net liability	Significant	↔	✘	High	●
Risk 4 – Introduction of IFRS16 (accounting for leases)	No risk	↓	✘	NA	●

- ↑ Assessed risk increase since Audit Plan
- ↔ Assessed risk consistent with Audit Plan
- ↓ Assessed risk decrease since Audit Plan

- Not likely to result in material adjustment or change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks

Risk identified

Management override of controls:

Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.

The Authority faces external scrutiny of spending, and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.

Audit procedures performed

We have:

- evaluated the design and implementation of management controls over journals;
- analysed the journals listing and determined the criteria for selecting high risk unusual journals;
- identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration;
- gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness

Key observations

Our audit work has not identified any issues in respect of management override of controls.

In total we have selected 28 journals for testing using a risk-based approach. All journals tested were found to be valid business-related journals with valid and appropriate supporting documentation.

Our work relating to significant accruals has also not identified any issues to bring to your attention.

We have noted no material adjustments or findings in relation to override of controls.

We have not identified any issues in relation to the significant estimates made by management throughout the audit.

Significant risks

Risk identified

Valuation of PPE land and buildings:

The valuation of land and buildings, as reflected in the Authority's balance sheet as Property, Plant and Equipment (PPE), represents a significant estimate in the financial statements.

Audit procedures performed

We have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work.
- evaluated the competence, capabilities and objectivity of the valuation expert.
- written to the valuer to confirm the basis on which the valuations were carried out.
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding.
- tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authorities asset register, revaluation reserve, and Statement of Comprehensive Income.
- evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.
- for all assets not formally revalued or revalued on a desktop/indexation basis only, evaluate the judgement made by management or others in determination of current value of these assets.

Key observations

Our work in this area is still ongoing at the time of writing this report. Upon completion of the work, we will reissue the audit findings report with the conclusions in this area.

Significant risks

Risk identified

Valuation of net pension liability:

The pension fund net liability, as reflected in the Authority's balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1.143m in the Authority's Balance Sheet at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code. We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.

However, the Authority has had to consider the potential impact of 'IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset'. Because of this we have assessed the recognition and valuation of the pension asset as a significant risk. **(continued on following page)**

Audit procedures performed

We have:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;
(continued on following page)

Key observations

Our audit work has not identified any significant issues with respect to the valuation of the pension fund net liability. We have received the assurance letter from the Somerset Pension Fund auditor which has not identified any issues for reporting.

IFRIC14:

In addition to that reported above, we have identified that although the financial statements reports a net liability, this is because an asset ceiling has been applied in line with IFRIC14. We have therefore reviewed the actuaries IFRIC14 assessment in line with national guidance which was released in September 2024. Our review did not identify any issues. For clarity, the net liability of £1.143m as reported in the balance sheet is net of the applied asset ceiling adjustment of £3.156m. Our procedures have concluded that this is reasonable and correctly calculated.

(continued on following page)

Significant risks

Risk identified

Valuation of net pension liability (continued):

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary.

A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability.

Audit procedures performed

- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Somerset Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Key observations

Our audit work has not identified any issues in respect of valuation of the pension fund liability.

One area which we did identify relates to the lack of disclosure with regard to the Virgin Media legal case. Although we are satisfied that this currently has no impact on the Authority, we have recommended that management include narrative disclosure for this in line with best practice. Management have agreed to add this in. Please refer to page 37 for full details.

Significant risks

Risk identified

The revenue cycle includes fraudulent transactions:

Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.

Audit procedures performed

We have identified and completed a risk assessment of all revenue streams for the Authority. We have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams. This is due to the low fraud risk and the underlying nature of the transactions, or immaterial nature of the revenue streams both individually and collectively. We have considered the risks and concluded that there is little incentive, pressures or opportunity for management to perpetrate a fraud in this area.

Key observations

Our testing of income cut off has not identified any issues to bring to your attention. We have not identified anything which has caused us to reconsider our rebuttal of this area.

Significant risks

Risk identified

The expenditure cycle includes fraudulent transactions:

Practice Note 10 (PN10) states that as most public bodies are net spend bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.

Audit procedures performed

We have completed a risk assessment of all expenditure streams for the Authority. We have considered whether there is a risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk. This is due to the low fraud risk and the underlying nature of the transactions, or immaterial nature of the expenditure streams both individually and collectively. We have considered the risks and concluded that there is little incentive, pressures or opportunity for management to perpetrate a fraud in this area.

Key observations

Our testing of expenditure cut off has not identified any issues to bring to your attention. We have not identified anything which has caused us to reconsider our rebuttal of this area.

Other risks

Risk identified

Changes to risk assessment

The following risks have been reassessed from the version previously communicated in the Audit Plan

Introduction of IFRS 16 (accounting for leases):

IFRS 16 is mandatory for all Local Government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17

Audit procedures performed

In our audit plan IFRS16 was presented as an 'other risk'. At the time, the Authority had not completed their calculations in this area. Upon receipt of the draft accounts the impact of this area is confirmed as trivial and no updates were required to the accounts in respect of IFRS16.

We have performed a review of the Authority's assessment and confirmed that this assessment is reasonable.

Key observations

On review we noted that the Authority have no finance leases. Per note 37, the Authority only have £9k of operating leases. As a result, any impact of IFRS16 is trivial to the Authority.

We are therefore satisfied that this area is not a risk for the Authority, and we have updated this from the plan accordingly.

4 Other findings

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors. We have used the below key as part of our assessment of the key judgements and estimates. Please refer to the following pages for our detailed commentary.

Assessment:

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Green] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment
<p>Valuation of land and buildings £20.845m at 31 March 2025</p>	<p>Other land and buildings comprises £1.758m of specialised assets such as visitor’s centres and public conveniences, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings (£19.085m) are not specialised in nature and are required to be valued at existing use in value (EUJ) at year end. The Authority has engaged NPS Group Limited as their management expert to complete the valuation of properties as at 31 March 2025 on an annual basis. All land and building assets are currently being revalued every year to ensure the values are materially correct, the code requires all assets to be valued over a 5-year period. Management has addressed estimation uncertainty through having all assets revalued as at the 31 March each year, this means it is very unlikely that there will be any material movements between the valuation date and the year-end date.</p> <p>The total year end valuation of land and buildings was £20.845m, a net increase of £0.673m from 2023/24 (£20.172m).</p>	<p>We have:</p> <ul style="list-style-type: none"> assessed the competence and expertise of the management expert Reviewed the completeness and accuracy of the underlying information used to determine the estimate Reviewed the appropriateness of any alternative site assumptions Ensured that there have been no changes to the method used to revalue the assets and ensured the method is suitable to different classes of assets Considered the adequacy of the disclosure of the estimate in the financial statements <p>Our work in this area is not yet complete, an updated findings report will be issued to inform our conclusions when the work is completed. To date no issues have been identified to bring to your attention.</p>	TBC

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment																								
<p>Valuation of net pension liability £1.143m at 31 March 2025</p> <p>Please note that although the pensions are in a liability position, IFRIC 14 addresses the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liabilities are required in respect of onerous funding commitments.</p>	<p>The Authority’s total net pension liability at 31 March 2025 is £1.143m (PY £1.226m) comprising the Somerset Pension Fund defined benefit pension scheme obligations.</p> <p>The Authority uses Barnett Waddingham to provide actuarial valuations of the Authority’s assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation, based on the 31st March 2022 data was completed in 2023. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £26k net actuarial gain 2023/24. In the prior year, the gain was £613k.</p>	<p>In considering the estimate we have:</p> <ul style="list-style-type: none"> Assessed the management’s expert Assessed the actuary’s approach taken, and deemed it to be reasonable Use of PwC as auditor’s expert to assess actuary and assumptions made by actuary – please see the table below: <table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>5.85%</td> <td>5.6% - 5.95%</td> <td>Reasonable</td> </tr> <tr> <td>Pension increase rate</td> <td>2.9%</td> <td>2.85% - 2.95%</td> <td>Reasonable</td> </tr> <tr> <td>Salary growth</td> <td>3.9%</td> <td>3.9%</td> <td>Reasonable</td> </tr> <tr> <td>Life expectancy – Males currently aged 45/65</td> <td>Current 21.1 Future 22.4</td> <td>Current 19.2 – 21.8 Future 20.6 – 23.1</td> <td>Reasonable</td> </tr> <tr> <td>Life expectancy – Females currently aged 45/65</td> <td>Current 23 Future 24.4</td> <td>Current 22.7 – 24.3 Future 24.1 – 25.7</td> <td>Reasonable</td> </tr> </tbody> </table>	Assumption	Actuary value	PwC range	Assessment	Discount rate	5.85%	5.6% - 5.95%	Reasonable	Pension increase rate	2.9%	2.85% - 2.95%	Reasonable	Salary growth	3.9%	3.9%	Reasonable	Life expectancy – Males currently aged 45/65	Current 21.1 Future 22.4	Current 19.2 – 21.8 Future 20.6 – 23.1	Reasonable	Life expectancy – Females currently aged 45/65	Current 23 Future 24.4	Current 22.7 – 24.3 Future 24.1 – 25.7	Reasonable	<p>● Green</p> <p>We consider management’s process is appropriate and key assumptions are neither optimistic or cautious</p>
Assumption	Actuary value	PwC range	Assessment																								
Discount rate	5.85%	5.6% - 5.95%	Reasonable																								
Pension increase rate	2.9%	2.85% - 2.95%	Reasonable																								
Salary growth	3.9%	3.9%	Reasonable																								
Life expectancy – Males currently aged 45/65	Current 21.1 Future 22.4	Current 19.2 – 21.8 Future 20.6 – 23.1	Reasonable																								
Life expectancy – Females currently aged 45/65	Current 23 Future 24.4	Current 22.7 – 24.3 Future 24.1 – 25.7	Reasonable																								





(continued)

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
<p>Valuation of net pension liability</p> <p>IFRIC 14 limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.</p> <p>An asset ceiling has been applied in the IAS19 report and as part of our procedures we have reviewed asset ceiling.</p>	<p>Please see previous slide for commentary</p>	<ul style="list-style-type: none">• Assessed the completeness and accuracy of the underlying information used to determine the estimate• Reviewed the Impact of any changes to valuation method• Considered the reasonableness of the Authority's share of LGPS pension assets.• Considered the reasonableness of increase/decrease in the estimate• Reviewed the adequacy of the disclosure of the estimate in the financial statements• Reviewed the asset ceiling calculations in line with IFRIC14. <p>Upon review of the Somerset Pension Fund auditors' letter of assurance, no issues were identified to communicate.</p> <p>Overall, we are satisfied that the net pension liability is fairly stated.</p>	<p>● Green</p> <p>We consider management's process is appropriate and key assumptions are neither optimistic or cautious</p>

Other findings – Information Technology





This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks	Additional procedures performed to address risks arising from our findings
			Security management	Technology acquisition, development and maintenance	Technology infrastructure		
SAP	Roll Forward of prior year procedures (Detailed ITGC assessment)	 Red	 Red	 Amber	 Green	Journals – Management override of controls	All identified deficiencies in relation to the SAP system have been incorporated into our journals work which covered the management override of controls significant risk. No issues were identified.

Exmoor National Park Authority rely on Somerset Council for the provision of their financial management system, SAP. The above ITGC assessment is the Somerset Council auditor's assessment of the system at the Council during the financial year ending 31 March 2025.

The IT audit identified seven deficiencies in the SAP system which have been reported to the Somerset Council Audit Committee. The findings are highly technical in nature and primarily relate to administrative access to the SAP system and its production environment. As above, we have ensured that all user accounts identified have been included in our journals testing, and all journals identified have been tested. No issues were noted with any journals posted and we are therefore satisfied that there is no material risk to the Authority arising from these deficiencies. All identified deficiencies are reported in the action plan page 41 onwards.

Assessment:

-  [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  [Black] Not in scope for assessment

5 Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Exmoor National Park Authority Committee. We have not been made aware of any other incidents in the period, and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations, and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been received from the Authority and is included in the Exmoor National Park Authority Committee papers.
Confirmation requests from third parties	We requested from management permission to send confirmation request to financial institutions and third parties which hold monies on behalf of the Authority. This permission was granted, and the requests were sent. All requests were returned with positive confirmations.
Disclosures	Our review found no material omissions in the financial statements. We have identified disclosure amendments all of which management has agreed to correct, please refer to section 6.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	We did not identify any significant difficulties during the audit.

Other responsibilities

Issue

Commentary

Going concern

In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.

Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:

- The use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities
- For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report.

(continued)

Other responsibilities

Issue

Commentary

Going concern

Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:

- the nature of the Authority and the environment in which it operates
- the Authority's financial reporting framework
- the Authority's system of internal control for identifying events or conditions relevant to going concern
- management's going concern assessment.

On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:

- a material uncertainty related to going concern has not been identified; and
- management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No material inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none">• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit,• if we have applied any of our statutory powers or duties.• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the Authority does not exceed the ‘Minor Bodies’ threshold. Therefore no work is required by the Authority or us as auditors.</p>
Certification of the closure of the audit	<p>We intend to certify the closure of the 2024/25 audit of Exmoor National Park Authority in the audit report.</p>

6 Audit adjustments

Audit adjustments

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

To date we have identified one adjusted misstatement. We will provide an update to management and the Exmoor National Park Authority Committee should any issues be identified from the remaining testing.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
<p>Operating Expenditure Testing:</p> <p>In our testing we identified an error in relation to one sample in which management has not complied with the authority's accruals policy. The sample relates to subscription costs which had been prepaid for 2025-26, however the entire amount was accounted for in 2024-25. We requested that management confirm as to whether any other errors of the same nature had occurred. Upon review management informed us that there is one other error which has been made where a subscription cost has been accounted for in the incorrect year. Given that a full review has been undertaken, we are satisfied that this error is isolated, and management have agreed to correct the accounts for the amounts concerned. We have performed a review of the item identified by management and confirmed that expenditure in question relates to the 2025-26 year and therefore should not be included in 2024-25 expenditure.</p>	Cr Expenditure General fund £30k	Debit Debtors (Prepayments) £30k	£30k decrease in expenditure	£30k increase to the general fund balance (As expenditure has decreased)
Overall impact	(£30k)	£30k	£30k decrease	£30k increase

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Review of draft financial statements	We have identified a number of minor errors such as formatting, casting and consistency between the notes. Management have agreed to amend the accounts for all such findings.	✓
Profits on sale of noncurrent assets	<p>We identified that in note 10 'Expenditure and Income Analysed by Nature' and note 11 'Segmental Income' the total for profit on sale of asset disposals of £279k was incorrectly included as part of fees and charges income. In line with the CIPFA code paragraph 2.2.247 income of this nature does not come under the classification of fees and charges. This income should therefore be classified separately in both notes.</p> <p>Note that the amount is correctly classified as other operating income in the CIES and so this is only a disclosure update to notes 10 and 11.</p>	✓
Review of other information	<p>As part of our review of the narrative report we identified one minor disclosure error on the financial information. This related to the core budget figure of £2,911,500 being presented as '£2,9,11,500'. Management agreed to correct this disclosure.</p> <p>We identified a second disclosure issue on page 9 where the management accounts budget deficit as described should be stated as a surplus. This has been corrected.</p>	✓
PPE note 27	<p>Upon performing mathematical accuracy check for Note 22, we identified that the line Net Book Value at 31 March 2024 for the column Vehicle Plant & Equipment in the table Movement on Balances 2023/24 is incorrectly totalled.</p> <p>The correct amount is £220k (In line with PY audited FS). Instead, £200k is mentioned in the table which is misstated by £20k.</p>	✓

Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Financial Instruments note 24	<p>The balances originally reported for contractual debtors and creditors are incorrect. For debtors, the VAT balance of £51k and the payments in advance amount of £16k must be excluded in line with the CIPFA code, this is because VAT is a statutory amount and therefore is not classed as a financial instrument. Payments in advance are also not financial instruments as they will not be settled via a cash transaction. The correction results in a contractual debtor balance of £649k.</p> <p>For creditors, the statements initially excluded the creditor control balance total of £56k in error when the accumulated absence accrual of £48k should have been removed in line with the CIPFA code, giving a correct contractual creditor balance of £548k.</p>	✓
Pension Liability note 33	<p>As part of our approach to reviewing the actuary's methodology, we have identified that the actuary has not included any allowance in their calculations for the Virgin Media Ltd v NTL Pension Trustees II Ltd. Although we agree that this is a reasonable approach, we have determined that best practice is for a disclosure to be included in the accounts for this area. Management have agreed to include additional narrative in their pension note regarding this.</p> <p>For context, the case affects defined benefits schemes that provided contracted out benefits before 2016. Changes to this scheme between 1996 and 2016 required an actuarial certificate in line with Section 37 of the Pension Scheme Act 1993 and that changes without this certificate could be considered void. The case was taken to the Court of Appeal in 2024 and the original ruling was upheld. In June 2025 the government said it would introduce legislation to give affected pension schemes the ability to retrospectively obtain the written actuarial confirmation that historic benefit changes met the necessary standards. This has not yet been passed.</p>	✓
Audit fees note 18	<p>Minor updates have been actioned in the note including the removal of 'TBC' for IFRIC14 related fees as this has been confirmed as being included in the main scale fee. Also removed asterixis on the prior period figures which were not required.</p>	✓
Adjustments between accounting basis and funding basis note 20	<p>In Note 20, for line item 'Transfer of sales proceeds credited as part of the gain/loss on disposal', amount has been updated to £450k, which is the actual sale proceeds from disposal of assets. However, in note 20 it was wrongly mentioned as £460k. This impacted the total adjustments balance from £736k to £726k. Figures are correctly reflected in Movement in reserves statement.</p>	✓

Audit adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

At the time of writing we have not identified any unadjusted misstatements above trivial. This will be finalised once all audit work is complete.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Overall impact of current year unadjusted misstatements	0	0	0	0

Impact of unadjusted misstatements in the prior year

The below provides details of misstatements identified during the prior year audit which were not adjusted for within the final set of financial statements for 2023/24, and the resulting impact upon the 2024/25 financial statements.

We identified four unadjusted errors in the prior year; these are summarised below:

1 – Errors identified in our PPE revaluation testing relating to incorrect floor areas used on the Pinkery Centre, rounding errors between the valuer's report and the fixed asset register. The total error was £49.5k extrapolated.

2 - On receipt of the pension fund assurance letter, we identified a £7.8k understatement in the pension net assets.

The above have no impact on the current year as both PPE and pensions receive full in year valuations, this therefore corrects the impact of any opening balance misstatements.

The remaining two errors would only have a trivial impact on the opening asset position in the balance sheet and therefore does not warrant reporting. Please refer to the prior years AFR for full details of the unadjusted misstatements. The table below summarises the full impact.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
1 & 2– PPE and pensions errors as above	£0	£0	£0	£0	No impact
3 & 4 – Other errors reported as above	£0	DR VAT Asset £6k (Opening Balance)	£0	£6k increase due to prior years expense being less	The amount is trivial
Overall impact of prior year unadjusted misstatements	£0	£6k	£0	£6	
Cumulative impact of prior year and current year unadjusted misstatements on 2024/25 financial statements	£0	£6k	£0	£6	

Action plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<p>● Low</p>	<p>Review of the Fixed Asset Register: We identified one building asset (Whiterock Cottage) which did not have a UEL and was not depreciated. We performed a calculation of the estimated depreciation based on the ENPA UEL policy and the charge for the year is trivial. However, building assets should be depreciated according to the depreciation policy so we would recommend that management find a suitable UEL for the building and depreciate it in the following years. Similar issue is highlighted in 24/25.</p>	<p>We recommend that management ensures all assets are depreciated according to the depreciation policy. issue is highlighted in 24/25.</p> <p>Management response Agreed. Our valuers have assigned a useful economic life to this asset.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

As mentioned on page 28, a review of the SAP system has been carried out by the Somerset Council audit team and we have relied on the work performed. Below are the findings. Please note, all of the below findings have been incorporated into our Journals testing work and we have not identified any areas for further follow up at the Authority. We are therefore satisfied that the below does not have any material financial impacts on the Authority.

Assessment	Issue and risk	Recommendations
● High	<p>Users with inappropriate access to critical privileges on SAP. Four accounts (Dialog A and Service S) had unjustified access to SAP_NEW and SAP_ALL profiles, along with the ability to maintain all SAP tables. There is also a lack of audit logging prevented the assessment of changes made to these tables. SAP_ALL and SAP_NEW profiles grant full system rights, posing risks to operational stability and financial integrity. Unrestricted table maintenance access could lead to unauthorized changes and data integrity issues. GT recommended to remove SAP_ALL and SAP_NEW access from user accounts; limit to emergency IDs. Implement a formal approval process for granting high-level access. Segregate table maintenance access, using specific authorization objects. Management responded that access to high-level profiles requires approval and has an end date; further review is planned.</p>	<p>We recommended to remove SAP_ALL and SAP_NEW access from user accounts; limit to emergency IDs. Implement a formal approval process for granting high-level access. Segregate table maintenance access, using specific authorization objects.</p> <p>Management response</p> <p>Management responded that access to high-level profiles requires approval and has an end date; further review is planned.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Segregation of duties conflict as users have access rights to configure and delete audit logs in production There are 11 user accounts with access rights to both configure audit logs (SM19) and delete them (SM18) in the production environment. Audit logging is not enabled on SAP, preventing activity verification through SM20 logs. Inappropriate and anomalous activities may go undetected and unresolved in a timely manner. The Council should segregate access to configure (SM19) and delete (SM18) user security event logs within production. If complete segregation is not feasible for operational reasons, consider using Firefighter accounts with a defined validity period based on formal approvals to mitigate risks. Management Responded that SAP Support and HCL have access and will review the approval process.</p>	<p>The Council should segregate access to configure (SM19) and delete (SM18) user security event logs within production. If complete segregation is not feasible for operational reasons, consider using Firefighter accounts with a defined validity period based on formal approvals to mitigate risks.</p> <p>Management response Management Responded that SAP Support and HCL have access and will review the approval process.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● Medium</p>	<p>Users with inappropriate access to ABAP debugger in production During the audit, it was discovered that 18 accounts (Dialog A and Service S) had access to the ABAP debugger in the production environment via the S_DEVELOP authorization object. These users were found to have made changes to program attributes (via TRDIR), master data changes (via CDHDR), and accounting document header changes (via BKPF) during the audit period. Unauthorized access to the ABAP debugger, granted through the S_DEVELOP authorization object in change mode, poses several risks, including: - Unauthorized changes or deletions of table entries, particularly for tables typically protected by SCC4. - The ability to insert break-point statements into program code, facilitating debugging functions that could compromise system integrity. - The potential to bypass authority checks, allowing execution of transactions that the user is not authorized to perform.</p>	<p>It is strongly recommended that the Council permanently remove access to the ABAP debugger from production environments. They should implement best practices by utilizing Firefighter accounts with an approved business case and a defined validity period for access.</p> <p>Management response</p> <p>Management has committed to removing this access and establishing an approval process for any future access to the ABAP debugger, only when required.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Excessive accounts with access to schedule batch jobs via SM37 There are 4,462 user accounts with privileged access to schedule batch jobs via SM37, considered excessive and inappropriate. This issue remains from the previous year’s audit. Combination of administrative and financial privileges can bypass internal controls, leading to: - Unauthorized changes to system parameters - Creation of unauthorized accounts - Unauthorized updates to account privileges - Deletion of audit logs or disabling logging GT recommended to Limit SM37 access for business users by avoiding S_BTCH_ADM and S_BTCH_NAM authorizations. Users should only have ‘LIST’, ‘PROT’, and ‘SHOW’ access via the S_BTCH_JOB authorization object.</p>	<p>The Council should implement review procedures to monitor activities if incompatible functions are necessary due to organizational constraints. They should review all users with access to SM37 and S_BTCH_ADMIN to ensure legitimate business need aligns with job duties. Also, key financial personnel should not influence data processing; access should be reserved for SAP/BASIS team members.</p> <p>Management response</p> <p>Management responded that SM37 access has been removed from the role Z_SAP_BC_ENDUSER. A review of the role is planned to consider creating a second role for specific users.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● High</p>	<p>Controls not enabled within SAP to facilitate audit logging The Council has not enabled adequate logging in SAP to detect changes to programs. Without table logging, changes made to clients remain untracked, allowing unauthorized changes to go unrecorded and untraceable. Inadequate logging hampers monitoring efforts for activities by users with access to sensitive data tables or data editing transactions. Management's failure to investigate login failures on high-risk or privileged user accounts may lead to unaddressed unauthorized access attempts, increasing the risk of successful system compromise.</p>	<p>Recommendations: - Ensure the 'rec/client' setting is changed to 'ALL' or the production client number to activate table logging across all clients. This can also be limited to specific clients, including production. - Use the 'rsau/enable' parameter to log sensitive transactions, enabling REC/CLIENT to allow database log changes to be visible in DBTABLOG or SCU3. - Given the critical nature of data accessible via SAP, establish a routine review of security event logs (SM20 and SM21), especially for users with access to critical transactions, documented and approved by an authority.</p> <p>Management response</p> <p>Management responded that concerns were raised regarding the resource implications of logging everything. They indicated that all work is logged in the Council Halo ticketing system and/or HCL Smart Desk ticketing system.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● Low</p>	<p>Improvement Opportunity: Weak password configuration settings on sap GT IT audit obtained standard report RSPARAM, inspected that the following password parameters are not aligned to the expected values:</p> <ul style="list-style-type: none">• login/min_password_digits is set to 0 (≥ 1)• login/min_password_letters is set to 0 (≥ 1)• login/min_password_specials is set to 0 (1)• login/password_history_size is set to 5 (≥ 12) <p>rsau/enable is set to 0 Risks A lack of robust password settings may allow financial information to be compromised by unauthorised users. In particular:</p> <ul style="list-style-type: none">• Short passwords can easily be guessed.• Passwords tend to become known by other users if they are in continued use over a long period of time.• If password complexity is not configured, users will tend to choose simple, guessable words as their passwords.• If password history is not maintained, a user may recycle the same password over a long period.	<p>The Council should ensure that password settings configured on NEC Revenue & Benefits are in line with the Council’s password policy. Where configuration settings cannot be strengthened due to system limitations, management should undertake a risk assessment and implement additional compensating controls.</p> <p>Management response Management response New policies have been enforced.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan – ICT Audit Findings

Assessment	Issue and risk	Recommendations
<p>● Low</p>	<p>Improvement Opportunity: Segregation of duty conflicts between change developer in production GT IT Audit performed a comparison of users with the ability to develop changes in development with those with the ability to create/import transports in production via Standard Transport Management System (STMS). They identified that there were four (4) user accounts with such access. In response, they verified that the accounts had not created and released any transports in production during the audit period. Risks The combination of access to develop and implement those changes in the production environment creates a risk that inappropriate or unauthorised changes are made to data and/ or programs.</p>	<p>Recommendations The Council should segregate a user’s ability to develop and implement changes. Privileged access to the production environment should be revoked from users that are involved in development. If for operational reasons access cannot be fully segregated, alternative options to mitigate the risk could include performing a review of change implementation activity logs. These should be regularly reviewed for appropriateness by an independent individual with evidence retained.</p> <p>Management response Management response Changes have been made.</p>

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in 7 recommendations being reported in our 2023/24 Audit Findings Report. As below some recommendations have not been implemented and therefore have been reported again.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
TBC	<p><u>Property, Plant and Equipment (Medium Risk):</u></p> <p>We have experienced difficulty in obtaining the floor and land area measurement for three sampled assets. These were Pinkery, Lynmouth House and Exmoor House. There were significant delays in receiving the supporting evidence such as floor plans and measurements. We deem this to be a control issue as it is stated in the Terms of Engagement with the valuer that the valuer will rely upon the information provided by the ENPA for the valuations. If ENPA does not have a robust documentation of key asset information, it would be difficult to gain assurance over the data used by the valuer and in turn assurance over the valuation.</p>	<p>Work on the land and building valuations are still ongoing, we will update our response to this on completion of the work.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
TBC	<p><u>Property, Plant and Equipment (Medium Risk):</u></p> <p>We have identified differences between the land site areas used in the valuer's calculation and the supporting evidence held by the ENPA Estates Team for three sampled assets. While these differences did not cause any misstatements due to the valuers approach (Valuer used the uplift approach rather than using the site area), we deem this to be a control issue as the information is not consistent. Please note there is no material impact on the accounts arising from this issue.</p>	<p>Work on the land and building valuations are still ongoing, we will update our response to this on completion of the work.</p>
TBC	<p><u>Property, Plant and Equipment (Medium Risk):</u></p> <p>We have identified some instances of unclear communication between the estates team at ENPA and the valuer. As an example, both parties were unclear as to who is responsible for land and floor area measurements. The valuer believed that this was purely the responsibility of the estates team which is in line with the terms of engagement. However, estates also believed that the valuers remit is to undertake measurements. This confusion was part of the delay in the audit team receiving the appropriate evidence.</p>	<p>Work on the land and building valuations are still ongoing, we will update our response to this on completion of the work.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p><u>Cut off testing – Expenditure (Medium Risk):</u></p> <p>We identified three instances where the authority had not followed their own accruals de-minimis policy at year end i.e. amounts owing at year end above £500 were not accrued and included in the creditors' balance as at 31st March 2024. This included £1010.50 related to a direct debit, £1457.68 related to Diesel and £7617.78 related to Energy bills.</p>	<p>As this is not consistent with the authority's accrual de-minimis policy our recommendation was for management to ensure that appropriate year end accruals are made in line with the policy. Where applicable, an estimate accrual should be recorded and reversed out in the following year.</p> <p>Our work on expenditure cut off has now concluded and no issues were noted. However, during our operating expenditure testing we did identify one item which was not correctly accrued. The amount related to the 2025-26 year and was not accrued for at year end. Given that this is a similar cut off issue, we consider that this recommendation is still open. The error has been reported on page 35</p> <p>Management response:</p> <p>Agreed.</p> <p>No issues of this nature were encountered in 2024-25, we therefore consider this are closed.</p>
✓	<p><u>Debtors and Creditors (Low):</u></p> <p>When performing our debtors and creditors sample selection, we encountered some difficulty in obtaining the year end listings. In order to get listings for both, the auditor has required the client to send scanned copies of Journal papers, which the auditor has input manually into a listing in order to pull a sample together.</p>	

Assessment

- ✓ Action completed
- X Not yet addressed

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p><u>Depreciation (Low Risk):</u></p> <p>We identified one building asset which did not have a UEL and was not depreciated. We confirmed that had there have been a depreciation charge it would have been trivial. However, this asset not being depreciation is not in line with the ENPA accounting policies which states that all building assets are depreciated.</p>	<p>We have identified the same issue with the same asset in 2024-25 and have confirmed that no depreciation was charged. Although the impact is trivial, we have reissued the recommendation. Please refer to page</p> <p>Management response:</p> <p>Agreed.</p>
✓	<p><u>Operating Expenditure (Low):</u></p> <p>We have identified one instance of recoverable VAT being included within expenditure in error. The amount of the error was found to be trivial both in absolute terms and extrapolated.</p>	<p>No issues of this nature were encountered in 2024-25, we therefore consider this are closed.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

7 Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30th November each year from 2024-25. Our draft AAR accompanies this audit findings report.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Improving economy, efficiency and effectiveness

How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.



Financial sustainability

How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the Authority ensures that it makes informed decisions and properly manages its risks.

In undertaking this work we have not identified any significant weaknesses in arrangements. Please refer to the Auditors Annual Report (AAR) for full details of our findings.

8 Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers [and network firms]). In this context, there are no independence matters to be reported to you.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority or with respect to investments held.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority.
Contingent fees in relation to non-audit services	There are no non-audit services therefore there are no contingent fee arrangements in place.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority, senior management or staff.

Fees and non-audit services

The following table below sets out the total fees for audit services that we have been engaged to provide. No non audit services are provided, therefore the only fee relates to the audit scale fee. Note that in the prior year, the fee also included separate amounts for both ISA 315 and additional fees relating to the IFRIC14 pensions work. We can confirm that for 2024-25 these fees are not incorporated into the audit scale fee.

We are not proposing to charge any additional fees for the 2024-25 audit.

We have confirmed that the fee as stated below of £45,627 reconciles back to the Authority accounts audit fees note 18.

Audit fees	Final fee
Exmoor National Park Authority (Scale Fee)	£45,627
Total	£45,627

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan

	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Our team and communications

Grant Thornton core team

Grace Hawkins

Engagement Lead

- Key contact for senior management and ENPA Committee
- Overall quality assurance

Oscar Edwards

Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Ananya Mehta

Audit Senior

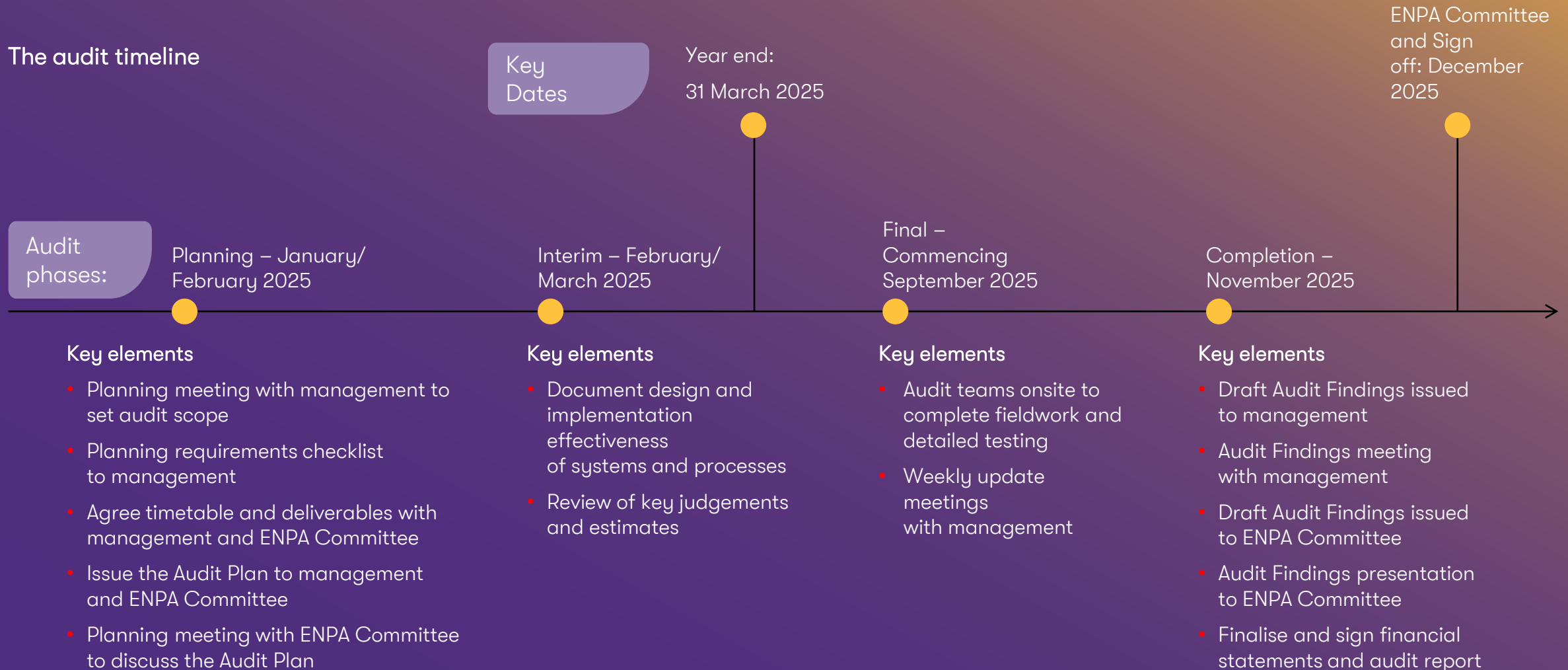
- On-site audit team management
- Day-to-day point of contact
- Audit fieldwork

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none"> • Annual client service review 	<ul style="list-style-type: none"> • The Audit Plan • The Audit Findings 	<ul style="list-style-type: none"> • Audit planning meetings • Audit clearance meetings • Communication of issues log 	<ul style="list-style-type: none"> • Technical updates
Informal communications	<ul style="list-style-type: none"> • Open channel for discussion 		<ul style="list-style-type: none"> • Communication of audit issues as they arise 	<ul style="list-style-type: none"> • Notification of up-coming issues

As part of our overall service delivery, we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

C. Logistics

The audit timeline



D. Management letter of representation – included as separate agenda item.

E. Audit opinion - included as separate agenda item.



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Exmoor National Park Authority

Auditor's Annual Report
Year ending 31 March 2025

18 November 2025



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Exmoor National Park Authority (the Authority) during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Authority are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Authority which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from 30th November 2025 and applies to 2024/25 Audits.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	G No significant weaknesses in arrangements identified. No improvement recommendations made.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendations made.
Governance	A No significant weaknesses in arrangements identified, however, one improvement recommendation raised related to Committee self-assessment of its effectiveness.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified; one improvement recommendation made related to frequency of risk reporting
Improving economy, efficiency and effectiveness	G No significant weaknesses in arrangements identified. No improvement recommendations made.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified and no improvement recommendations made.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Financial sustainability

In 2024/25, the Authority maintained financial stability despite budget pressures, aided by a one-off Department for Environment, Food and Rural Affairs (DEFRA) grant, land sales, and prudent treasury management. Revised budgets reflected pay awards, transitional costs, and strategic project funding. While future deficits are projected, integrated planning, scenario testing, and risk mitigation support resilience. Savings are embedded in operations but lack visibility, highlighting the need for structured tracking. The Authority aligns financial decisions with strategic priorities, investing in environmental goals and maintaining flexibility through reduced discretionary spending.



Governance

The Authority maintains strong governance and financial control through integrated risk management, internal audit, and budget monitoring. Strategic risks are tracked via a formal register, reported biannually per policy, though the last update was overdue since December 2024. Internal audit confirms robust financial oversight. Budgeting is responsive and Member-led, with mid-year revisions ensuring agility. Governance structures support informed decision-making, reinforced by updated policies and training. Planned enhancements, including new financial systems and anti-money laundering policies, will further strengthen assurance frameworks.



Improving economy, efficiency and effectiveness

The Authority tracks corporate performance quarterly, with over 60 targets monitored across strategic priorities. Most were met, with mitigation for underperformance. Strategic risks are reviewed biannually, though the last update was overdue since December 2024. Financial and procurement controls are robust, supported by internal audit and updated regulations. Partnerships are actively managed and aligned with strategic goals. Service evaluation includes complaints tracking and Member oversight. A new financial system and governance enhancements will further strengthen reporting, assurance, and decision-making.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Authority’s financial statements and sets out whether we have used any of the other powers available to us as the Authority’s auditors.

Auditor’s responsibility

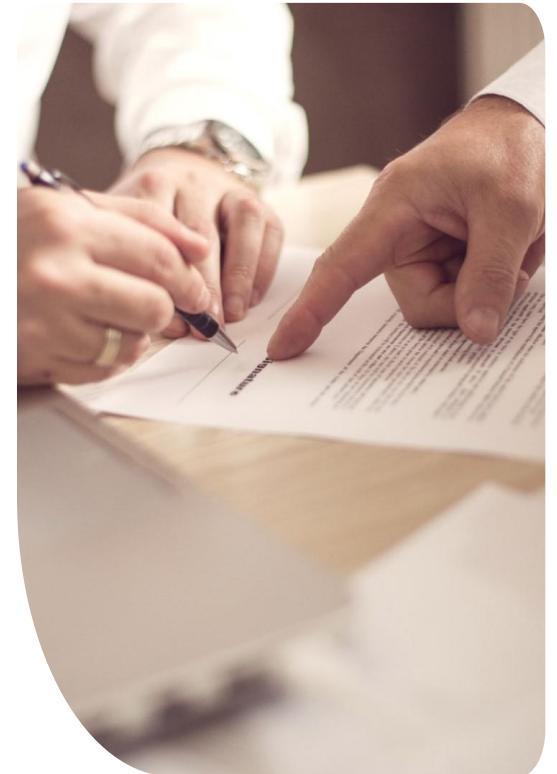
2024/25 outcome

Opinion on the Financial Statements

We are due to report our initial findings to the Authority meeting in December 2025. Our findings are set out in further detail on pages 9 to 10.

Use of auditor’s powers

We will update our findings in this area later in the year once the financial statements audit are completed



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

We are due to report our initial findings to the Authority meeting in December 2025. Subject to the conclusion of our detailed statements testing we anticipate issuing our opinion in December 2025.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conduct our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Authority's Ethical Standard.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report.

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

As reported in our audit findings report no issues were noted in this area.

04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Authority's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The 2024/25 budget, set in March 2024, was based on a flat National Park Grant (NPG) of £3.211 million. Following a £500,000 one-off DEFRA grant in April 2024, the Authority revised its budget in December 2024 to reflect this additional funding, a 3.9% staff pay award (above the 3% assumption), and transitional costs from a Business Process Review. The revised budget also included project funding previously excluded, offering a more complete financial picture. Despite overspending the revised revenue budget by £1.244 million, the Authority ended the year with a small surplus (~£5,000) due to additional income from land sales and grants. The Medium-Term Financial Plan (MTFP) projects balanced budgets through to 2026/27, but identifies growing deficits from 2027/28, driven by static grant funding and inflation. Overall, in 2024/25 the Authority maintained adequate arrangements through prudent treasury management, stable reserves, and no borrowing or commercial investments.</p>	<p>G</p>

Grant Thornton insight

Enhancing Financial Resilience through Income Diversification – Diversifying and strengthening recurring income is vital for public bodies facing static core funding. While the Authority has maintained financial stability through prudent budgeting and one-off income sources, projected budget gaps from 2027/28 and inflationary pressures highlight the need for a long-term approach. The recently developed Income Generation Strategy directly supports this direction. Its structured framework for identifying, planning, and evaluating income opportunities—across fees, grants, and commercial activity—aligns with the goal of reducing reliance on non-recurring income. Embedding this strategy into operational planning can strengthen financial resilience and safeguard service delivery and strategic investment.

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
plans to bridge its funding gaps and identify achievable savings	<p>The April 2024 Business Review was a key initiative aimed at addressing budget gaps and aligning operations with DEFRA priorities. Rather than presenting savings as a standalone programme, the Authority integrates them into monthly management accounts and budget-holder meetings, allowing for ongoing identification and monitoring of achievable savings. This approach supports operational ownership but limits visibility of cumulative savings.</p> <p>Savings targets are built into the Medium-Term Financial Plan (MTFP), with identified gaps of £44,000 in 2027/28, £89,000 in 2028/29, and £101,000 in 2029/30. While the Authority has achieved balanced budgets in recent years, this has often relied on one-off measures such as interest income and additional capital allocations. Sustaining recurrent savings remains a challenge, particularly as wage inflation continues to outpace the declining National Park Grant, alongside a dependency on external funding. The Authority could benefit from developing a structured savings tracker that distinguishes between one-off and recurring savings.</p>	G
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The Authority’s Corporate Plan (2025–26) sets clear priorities, including environmental goals. It uses funding strategically—like the £1.4 million DEFRA allocation—to support long-term, value-driven projects such as rainforest creation, solar energy, and heritage restoration. It improves cost recovery through updated fees and charges, while the Medium-Term Financial Plan reduces discretionary spending to protect essential services and maintain financial flexibility.</p>	G



Structuring Savings for Delivery Confidence – Savings are a critical tool for managing long-term financial pressures, particularly where core funding is static and inflationary costs are rising. Exmoor National Park Authority has historically achieved balanced budgets through business reviews and one-off measures, such as interest income and capital grants. While savings are embedded in routine financial management and budget-holder meetings, they are not tracked through a formal programme. This limits visibility of delivery progress and cumulative impact. As future savings targets increase—rising to £149k by 2029/30—a more structured approach could enhance delivery confidence and support long-term financial resilience.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>Financial planning is closely aligned with the Authority’s strategic and operational priorities through integrated processes. The MTFP incorporates workforce assumptions, capital investment, and operational changes, ensuring consistency across planning areas. Growth and investment decisions are structured around priority themes—such as Nature Recovery, Net Zero, and Landscape & Heritage.</p> <p>Capital projects, including EV fleet replacement and renewable energy systems, are embedded in the financial plan and monitored through refreshed governance frameworks and delivery plans. Treasury management aligns with the MTFP, maintaining a debt-free position while leveraging Somerset Council’s investment framework. Operational changes—such as service reorganisations and building repurposing—are implemented to manage budget pressures and improve efficiency.</p> <p>Progress is tracked through regular reporting to the Full Authority, with capital spend and revenue budgets reviewed alongside project updates. Climate-related financial reporting is being integrated into finance systems, supporting alignment with environmental goals. While internal capacity and reporting mechanisms are still developing, the Authority is taking steps to strengthen monitoring and ensure financial decisions remain consistent with strategic objectives.</p>	<p>G</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Authority embeds financial risk analysis within its MTFP, identifying key risks such as DEFRA funding reductions, inflation, and income volatility. It uses scenario planning to test assumptions and adjust budgets accordingly. Mitigation measures include reducing discretionary spending, prioritising revenue-generating projects, and using earmarked reserves to cover unexpected costs. A refreshed risk framework, formalised risk appetite, and manager training support proactive risk management. The Authority also responds to funding changes—like the 8.2% DEFRA grant reduction—by revising budgets and rebalancing priorities to maintain financial stability.</p>	<p>G</p>



Strengthening Capital Programme Delivery – While the DEFRA one-off capital allocation of £1.4 million for 2025/26 has enabled significant investment in priority areas such as net zero and nature recovery, the scale and complexity of these projects require robust oversight. Strengthening governance, enhancing monitoring systems, and addressing staffing constraints will help maximise the impact of capital funding and ensure long-term sustainability.

Governance – commentary on arrangements

We considered how the Authority:

Commentary on arrangements

Rating

monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority's Risk management is overseen by the Senior Leadership Team and guided by a formally reviewed Risk Management Policy (RMP), which includes a defined risk appetite and a scoring methodology using a 5x5 matrix with RAG ratings. Strategic risks are captured in a Strategic Risk Register (SRR), which is now reported biannually to the Full Authority, although the latest update is overdue since December 2024. Risks are categorised under themes such as Financial, Operational, and Legislative, with ongoing work to align these with the Authority's six corporate priorities.

Internal audit is delivered by Devon Assurance Partnership (DAP), which operates in compliance with Public Sector Internal Audit Standards (PSIAS). The 2024/25 audit plan was fully delivered, covering key financial systems and cyber security. High-priority recommendations are tracked and reviewed in follow-ups. Although the exact number of outstanding recommendations is not specified, assurance reporting is provided directly to the Full Authority.

Fraud prevention is supported by an Anti-Fraud, Corruption and Bribery Policy and a refreshed whistleblowing policy. Internal audit includes sample testing and risk-based reviews to assess anti-fraud controls. No significant fraud cases were reported in 2024/25, but the framework is actively monitored and updated to ensure resilience.

Additional governance enhancements are planned for 2025/26, including implementing an Anti-Money Laundering policy and a new financial system, further strengthening internal control and assurance mechanisms.

A

Area for Improvement: Timeliness of Strategic Risk Register (SRR) reporting.

Key Finding: The SRR was last reported 9 months ago, exceeding the biannual reporting requirement.

Evidence: The updated RM policy mandates SRR reporting every 6 months, but as of September 2025, the SRR is 3 months overdue.

Impact: The Delayed reporting may hinder timely risk oversight and decision-making, potentially exposing the organisation to unmanaged risks.

Improvement Recommendation (IR1): Implement a monitoring mechanism to ensure SRR is reported in line with the biannual schedule and address the outstanding 2022/23 recommendation of aligning risks to corporate objectives.

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>approaches and carries out its annual budget setting process</p>	<p>Each March, Members formally approve the budget, which is built on prudent assumptions around core funding, pay, and inflation. The process includes allocations for core services, reserves, and strategic programmes. A mid-year review is conducted—typically in December—to incorporate actual financial developments such as confirmed pay awards and one-off grants, ensuring the budget remains responsive and balanced. In April 2025, when DEFRA announced a mid-year funding cut, the Authority promptly produced a revised 2025/26 budget, presented to Members in May 2025, demonstrating resilience and agility in its financial planning. Budget holders are actively engaged through monthly management accounts and routine monitoring meetings, supporting informed financial decision-making. Internal audit has confirmed that the Authority maintains a robust framework for budget monitoring, with accurate and timely reports shared with Members, senior management, and budget holders. These arrangements enable the Authority to adapt to emerging pressures while maintaining fiscal discipline.</p>	<p>G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Authority has established a range of arrangements to ensure adequate financial management and budgetary control. These include formal mid-year and year-end reporting to Members, regular budget monitoring, and detailed variance analysis across service areas. Financial updates incorporate actuals and revised forecasts, ensuring timely and accurate information. Capital and revenue budgets are tracked, with links to strategic priorities and funding sources. Treasury management is governed under a Service Level Agreement with Somerset Council, fully compliant with CIPFA codes, and supported by internal audit assurance. Updated Financial Regulations and Contract Standing Orders (April 2025) clarify responsibilities and ensure compliance with legislation, while the finance team benefits from strong systems and external support, enabling effective statutory reporting and corrective action where needed.</p>	<p>G</p>

Governance – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>The Authority is responsible establishing clear strategic objectives and ensuring arrangements are in place to deliver them. The Authority uses key governance documents and committee structures to guide its decision-making processes. All major decisions are made by the Full Authority Committee, which meets monthly and approves strategic plans, policies, and budgets. A governance review in May 2025 led to the reinstatement of monthly meetings to improve efficiency and reduce pressure on staff, following a trial of reduced meeting frequency.</p> <p>Reports are clearly marked for decision or information, and include evidence-based content such as legal context, risk analysis, and resource implications. For example, the Local Development Scheme presented in March 2025 included statutory requirements, national policy updates, and governance arrangements, enabling Members to make well-informed decisions.</p> <p>Although the Authority does not have a separate Audit Committee, its Standards Committee undertakes annual governance reviews. In 2024/25, the Standards Committee completed a self-assessment of its effectiveness, identifying training needs and leading to the adoption of a revised Member development framework. This framework includes induction, annual training, and self-assessment processes to strengthen governance capability.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Authority has clearly defined roles for its key officers, Executive, and committees, supported by governance documents such as updated Financial Regulations and Contract Standing Orders. Codes of Conduct for Members and officers set behavioural expectations, with declarations of interest a standing agenda item at all Member meetings. The Standards Committee oversees ethical conduct and governance, including annual self-assessments. Staff and Members receive training through a structured development framework. Procurement and commissioning are regulated under the Procurement Act 2023, with oversight from the Chief Finance Officer and Monitoring Officer, and supported by internal audit and policies on fraud, bribery, and whistleblowing.</p>	<p>G</p>

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority:	Commentary on arrangements	Rating
<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Authority assesses corporate performance quarterly through the Leadership Team, with reports presented to Members. A mid-year progress report was submitted in December 2024, and a year-end report in July 2025 tracked over 60 targets across six strategic priorities. Most actions were delivered, though seven were underperforming. Mitigation measures included staff recruitment, external support, timeline extensions, and funding applications.</p> <p>Financial performance is supported by monthly reviews of management accounts and project budgets involving budget-holders, the Leadership Team, and Member forums. A new financial information system is being implemented in 2025/26 to enhance reporting capabilities. While there is no formal data quality policy or external benchmarking framework, internal checks ensure data reliability. Benchmarking is limited to regional visitor centres for income resilience.</p>	<p>G</p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Authority evaluates its services through a structured complaints procedure, enabling formal review and escalation of service delivery concerns. Complaints are tracked, outcomes documented, and corrective actions implemented where necessary. External oversight is available via the Local Government & Social Care Ombudsman, though no investigations were active during the reporting period. Compliments are also recorded, providing insight into areas of strong performance. These arrangements support continuous service evaluation and help identify areas for improvement through feedback, monitoring, and responsive action.</p>	<p>G</p>



Incorporating Benchmarking Metrics – While some indicators exist across the National Park family, each park’s unique structure and scale make direct benchmarking challenging. The Authority monitors internal performance metrics effectively, but to enhance strategic insight, Exmoor could collaborate with other parks to develop shared benchmarking tools—such as standardised visitor perception surveys or cross-park engagement analytics—that respect structural differences while enabling meaningful comparisons.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority:	Commentary on arrangements	Rating
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Authority ensures it delivers its role within significant partnerships through structured governance and regular performance monitoring. Quarterly reports to Members track progress against strategic actions, including those led with partners, using RAG ratings, KPIs, and risk registers. Stakeholder engagement is embedded in both formal and informal partnerships, including collaboration with local authorities, conservation groups, and national bodies. The Authority contributed to the Devon Local Nature Recovery Strategy through workshops, surveys, and events involving farmers, foresters, wildlife experts, and businesses—ensuring strategic priorities were locally informed and ecologically relevant. Updates from partnership activity are shared with Members to maintain transparency and alignment with strategic objectives.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>Procurement is governed by updated Contract Standing Orders (April 2025), aligned with the Procurement Act and supported by Devon Procurement Services. Contracts are awarded through public tender processes, with mandatory notifications and publication on the Central Digital Platform.</p> <p>The Authority has adequate arrangements to monitor procurement and commissioning activity. While contract management is decentralised—led by individual service managers—examples such as the Driver estate and capital projects show active oversight, Member reporting, and risk management.</p>	<p>G</p>

05 Summary of Value for Money Recommendations raised in 2024/25

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR1	Implement a monitoring mechanism to ensure SRR is reported in line with the biannual schedule	Governance (page 16)	Actions: Mid-year Strategic Risk Reporting to be built into the Authority meeting cycle. Responsible Officer: Head of Enterprise and Operations Due Date: April 2026

06 Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Authority's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Authority’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Authority’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



A range of different recommendations can be raised by the Authority’s auditors as follows:

Statutory recommendations – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Authority
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Further action
IR1	It is recommended that the Standards Committee formally documents and publishes its annual self-assessment of effectiveness. This should include clear criteria, evidence of assessment, and any actions taken to address identified areas for improvement.	2023/24	This was done and reported to the Standards committee in March 2025	No- addressed
IR2	The Authority integrate performance management and risk management through mapping risks to its corporate objectives and risk rating the performance delivery of these objectives. It should discuss performance and risk at each of its monthly Leadership team meetings with quarterly reporting of performance and risks to the Authority.	2022/23	The Authority has refreshed its risk framework and formalised its risk appetite, with regular Leadership Team discussions and quarterly reporting now in place.	No- addressed
IR3	The Authority should determine the risk appetite for each of its strategic risks once it has mapped them to the delivery of its corporate objectives.	2022/23	Progress has been made, in formalising risk appetite and structuring a corporate risk framework. However, risk mapping to corporate objectives is still outstanding.	Yes - In progress



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A member of National Parks England and National Parks UK

02 December 2025

Dear Grant Thornton UK LLP

Exmoor National Park Authority Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of Exmoor National Park Authority ("the Authority") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the Authority's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of land and buildings, and the net pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition,

measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the Authority has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Authority and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards. We confirm that we are not aware of any potential claims against the authority in relation to equal pay. We confirm that we have no knowledge of any ongoing equal pay claims.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. We have updated our going concern assessment. We continue to believe that the Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the Authority means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
 - b. the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the Authority's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements

- xiv. The Authority has complied with all aspects of ring-fenced grants that could have a material effect on the Authority's financial statements in the event of non-compliance.

Information Provided

- xv. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.
- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the Authority's financial statements.

Approval

The approval of this letter of representation was minuted by the Authority's Exmoor National Park Authority Committee at its meeting on 02 December 2025.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Authority

Appendix A – Summary of unadjusted misstatements:

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
Overall impact of current year unadjusted misstatements	0	0	0	0



Exmoor National Park

Statement Of Accounts 2024/25

Ben Barrett
Chief Finance Officer

Sarah Bryan
Chief Executive





STATEMENT OF ACCOUNTS

2024/25

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STATEMENT OF ACCOUNTS 2024/25

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 Authority has recently established a steering group to support the preparation of the Management Plan 2025-2030, The Partnership Plan for Exmoor. The purpose of the Steering Group is to provide a strategic overview of the Plan; to help shape a collective partnership vision for Exmoor; to act as a challenge group to constructively examine what the Plan is seeking to achieve; and to help steer the work of the partnership organisations to contribute towards the delivery of the Plan vision and ambitions.

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. An enhanced governance relationship with the Department for Food and Rural Affairs (DEFRA) began in 2020/21. This included an annual formal agreement and additional reporting requirements.
8. The AGS also details significant governance issues that will be covered over the course of 2025/26. These include the transition to a new Financial Information System and the commitment to implement an Anti-Money Laundering Policy.

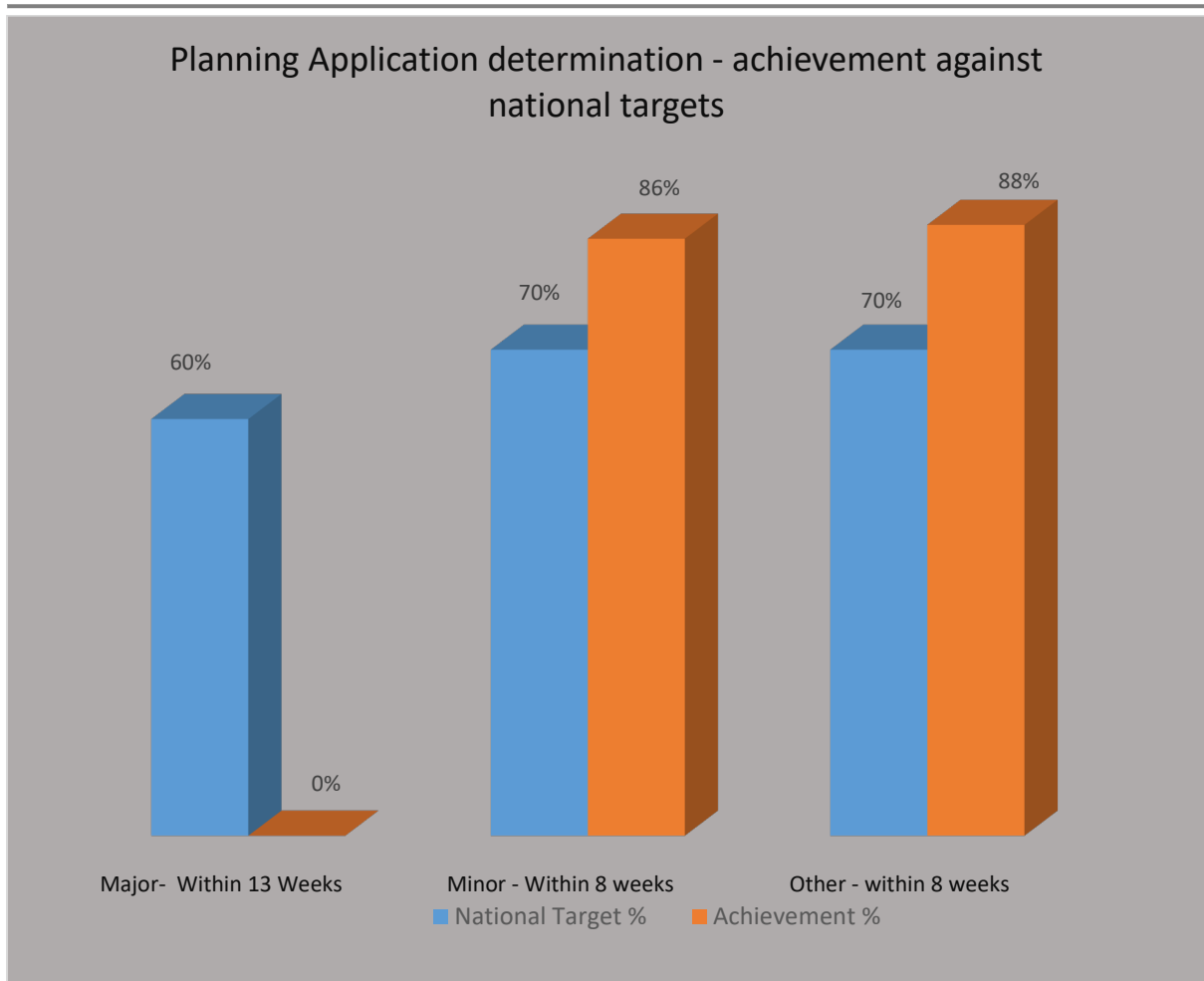
Organisation

9. 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, Development Management, Promoting Understanding, Rangers, Estates & Volunteers and Recreation Management. This changed during the 2024/25 year from the previous headings of: Support to Land Managers, Support to National Park Users and Support to the Community and Business.

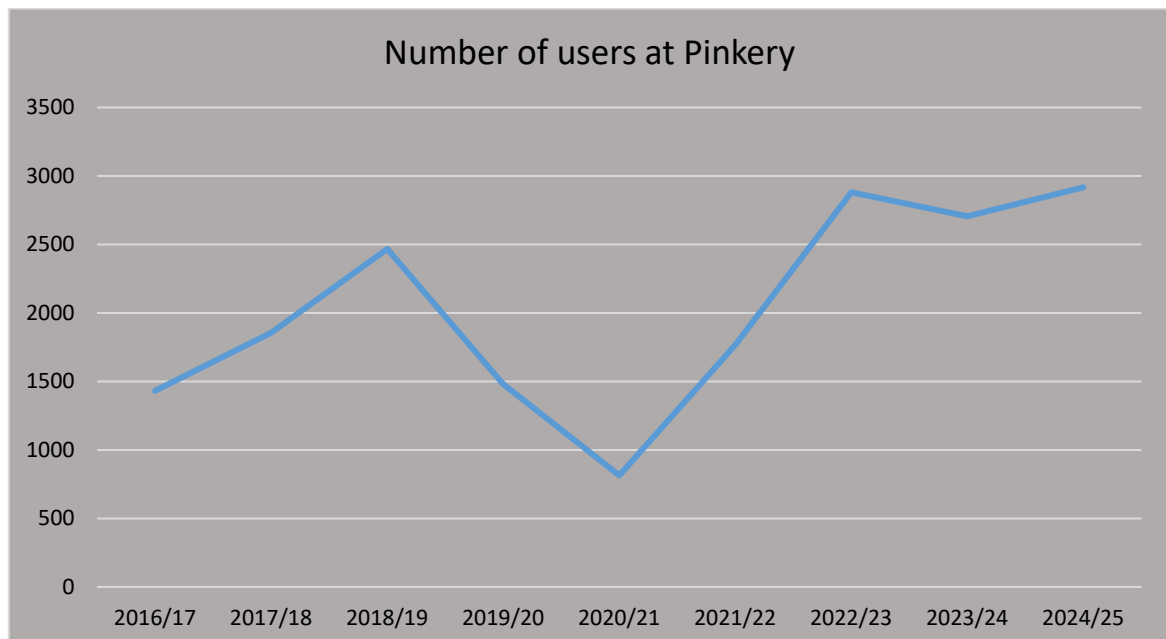
Performance

10. 2024/25 was the mid-year of a 3-year Corporate Strategy (2023-2026) with separately defined actions for 2024. A mid-year report of progress in implementing the Corporate Plan was taken to the Authority in December 2024, and the full report was presented to Authority in July 2025. Papers are available from the Exmoor National Park Authority's website.
11. 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**
12. 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.
13. For an analysis of performance in 2024/25 that goes beyond the Key Corporate Indicators please look for the report on the Authority's website.

Key Corporate Indicators 1 April 2024 to 31 March 2025

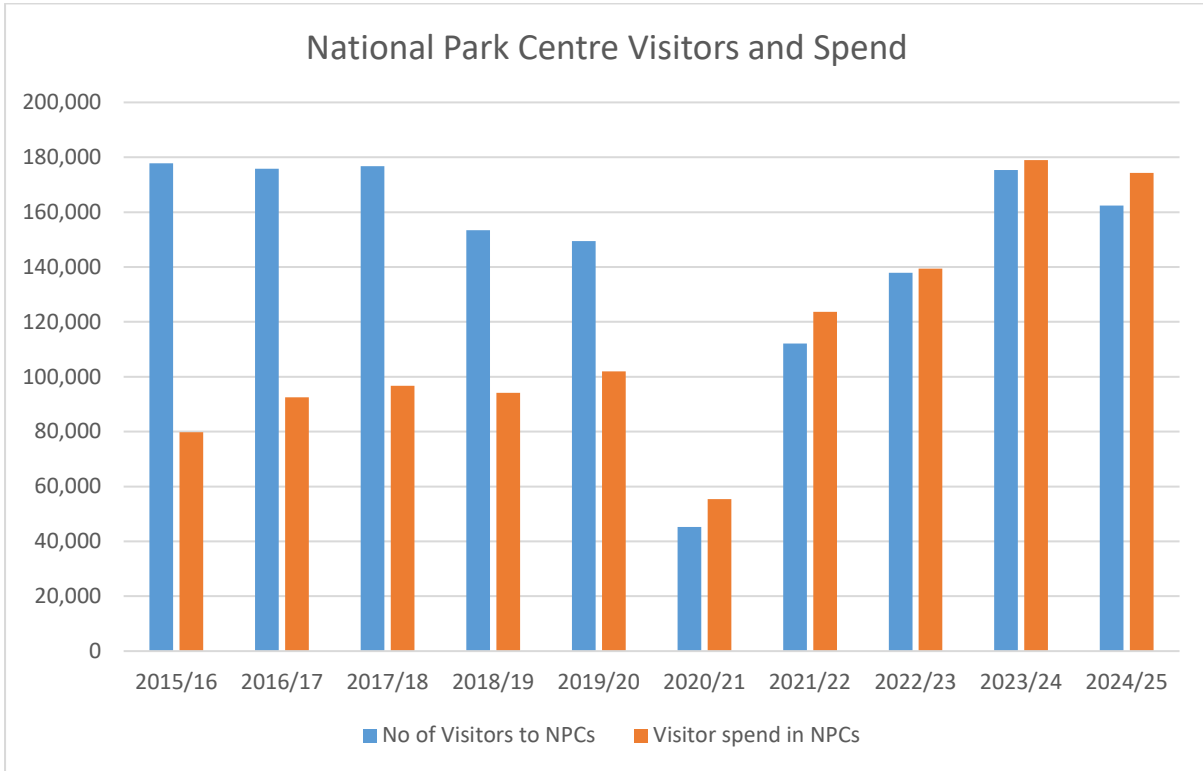


Pinkery Centre Occupancy rates

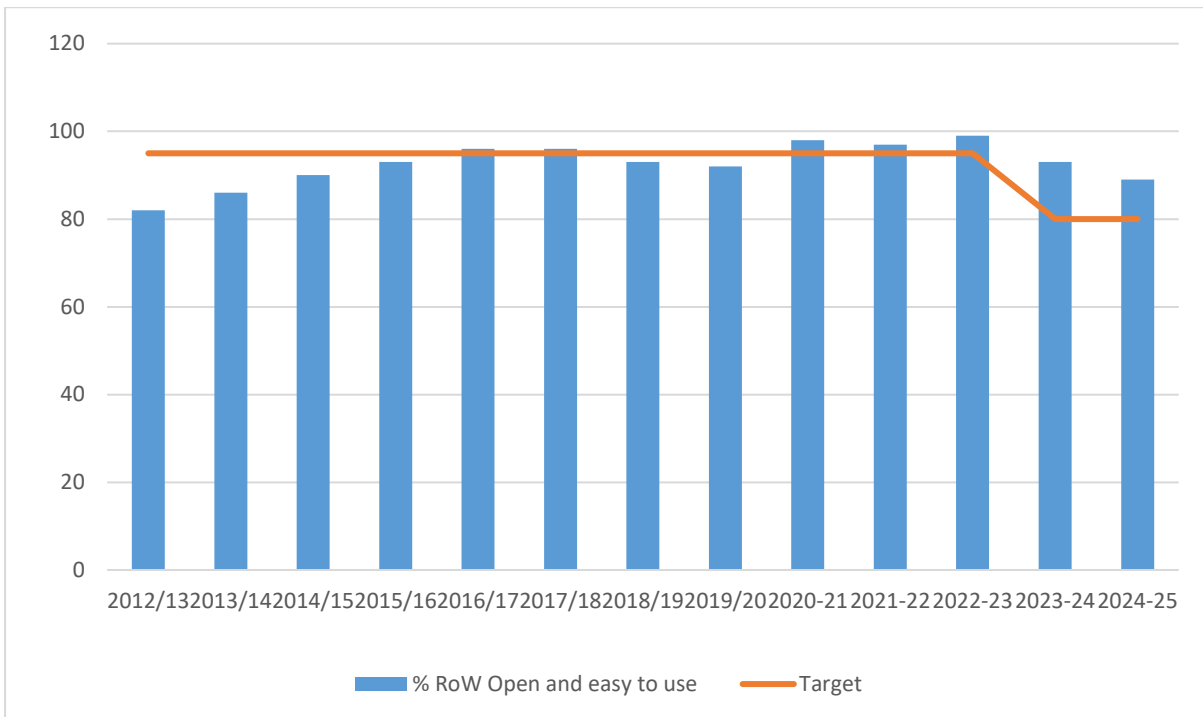


14. The Pinkery Centre is Exmoor National Park Authority's Centre for Outdoor Learning. The user numbers for 2024/25 at 2,917 exceeded the previous highest level of 2,881 recorded in 2022/23.

National Park Centre Visitor Numbers and Income Trend



Rights of Way Open and Easy to Use Score



Financial Statements

15. Information relating to financial performance for the year ended 31 March 2025 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 2024/25 of £1.388m. This compares with a surplus of £1.343m for 2023/24.

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 increased by £0.48m over the course of 2024/25 to £3.968m and unusable reserves also increased over the same period by £0.91m to £20.15m.

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 £24.118m of assets in excess of its liabilities at the end of 2024/25 (£22.730m 2023/24). This is an increase of £1.388m which is primarily due to a capital receipt (£0.45m) and capital additions (£0.54m). The Authority owns £21.341m 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 increased by £1.15m over the course of 2024/25.

Financial Performance

16. The revenue budget for 2024/25 was agreed on the 5 March 2024. The approved budget was constructed across two themes:
 - A Core Budget of £2,911,500 with contribution to reserves of £270,000 and £30,000 top sliced for priority elements.
17. When the budget was set, funds were found for Modernisation support for the recently completed Business Review (implemented wef 1 April 2024), continued investment in the authorities Estate and a continued investment in meeting the costs of removing trees impacted by Ash Die- Back. Top-sliced support was made available for Exmoor Hill Farming Network, Tourism Support, STEAM and SERC/DBRC records.
18. In early April 2024, DEFRA gave notification of a one-off, in-year, additional grant of £500,000 for each NPA. The Authority considered a revised budget and reviewed the elements of the budget at its meeting on 3 December 2024. Additional resources were found for the cost of the staff pay award.
19. A Business Process Review was undertaken during 2023/24 and implemented on the 1 April 2024. This was required to meet the continued pressures of static National Park Grant (unchanged for 5 years) and the inflationary increases as a result for international conflicts. The Business Review concluded in late Autumn 2023 and the resulting changes were agreed as part of the 2024/25 budget setting process.
20. 2024/25 was the third year of the Farming in Protected Landscapes (FiPL) programme which saw an increase in FiPL funding and grants delivered of £811k in comparison to 2023/24. This included one-off allocations of £495k in respect of Heritage Building Restoration Grant (HBRG). Additional resources were required to support the forthcoming Development Management planning system replacement as well as in respect of HR support relating to our Business Process Review and other one-off issues. In addition, there was also significant capital spend. This is shown below:
 - £155k on the enhancement of the East Barn at Driver (supported by FiPL HBRG funding)
 - £100k on the construction of Great Bradley Bridge
 - £57k on the enhancement of reception area at Exmoor House and the relocation of the Dulverton National Park Centre
 - £51k on greening the corporate pool car fleet (2 Nissan Leaf EVs and 1 Peugeot Plug-in hybrid)
 - £42k on capping a mine-shaft at Wheal Eliza
 - £32k on a Citroen 9 seater EV to replace a diesel vehicle for the Volunteers and Education Support teams
 - £30k On an Isuzu DMax 4x4 for the Ranger Team
 - £22k on a new Kubota Excavator for the Field Services Team
 - £20k on a new water supply and purification system for the Pinkery Outdoor Education Centre
 - £18k on the stabilisation of a cliff face at Weir Cleave
 - £9k on a Solar PV and battery system for the Tree Nursery at Exford
 - £9k on new PV Batteries at Blackpitts

In addition, during 2024/25 the authority secured a sale on land at East Anstey, this generated a capital receipt of £449k. Additionally, a further capital receipt of £10k from the part-exchange of a mini-excavator was secured.

21. The key recommendations to the Authority the year ended 31 March 2025 are:

- The core budget shows an underspend for the year of £5k 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		(751)
<i>Non Cash Transactions</i>		
Net Transfers to Reserves	470	
Reverse IAS19 Pensions transactions	57	
Reverse Depreciation & Impairment charges	(184)	
Capital Receipts	(450)	
Capital Expenditure	545	
Gain on sale of Assets	279	
Upwards revaluation of Assets	37	
Movement in employee absence accrual	(8)	
Management Accounts Budget Surplus		(5)

22. Whilst 2024/25 was a similarly financially stable year to 2023/24, with the changes implemented as part of the Business Review, a move was seen to stabilise and enhance reserves to enable future projects to be funded from these resources. The Authority has continued to perform well against the original and revised budgets set and shown the ability to adapt to be able to meet new challenges. The next great challenge is to meet budgetary pressures in the near term.

Financial Outlook and Medium-Term Financial Plan

23. In recent years the Authority has been successful in managing resources and meeting obligations in the context of a slightly increasing or flat National Park Grant. This has effectively meant trimming budgets, increasing trading income and the scope and level of charging and seeking external funding for larger schemes. This has been less than ideal, but we have been able to maintain service provision
24. A letter of intent in respect of the 2025/26 Grant Funding Settlement was received on the 2 April 2025. This letter informed us of an 8.2% reduction in revenue (Resource Departmental Expenditure Limit, RDEL) resources allocation (revenue funding) amounting to £263,443. This reduction was accompanied by an in-year capital allocation of £263,443 to match the revenue reduction, and a further fixed amount of capital of £1,140,000, giving us a total in-year CDEL (Capital Departmental Expenditure Limit) allocation of £1,403,500.
25. We remain optimistic that the Authority will be able to deliver exciting conservation and engagement activities and meet our legal responsibilities in the future. We are successfully advancing on significant grant funded schemes such as Farming In Protected Landscapes, the Exmoor Pioneers project and Reviving Exmoor's Heartland (Landscape Recovery) project.
26. Within the Annual review of Risk Management it was stated that the extent of the financial challenge would be a major test of the leadership and governance of the Authority. Major challenges remain, the necessity of the reducing revenue grant is

justification of this alone. Indications are that balanced budgets will be increasingly harder to set. In such circumstance, those external funding pots such as the Farming in Protected Landscape scheme, the proceeds of a Heritage Lottery Fund bids, or other schemes yet to be released become increasingly important to deliver key priorities.

27. Whilst confirmation on the long-term settlement is awaited, figures for 2026/27 onwards should be viewed with a high degree of uncertainty. Work will be continuing to be undertaken during 2025/26 to identify further savings and income generation opportunities. The impact of any change (positive or negative) will need careful consideration to make sure our future expenditure is sustainable.

B Barrett
Chief Finance Officer
June 2025

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Mrs S Bryan Chief Executive

Date: 2nd December 2025

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Chairman

STATEMENT OF ACCOUNTS 2024/25**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 2025 and its income and expenditure for the year ended 31 March 2025.

B Barrett

Chief Finance Officer: Date: 2nd December 2025

Approval of Accounts:

I confirm that these accounts were approved by resolution of the Final Accounts Committee on 2nd December 2025.

Chairman:

Date 2nd December 2025

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.

2023/24				2024/25		
Gross Expenditure £000 (as amended *)	Gross Income £000 (as amended *)	Net Expenditure £000		Gross Expenditure £000	Gross Income £000 (Notes 10 & 11)	Net Expenditure £000
151	(134)	17	Conservation of Cultural Heritage	286	(113)	173
1,213	(880)	333	Conservation of Natural Environment	2,225	(2,041)	184
127	(83)	44	Forward Planning	32	(107)	(75)
444	(242)	202	Development Management	452	(99)	353
846	(408)	438	Promoting Understanding	814	(405)	409
561	(319)	242	Rangers, Estates & Volunteers	579	(639)	(60)
491	(367)	124	Recreation Management	287	(240)	47
1,482	(403)	1,079	Support Services	1,521	194	1,715
244	(10)	234	Corporate Management	582	-	582
40	-	40	Partnership Fund	36	-	36
5,599	(2,846)	2,753	Cost of Services	6,814	(3,450)	3,364
12	-	12	Other Operating Expenditure (Note 12)	13	(279)	(266)
77	(156)	(79)	Financing and Investment Income and Expenditure (Note 13)	47	(184)	(137)
-	(3,212)	(3,212)	Taxation and Non-Specific Grant Income (Note 14)	-	(3,712)	(3,712)
5,688	(6,214)	(526)	(Surplus)/Deficit on Provision of Services	6,874	(7,625)	(751)
		(204)	(Surplus) on revaluation of Property, Plant and Equipment (Notes 22 & 23)			(611)
		(613)	Remeasurement of Net Defined Benefit Liability/(Asset) (Note 33)			(26)
		(817)	Other Comprehensive Income and Expenditure			(637)
		(1,343)	Total Comprehensive Income and Expenditure (Surplus)/Deficit			(1,388)

*The subjective headings used during 2023/24 (Support to Land Managers, Support to Community and Support to National Park Users) were refreshed during 2024/25 and the gross expenditure and gross income for the year has been aligned with the revised headings in the Comprehensive Income and Expenditure Statement above.

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 2023	3,213	-	3,213	18,174	21,387
Movement in reserves during 2023/24					
Total Comprehensive Income and Expenditure	526	-	526	817	1,343
Adjustments between accounting basis & funding basis under regulations (Note 20)	(246)	-	(246)	246	-
Increase/(Decrease) in 2023/24	280	-	280	1,063	1,343
Balance at 31 March 2024 (Notes 21 and 30)	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

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 2024 £000		Notes	31 March 2025 £000
20,450	Property, Plant & Equipment	22	21,287
54	Heritage Assets	23	54
20,504	Long Term Assets		21,341
79	Inventories	-	83
1,331	Short Term Debtors	25	748
2,551	Cash and Cash Equivalents	26	3,697
3,961	Current Assets		4,528
(48)	Receipts in Advance	-	(12)
(461)	Short Term Creditors	27	(596)
(509)	Current Liabilities		(608)
(1,226)	Other Long-Term Liabilities	33	(1,143)
(1,226)	Long Term Liabilities		(1,143)
22,730	Net Assets		24,118
3,493	Usable Reserves	21	3,968
19,237	Unusable Reserves	30	20,150
22,730	Total Reserves		24,118

Authorised for Issue

The un-audited Accounts were authorised for issue by the Chief Finance Officer on 30th June 2025.

These financial statements replace the unaudited financial statements and were confirmed by the Chief Finance Officer on 2nd December 2025.

B Barrett

Chief Finance Officer: **Date: 2nd December 2025**

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.

2023/24 £000		2024/25 £000
(526)	Net (surplus) or deficit on the Provision of Services	(751)
	<i>Adjustments for-</i>	
60	Non Cash Movements (Note 35)	(490)
(466)	Net Cash flows from Operating Activities	(1,241)
223	Investing Activities (Note 36)	95
-	Financing Activities (Note 37)	-
(243)	Net (increase)/decrease in Cash and Cash equivalents	1,146
2,308	Cash and Cash Equivalents at the beginning of the reporting period	2,551
2,551	Cash and Cash Equivalents at the end of the reporting period	3,697
(243)	Net (increase)/decrease in Cash and Cash equivalents	1,146

STATEMENT OF ACCOUNTS 2024/25**NOTES TO THE ACCOUNTS****Note 1: Accounting Policies****i General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end 31 March 2025. 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 2024/25 (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)**

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (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.

Impairment

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

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

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

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (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.

Disposals

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.

The Authority as Lessee

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.

The Authority as Lessor

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 2024/25 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

There are no material items to disclose in 2024/25.

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 2025, 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 £242K. However, the assumptions interact in complex ways. During 2024/25, 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 £83K.
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 £1.143m 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 2025. 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 value. The year-end balance of PPE was

	finance staff on all valuation matters.	£21.287m, a 1% increase in valuation would equate to £0.2m
Debtors/ Bad Debt provision	<p>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.</p>	<p>A 10% difference between the costs estimate by lawyers and that determined by the courts would equate to a £50k misestimate in the debtor.</p> <p>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.</p>

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 2025. 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 2025, 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 the Members' allowances paid in 2024/25 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.

2023/24				2024/25		
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
52	(35)	17	Conservation of Cultural Heritage	185	(12)	173
447	(114)	333	Conservation of Natural Environment	192	(8)	184
47	(3)	44	Forward Planning & Communities	(78)	3	(75)
213	(11)	202	Development Management	363	(10)	353
473	(35)	438	Promoting Understanding	454	(45)	409
348	(106)	242	Rangers, Estates & Volunteers	(276)	216	(60)
61	63	124	Recreation Management	135	(88)	47
1,155	(76)	1,079	Support Services	1,805	(90)	1,715
250	(16)	234	Corporate Management	601	(19)	582
41	(1)	40	Partnership Fund	40	(4)	36
3,087	(334)	2,753	Net Cost of Services	3,421	(57)	3,364
(3,367)	88	(3,279)	Other Income & Expenditure	(3,896)	(219)	(4,115)
(280)	(246)	(526)	(Surplus)/Deficit on Provision of Services	(475)	(276)	(751)
(3,213)			Opening General Fund Balance	(3,493)		
(280)			Deficit/(surplus) on General Fund in Year			
(3,493)			Closing General Fund Balance	(3,968)		

Note 9: Note to the Expenditure and Funding Analysis

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)

Adjustments between the Funding and Accounting Basis 2023/24

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
Support to Land Managers	(171)	(46)	-	(217)
Support to the Community	1	(15)	-	(14)
Support to National Park Users	19	(29)	-	(10)
Support Services	(8)	(68)	-	(76)
Corporate Management	-	(16)	-	(16)
Partnership Fund	-	(2)	-	(2)
Net Cost of Services	(159)	(176)	-	(334)
Other Income & Expenditure	0	89	-	88
Surplus/Deficit on the Provision of Services	(159)	(87)	-	(246)

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

2023/24 £000	Expenditure	2024/25 £000
3,311	Employee Benefits Expenses	3,639
2,623	Other Service Expenses	3,682
(323)	Depreciation, Amortisation & Impairment	(494)
77	Interest Payments	47
5,688	Total Expenditure	6,874
	Income	
(2,846)	Grants, Fees, Charges and other Service Income	(3,450)
(3,212)	Government Grants – National Park Grant	(3,712)
-	Profit on Sale of Assets	(279)
(156)	Interest & Investment Income	(184)
(6,214)	Total Income	(7,625)
(526)	(Surplus)/Deficit on the provision of service	(751)

Note 11: Segmental Income

2024/25

	Grants & Contributions £000	Fees & Charges £000	Sales Income £000	Other £000	Total £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)

2023/24

	Grants & Contributions £000	Fees & Charges £000	Sales Income £000	Other £000	Total £000
Conservation of Cultural Heritage	(128)	-	-	(6)	(134)
Conservation of Natural Environment	(874)	-	(1)	(5)	(880)
Forward Planning & Communities	(82)	(1)	-	-	(83)
Development Management	(165)	(77)	-	-	(242)
Promoting Understanding	(4)	(156)	(165)	(83)	(408)
Rangers, Estates & Volunteers	(137)	(18)	(11)	(154)	(320)
Recreation Management & Transport	(267)	(97)	-	(2)	(366)
Support Services	(196)	(11)	(3)	(193)	(403)
Corporate Management	(10)	-	-	-	(10)
Total Income	(1,863)	(360)	(180)	(443)	(2,846)

*The subjective headings used during 2023/24 (Support to Land Managers, Support to Community and Support to National Park Users) were refreshed during 2024/25 and income for the year has been aligned with the revised headings in Note 11 above.

Note 12: Other Operating Expenditure

2023/24 £000		2024/25 £000
-	(Gains)/Losses on the disposal of non-current assets	(279)
12	IAS19 Administration expense	13
12	Total	(266)

Note 13: Financing and Investment Income and Expenditure

2023/24 £000		2024/25 £000
77	Net interest on the net defined pensions liability	47
(156)	Interest receivable and similar income	(184)
(79)	Total	(137)

Note 14: Taxation and Non-Specific Grant Incomes

2023/24 £000		2024/25 £000
(3,212)	Non-ring-fenced government grants	(3,712)
(3,212)	Total	(3,712)

Note 15: Members Allowances

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

2023/24 £000		2024/25 £000
18	Special Responsibility Allowance	18
67	Basic Allowance	70
3	Allowance for mileage	2
88	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 –					
2024/25 -	96	-	96	20	116
2023/24 -	93	-	93	20	113
Head of Finance and Operations (was Head of Finance and Operations)					
2024/25 -	62	-	62	13	75
2023/24 – (Post holder resigned and vacant post filled during year)	52	-	52	11	63
Head of Climate, Nature and Communities (was Head of Strategy & Performance)					
2024/25 -	62	-	62	13	75
2023/24 -	59	-	59	12	71
Head of Planning & Sustainable Development					
2024/25 -	-	-	-	-	-
2023/24 – Post removed mid-year	44	-	44	9	53
Head of Access, Engagement and Estates (was Head of Conservation & Access)					
2024/25 -	62	-	62	13	75
2023/24 -	59	-	59	12	71

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:

2023/24 Number of employees	Remuneration band	2024/25 Number of employees
4	£50,000 - £54,999	5
2	£55,000 - £59,999	-
-	£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	-
1	£90,000 - £94,999	-
-	£95,000 - £95,999	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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	-	2	3	1	3	3	39	22
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
Total	-	2	3	1	3	3	39	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:

2023/24 £000		2024/25 £000
39	Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor.	46
3	Audit Fee variation	-
1	Additional fees for IFRIC14 Pension work	-
43	Total	46

Note 19: Grant & Contribution Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

Credited to Taxation and Non Specific Grant Income	2023/24 £000	2024/25 £000
National Park Grant – DEFRA	3,212	3,712
Total	3,212	3,712
Credited to Services		
Farming in Protected Landscapes - DEFRA	676	1,487
Basic Payment & Higher Level Stewardship Scheme – RPA	113	299
Landscape Recovery – Natural England	-	255
Somerset Council and Devon County Council – Rights of Way Agency Contributions	156	146
Woodland Countryside Stewardship – RPA	20	117
Pioneers Project Development Funding (HLF)	60	80
Generation Green – Green Recovery Challenge Fund	-	69
Grey Squirrel Control – Forestry Commission	45	55
Access for All (DEFRA)	-	51
Moorland Bird Survey contributions (Various)	-	45
Air Quality Management – Natural England	-	40
MIRE Project contributions	-	31
Biodiversity Net Gain (Planning Policy) - DEFRA	27	27
South West Water – Moorland Restoration PES Contributions	39	19
English Coast Path – Natural England	123	17
National Park Fund – Active Transport	100	-
Somerset Council – Woodland Creation Accelerator Fnd	96	-
National Parks Partnership	85	-
Planning Skills Development Fund	78	-
South West Coast Path – Natural England	16	16
Feed in Tariff Contributions	5	12
Section 106 Contributions	86	10
SALIX – Pinkery Carbonisation	30	-
Woodland Grants – FC/RPA	-	9
Tree Nursery Development (Forestry Commission)	19	8
Carbon Aware Tree Planting Contribution	11	-
ENNIS – Natural England	9	-
Rural Payments Agency – Archaeology HEFER Contribution	8	-
Richmond Review Local Audit Grant (DLUHC)	5	6
South West Coast Path – New Stretch	5	-
Community Support Grant (NPE)	2	-
Other	49	-
Total	1,863	2,799

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.

2024/25	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to Revenue Resources:				
<u>Amounts by which income & expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</u>				
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

2023/24	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	(89)	-	-	89
Holiday pay	-	-	-	-
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)	(6)	-	71	(65)
Total Adjustments to Revenue Resources	(95)	-	71	24
Adjustments between Revenue and Capital Resources:				
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(151)	-	-	151
Transfer of sales proceeds credited as part of the gain/loss on disposal	-	-	-	-
Total Adjustments between Revenue and Capital resources	(151)	-	-	151
Adjustments to Capital Resources:				
Application of Capital Grants to finance Capital Expenditure		-	(71)	71
Application of capital Receipts to finance Capital Expenditure	-	-	-	-
Total Adjustments to Capital Resources	-	-	(71)	71
Total Adjustments	(246)	-	-	246

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 2023 £000	Transfers In 2023/24 £000	Transfers Out 2023/24 £000	Increase/ Decrease (-) in useable Reserves 2023/24 £000	Balance at 31 March 2024 £000	Transfers between Reserves £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
Earmarked Reserves	2,710	877	(391)	486	3,196	20	983	(956)	47	3,243
Partnership Fund Reserves	151	35	(116)	(81)	70	(20)	3	(10)	(27)	43
General Fund Balance	352	-	(125)	(125)	227	-	5	-	5	232
Capital Grants Unapplied	-	71	(71)	-	-	-	-	-	-	-
Capital Receipts Reserve	-	-	-	-	-	-	449	-	449	449
Total Useable Reserves	3,213	983	(703)	280	3,493	-	1,440	(966)	474	3,968

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 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 31 March 2024	20,172	220	58	0	20,450
Net Book Value at 31 March 2025	20,845	291	151	0	21,287

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure £000	Assets Under Construction £000	Total £000
Cost or Valuation 1 April 2023	19,857	263	70	0	20,190
Additions	48	174	-	-	222
De-recognition – Disposals	-	-	-	-	-
Revaluation Increase/ decrease (-):					
- to Revaluation Reserve	169	-	-	-	169
- to Surplus/Deficit on the provision of service	21	-	-	-	21
Other movement in cost of valuation	77	-	-	-	77
Cost or Valuation 31 March 2024	20,172	437	70	0	20,679
Accumulated depreciation 1 April 2023	-	(169)	(9)	-	(178)
Depreciation Charge	(106)	(48)	(3)	-	(156)
Derecognition - Disposals	-	-	-	-	-
Depreciation written out to the Revaluation Reserve	35	-	-	-	35
Depreciation written out to the Surplus/Deficit on the provision of services	71	-	-	-	70
Total Depreciation at 31 March 2024	0	(217)	(12)	-	(229)
Net Book Value at 1 April 2023	19,857	94	61	-	20,012
Net Book Value at 31 March 2024	20,172	220	58	-	20,450

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 2024/25 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	8,859	12	151	291	9,313
Valued at Current Value at 31 March 2025	11,986	42	0	0	12,028
Total	20,845	54	151	291	21,341

There were no capital commitments at the 31 March 2025.

Note 23: Heritage Assets

	Heritage Assets £000
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 2025	54
Cost or Valuation 1 April 2023	131
Additions	-
Revaluation Increase/ decrease (-):	
- to Revaluation Reserve	(77)
- 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 2024 £000		31 March 2025 £000
2,543	Funds held by Somerset Council	3,689
8	Cash in hand and at bank	8
1,410	Contractual Debtors	649
3,961	Total	4,346

Financial Liabilities: Amortised Cost

31 March 2024 £000		31 March 2025 £000
(407)	Contractual Creditors	(548)
(407)	Total	(548)

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 2024 £000		31 March 2025 £000
(156)	Interest Income	(184)
(156)	Total	(184)

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 2024 £000		31 March 2025 £000
488	Central government bodies	114
161	Other local authorities	152
158	Public corporations and trading funds	138
663	Other entities and individuals	735
(139)	Bad Debts	(391)
1,331	Total	748

Note 26: Cash and Cash Equivalents

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

31 March 2024 £000		31 March 2025 £000
8	Bank Current Accounts	8
2,543	Funds held by Somerset Council	3,689
2,551	Total Cash and Cash Equivalents	3,697

Note 27: Creditors

31 March 2024 £000		31 March 2025 £000
(132)	Other local authorities	(123)
(54)	Public corporations and trading funds	0
(275)	Other entities and individuals	(473)
(461)	Total	(596)

Note 28: Provisions

31 March 2024 £000		31 March 2025 £000
-	Provisions	-
-	Total	-

Note 29: Capital Grants

31 March 2024 £000		31 March 2025 £000
-	Balance at 1 April	-
(71)	Capital grants received	-
71	Capital grants used to finance spend	-
-	Balance at 31 March	-

Note 30: Unusable Reserves

31 March 2024 £000		31 March 2025 £000
(11,538)	Revaluation Reserve	(11,996)
(8,967)	Capital Adjustment Account	(9,345)
1,226	Pensions Reserve	1,143
40	Accumulated Absences Account	48
(19,239)	Total Unusable Reserves	(20,150)

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.

2023/24 £000		2024/25 £000
(11,354)	Balance at 1 April	(11,538)
(474)	Upward revaluation of assets	(803)
269	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the provision of Services	222
(205)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(581)
21	Difference between fair value depreciation and historical cost depreciation	18
-	Accumulated gains on assets sold or scrapped	105
21	Amount written off to the Capital Adjustment Account	
(11,538)	Balance at 31 March	(11,996)

Capital Adjustment Account

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

The Account 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.

2023/24 £000		2024/25 £000
(8,788)	Balance at 1 April	(8,967)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
157	Charges for depreciation and impairment of non-current assets	184
(92)	Revaluation gains on Property, Plant and Equipment	(103)
(21)	Difference between fair value depreciation and historical cost depreciation	(18)
0	Revenue expenditure funded from capital under statute	-
0	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	104
(8,744)		(8,800)
-	Adjusting amounts written out of the Revaluation Reserve	-
(8,744)	Net written out amount of the cost of non-current assets consumed in the year	(8,800)
(71)	Use of Capital Grants to finance capital expenditure	-
-	Use of Capital Receipts to finance capital expenditure	-
(152)	Capital Expenditure charged against the General Fund	(545)
(8,967)	Balance at 31 March	(9,345)

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.

2023/24 £000		2024/25 £000
1,928	Balance at 1 April	1,226
(613)	Remeasurement of net defined liability	26
545	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CI & E	586
(634)	Employer's pensions contributions and direct payments to pensioners payable in the year	(643)
1,226	Balance at 31 March	1,143

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.

2023/24 £000		2024/25 £000
40	Balance at 1 April	40
(40)	Settlement or cancellation of accrual made at the end of the preceding year	(40)
40	Amounts accrued at the end of the current year	48
-	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.	-
40	Balance at 31 March	48

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.

	2023/24 £000	2024/25 £000
<i>Capital Investment</i>		
Property, Plant & Equipment	223	545
Revenue Expenditure Funded from Capital under Statute	-	-
<i>Sources of finance</i>		
Capital Receipts	-	-
Government Grants and other contributions	71	-
Direct revenue contribution	152	545

Note 32: Impairment Losses

The Authority did not recognise any impairment losses during 2024/25 (2023/24 £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:

	2023/24 £000	2024/25 £000
<i>Service Cost</i>		
<ul style="list-style-type: none"> • Current Service Cost • Past Service Costs (including curtailments) 	456 -	526 -
Total Service Cost	456	526
<i>Financing and Investment Income and Expenditure</i>		
<ul style="list-style-type: none"> • Net interest on the defined liability • Administration expenses 	77 12	47 13
Total Net Interest	89	60
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	545	586
<i>Remeasurement of the Net Defined Liability Comprising:</i>		
<ul style="list-style-type: none"> • 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 	(1,332) 62 (242) (165) 1,064 -	415 (42) (47) (2,752) 2,400 -
Total re-measurements recognised in Other Comprehensive Income	(613)	(26)
Total Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	(68)	560
Movement in Reserves Statement		
<ul style="list-style-type: none"> • Reversal of net charges made to the Surplus for the Provision of Services for post employment benefits in accordance with the Code 	(545)	(586)
Actual amount charged against the General Fund Balance for pensions in the year:		
<ul style="list-style-type: none"> • Employer's contributions payable to scheme 	634	643

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

	2023/24 £000	2024/25 £000
Present value of funded obligation	(18,079)	(16,095)
Fair value of employer assets	18,085	18,608
Present value of unfunded obligation	(168)	(140)
Impact of Asset Ceiling	(1,064)	(3,516)
Net Liability Arising from Defined Benefit Obligation	(1,226)	(1,143)

Reconciliation of Change in Impact of Asset Ceiling

	2023/24 £000	2024/25 £000
Opening Impact of asset ceiling	-	(1,064)
Interest on impact of asset ceiling	-	(52)
Actuarial losses / (gains)	(1,064)	(2,400)
Closing impact of asset ceiling	(1,064)	(3,516)

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):

	2023/24 £000	2024/25 £000
Opening Balance at 1 April	(18,340)	(18,247)
Current service cost	(456)	(482)
Interest cost	(855)	(883)
Change in financial assumptions	165	2,752
Change in demographic assumptions	242	47
Experience (gain) on defined benefit obligation	(62)	42
Estimated benefits paid net of transfers in	1,192	722
Past service costs, including curtailments	-	(44)
Contributions by scheme participants	(156)	(167)
Unfunded pension payments	23	25
Closing Balance at 31 March	(18,247)	(16,235)

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

	2023/24 £000	2024/25 £000
Opening Balance at 1 April	16,412	18,085
Interest on assets	778	888
Return on assets less interest	1,332	(415)
Other actuarial gains/(losses)	-	-
Administration expenses	(12)	(13)
Contributions by employer including unfunded	634	643
Contributions by scheme participants	156	167
Estimated benefits paid plus unfunded net of transfers in	(1,215)	(747)
Closing Balance at 31 March	18,085	18,608

The liabilities show the underlying commitments that the authority has to pay post-employment (retirement) benefits. Pensions Reserve totalled (£1,143k) in 2024/25 ((£1,226k) in 2023/24) of the total reserves of £24,118k (2023/24 £22,730k).

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

	2023/24		2024/25	
	£000	%	£000	%
Equities	13,351	74%	13,823	74%
Gilts	775	4%	706	4%
Other Bonds	2,172	12%	2,299	12%
Property	1,265	7%	1,241	7%
Cash and cash equivalents	522	3%	539	3%
Total	18,085	100%	18,608	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 2026 is £621k.

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 2022. 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:

<i>Mortality assumptions</i>	2023/24	2024/25
Retiring today:		
• Men	21.1	21.1
• Women	23.0	23.0
Retiring in 20 years:		
• Men	22.4	22.4
• Women	24.4	24.4
Rate of Inflation (RPI)	3.20%	3.20%
Rate of increase in salaries	3.90%	3.90%
Rate of increase in pensions (CPI)	2.90%	2.90%
Rate for discounting scheme liabilities	4.90%	5.85%
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	15,993	16,235	16,482
Projected service cost	345	356	368
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	16,258	16,235	16,211
Projected service cost	356	356	356
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	16,465	16,235	16,010
Projected service cost	368	356	344
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	16,777	16,235	15,712
Projected service cost	368	356	344

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 £270,000.

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

2023/24 £000		2024/25 £000
(120)	Depreciation and Amortisation	(114)
54	Impairment and Downward Valuations	(35)
89	Actuarial Charges for Retirement Benefits	57
10	Increase/(Decrease) in Inventory	4
129	Increase/(Decrease) in Debtors	(333)
(7)	(Increase) in Bad Debt Provision	(250)
(95)	(Increase) in Creditors & Receipts in Advance	(98)
-	Revenue Expenditure funded from Capital under Statute (Refcus)	-
-	Carrying amount of Non-Current Assets de-recognised	279
60		(490)

Note 36: Cash Flow Statement – Investing Activities

2023/24 £000		2024/25 £000
223	Purchase of property, plant and equipment, investment property and intangible assets	545
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(450)
223	Net cash flows from investing activities	95

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

2023/24		2024/25
5	<12 Months	4
2	1-5 Years	1
4	5 Years +	4
11		9

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:

2023/24 £000		2024/25 £000
39	<12 Months	36
10	1-5 Years	6
141	5 Years +	141
190		183

Note 37 Accounting Standards Issued but Not Yet Adopted

The Code requires the disclosure of information relating to the expected impact of any accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code. The Code requires that changes in accounting policy are applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years. IFRS16 Finance Leases has been implemented from 1 April 2024. The impact of IFRS 16 on opening lease balances, and right of use assets has been calculated and can be found in the lease note, and balance sheet.

Right of Use Assets and corresponding Lease Liabilities have been recognised as follows on 31/3/24:

Assets	Balance at 31/3/24 £000
Land & Property	5
	<hr/>
	5

ANNUAL GOVERNANCE STATEMENT 2024/25

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 2025 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 Partnership Plan that contains a vision, priorities 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 Partnership 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;
- An ICT Acceptable Use Policy;
- 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 In general the governance and internal control systems within the Authority are working effectively and have been reviewed by the Solicitor and Monitoring Officer and the Chief Finance Officer and are independently validated by the internal and external auditors. As a consequence of certain Internal Audit findings, the Authority has undertaken a review of Safeguarding policies and practices. These changes were confirmed with Internal Audit during 2023/24.

5.2 During 2025/26 the Authority will be:

- Finalising its new National Park Partnership Plan;
- Progressing work arising from the five year review of the Local Plan including on affordable housing delivery, climate change and a new Design Guide; also making preparations for the introduction of new statutory Biodiversity Net Gain requirements for planning;
- Working with Defra to deliver the National policy agenda on climate, nature and engagement with communities;
- Monitoring new legislation and changes in policy to ensure that account is taken of the impact on National Parks and National Park communities;
- Continuing to operate within limited resources while increasing revenue from alternative sources;
- Continuing to develop customer service standards and culture;
- Monitoring the performance of the Corporate Plan;
- Continue to engage and communicate flexibly while making best use of technology;
- Implement an Anti-Money Laundering policy;
- Ensure capital investment decisions are fully debated by FAPAP in advance of budgetary decisions being made by Authority;

Independent auditor's report to the members of Exmoor National Park Authority Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Exmoor National Park Authority (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Chief Finance Officer

As explained more fully in the Statement of 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. The Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003.
- We enquired of management and the Exmoor National Park Authority Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the Exmoor National Park Authority Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - Journal entries outside the normal course of business and significant management estimates, including land and building valuations and the valuation of the pension fund net liability.
 - Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on unusual and high-risk journals made at the year-end accounts production stage;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings and the defined benefit pensions liability; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including **management override of controls**. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector
 - understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor’s responsibilities for the review of the Authority’s arrangements for securing economy, efficiency and effectiveness in the Authority’s use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of ‘proper arrangements’. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor’s Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Exmoor National Park Authority for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature

Grace Hawkins, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
Bristol

02 December 2025