Statement of Accounts 2025/26

V26.6.2026 unaudited

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Narrative Report
FOR THE PERIOD 1 APRIL 2025 TO 31 MARCH 2026

Introduction

The Lake District National Park Authority (LDNPA) is an independent local authority, forming part of the system of local government in the Lake District. It does some, but not all, of the work that is done by the unitary authorities in other areas of the county. Other local authorities operating inside the Lake District National Park have an important role to play.

The National Parks and Access to the Countryside Act 1949, subsequently amended by the Environment Act 1995, sets out key responsibilities through two statutory purposes for National Parks:

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

The Authority's services are delivered so as to contribute to the 2051 Vision for the Lake District National Park. The Vision sets out the strategic aims of the Lake District National Park Partnership, which is comprised of many key stakeholders with an interest in the future of the Park. The Vision is:

> *"The Lake District is deeply valued by the nation as a thriving, working landscape, which is nature and heritage rich, climate resilient, and socially and economically vibrant.*

The Partnership's near-term objectives are set out in the Partnership's Plan. The plan ensures that the Lake District's World Heritage Site Status is protected and that we remain on track to achieving our 2051 Vision of the Lake District. A refreshed Partnership Plan was approved by the Authority on 24th June 2026.

The Authority's strong working relationships with all member organisations within the Partnership are essential to its success in effective service delivery, working together to combine expertise and skill sets in the most effective ways. This modle of operation allows the Authority to add significant value to the delivery of the Partnership's Plan. The Partnership Plan also acts as the statutory Management Plan for the Lake District.

The Authority's responsibilities within the Partnership's Plan are formalised in, and monitored through, the Authority's Business Plan. This sets out actions and milestones relating to our contribution to priority areas. The Business Plan also sets out the Authority's values and behaviours which form a key reference point for our organisational culture and ethics. These are summarised below:

Our Priorities	Our Values and Behaviours
Managing the National Park Authority and its statutory duties Through everything we do our fundamental priorities will be to deliver our purposes and duty, protecting our Special Qualities of the National Park and sustaining our attributes as a World Heritage Site. **Nature Recovery** Deliver nature's recovery through improving the condition of protected sites, managing non-protected sites, and creating more species-rich habitats. **Communities and Economy** Help rural communities to be sustainable and vibrant by increasing affordable or occupancy restricted homes and controlling second homes / holiday lets, expand and diversify workforce, conditions for economic growth, reduce visitor pressures. **Viable Traditional and Nature-Friendly Farming** Improve viability and resilience of farms by increasing nature-friendly farming practices, support functioning hefting and commoning, enhance farm advice, develop and promote quality produce, establish new income streams through farm diversification. **Historic Environment** Improve management of the historic environment by decreasing heritage at risk assets, improving non-designated heritage assets, increasing understanding of heritage condition, retaining traditional skills and practices and growing the number of skilled crafts people. **Health and Wellbeing, Inspiration, Responsible Visiting** Inspire people to enjoy, understand and care through better understanding of health benefits of being active outdoors, improving rights of way and Miles without Stiles, increasing volunteering, delivering more engagement programmes.	**Leaders** We lead the way, delivering the Vision and inspiring people to enable the landscape to flourish. **Empowered** We think creatively, encouraging innovation, adapting to change and being willing to take appropriate risks. **Nurturing** We nurture the Lake District, our teams and where we work, respectfully managing the National Park on behalf of those who live, work or visit here. **Proud** We are proud of the Lake District and what we do at the Authority, which drives us to be our best. **Team Player** We cooperate and work together, creating a sense of belonging where trust thrives. **Forward Thinking** We plan for the future, recognising that our future sustainability is in our own hands.

(source: 2026/27 Business Plan)

Our financial planning is set out in our Medium Term Financial Strategy (MTFS). The strategy formalises the Authority's key revenue and capital principles in relation to the management of its finances and the prevailing financial environment. It sets out projections for future years' budgets over a five year period to inform understanding of the likely availability of financial resources, which will be used in the provision of services.

The full MTFS, Business Plan and Park Partnership Plan documents can be found on the Authority's website.

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

Significant Matters Reported in the 2025/26 Accounts

The aim of our Statement of Accounts is to demonstrate the overall financial performance and position of the Authority at the end of the 2025/26 financial year. The Authority's accounts for the year ending 31 March 2026 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code). This format incorporates the requirements of International Financial Reporting Standards (IFRS) wherever this is possible.

The Department of Environment, Food and Rural Affairs (Defra) sets the level of Government funding for the National Park Authority on an annual basis through National Park Grant. For 2025/26, the level of core funding allocated by Defra was cut by £458k (8.2%). The total core revenue funding for 2025/26 was £5.216m. In addition to this revenue funding a one-off capital allocation of £1.534m was granted in 2025/26.

During the prior year the operating model at Brockhole was reviewed and a process was started to identify a third party partner to take on the site. This exercise was completed in the year and the lease to Bewilderwood took effect on 1 April 2026. The café and shop were closed for the 2025/26 season which significantly reduced costs. At year end the visitor services trading reserve was topped up to the target of £500k and overall visitor services (including car parking) contributed an additional c£400k to the general reserve, compared to the original budget.

Other significant items for 2025/26

There was significant revenue in year relating to Farming in Protected Landscapes (FiPL). The FiPL scheme is a part of Defra's Agricultural Transition Plan. It offers funding to farmers and land managers in Areas of Outstanding Natural Beauty (AONB), National Parks and the Broads.

The programme funds projects that:

- support nature recovery
- mitigate the impacts of climate change
- provide opportunities for people to discover, enjoy and understand the landscape and its cultural heritage
- protect or improve the quality and character of the landscape or place

During 2025/26 the authority received £1.36m used to fund payments to third parties and direct funding of LDNPA schemes.

The Authority has also been involved in Wainright's Coast-to-Coast National Trail programme to upgrade the coast-to-coast path. The scheme uses the existing Fix the Fells partnership with the National Trust and is funded by Natural England. The total funding over four years on the Coast-to-Coast trail is expected to be almost £2m. Spend on the trail in the year was c£760k.

Overall Net Assets held by the Authority increased by £13.4m, to £56.1m in 2025/26 from £42.7m in 2024/25. £12.3m of this relates to the pension scheme, which has reversed the £713k liability and recognised an asset of £11.6m, following the actuary's triannual valuation. The remaining movement in net assets relates to a decrease in short term assets (£400k), a reduction in short term creditors (£840k) and an increase in value of property, plant and equipment (£0.6m).

As noted, the net defined benefit pension has seen a significant movement from a liability of £713k to an asset of £11.6m. This follows the actuary triannual valuation undertaken in 2025, which recognised that the scheme funding level was 124% and the subsequent reduction to the "asset ceiling", in line with pension accounting rules. The defined benefit pension asset is valued by expert actuaries and the impact of changes in value are limited through statutory adjustments to the accounts. This means that there is no impact on the Authority's usable reserves as a result of movements in the net surplus. Following the valuation, future contributions rates have reduced from 18.1% to 15.8% on an ongoing basis and the annual rebate received by the Authority increased from £62k to £644k for three years.

Application of Funds

The overall position on revenue is a net underspend of c£720k, after an agreed transfer to the Planning Reserve (£101k) and adjustment to Visitor Services Trading Reserve to align the year-end balance with the target of £500k. £572k of the underspend has been used to top up General Fund (GF) and £154k used to replenish the Investment Reserve (after it was reduced to support the DEFRA grant cut earlier in the year).

Table 1: Summary of revenue variances

	Original Budget £000	Working Budget £000	Actual £000	Variance £000
INCOME				
Government Grants	-5,087.0	-5,216.4	-5,216.4	0.0
Scheme specific Grants	-490.0	-3,572.0	-3,479.0	93.0
Visitor Services Income	-5,165.7	-5,326.7	-5,402.8	-76.1
Other Income	-1,958.3	-1,840.0	-1,923.5	-83.5
Investment Interest	-145.0	-145.0	-257.0	-112.0
TOTAL INCOME	**-12,846.0**	**-16,100.1**	**-16,278.7**	**-178.6**
EXPENDITURE by Type				
Employees	8,686.9	8,231.8	8,082.6	-149.2
Transport	291.7	292.9	196.1	-96.8
Premises	2,168.3	3,038.5	2,869.8	-168.7
Supplies & Services	2,594.4	4,456.0	4,322.4	-133.6
Third Party Payments	78.6	73.6	78.6	5.0
Depreciation	1,296.3	1,333.8	1,333.8	0.0
TOTAL	**15,116.2**	**17,426.6**	**16,883.3**	**-543.3**
EXPENDITURE by Service				
Executive Board & Legal	804.8	1,064.6	1,010.4	-54.2
Resources	3,086.6	2,991.2	2,906.6	-84.6
Visitor Services	4,960.2	4,807.5	4,593.4	-214.1
People	609.2	565.6	559.7	-5.9
Communications	564.8	554.7	575.1	20.4
Development Management	1,367.5	1,593.2	1,482.0	-111.2
Strategy & Rangers	3,723.1	5,849.8	5,756.1	-93.7
TOTAL	**15,116.2**	**17,426.6**	**16,883.3**	**-543.3**
OPERATING (SURPLUS)/DEFICIT	**2,270.2**	**1,326.5**	**604.6**	**-721.9**

Explanations for the main variances are as follows:

- Scheme specific grants are £93k lower than budgeted. The single largest element relates to the C2C (£81k). This is offset by an equal underspend on expenditure so has no impact on the General Fund. We were unable to deliver all of our anticipated schemes by year end but have some funds aside in reserves to support the costs of finishing off some elements.

- Visitor Services income and expenditure taken together were £290k favourable to the working budget. This was largely due to:
  - Car parking net income £145k more than budget, following good weather in Q1 and a mid-year price increase.
  - Brockhole was £123k favourable to budget. This included £45k of dilapidations income from previous tenants, £20k of additional income from the Halloween event, and savings on staffing and running costs.
  - TICs were £71k over budget, £46k related to Moot Hall including the cost of making good the property prior to handing back, plus reduced revenues relating to a shortened trading period (prior to closure). Coniston, Hawkshead and Glenridding TICs all had lower trading income (and lower net contribution) than budgeted.
  - Coniston Boating Centre was £92k favourable to budget due to £33k greater income, and c£60k lower costs, including a back dated rates rebate of £25k and the impact of some vacant posts.

- Other income was £84k greater than budgeted. This is made up of a number of smaller variances, the single largest elements being £20k on planning application fees and £30k relating to commercial income and sponsorship. There was also a £30k shortfall in rental income, £20k for the Ambleside depot which took longer than anticipated to rent out (now let) and £10k at Murley Moss as one of the tenants left at short notice.

- Investment income was £112k higher than budgeted; this is largely as interest rates have not reduced as quickly as we anticipated and cash balances have remained strong.

- Employee costs were £149k lower than budgeted. £103k of this relates to Visitor Services. There was also £61k lower spend than budgeted within Development Management with some vacant posts and some un-used consultancy budget. There was a net £41k over-performance on the staff vacancy target (ie across the Authority, posts vacant for longer than assumed). This was offset by £50k of one off unbudgeted costs relating to the end of contracts. £80k of staff time was recharged against the Coast to Coast grant.

- Transport costs were £98k lower than budgeted. £61k of this related to use of capital funds to purchase of the (previously) leased fleet, £10k lower spend than budgeted on volunteers travel expense claims and £18k lower than budgeted on Members travel expense claims.

- Premises costs were £169k lower than budgeted. £23k of this relates to lower costs within Visitor Services; £177k relates to lower costs on Coast to Coast trail (offset by higher staff costs and lower grant income). In addition, there were £20k of increased costs in relation to urgent tree safety works.

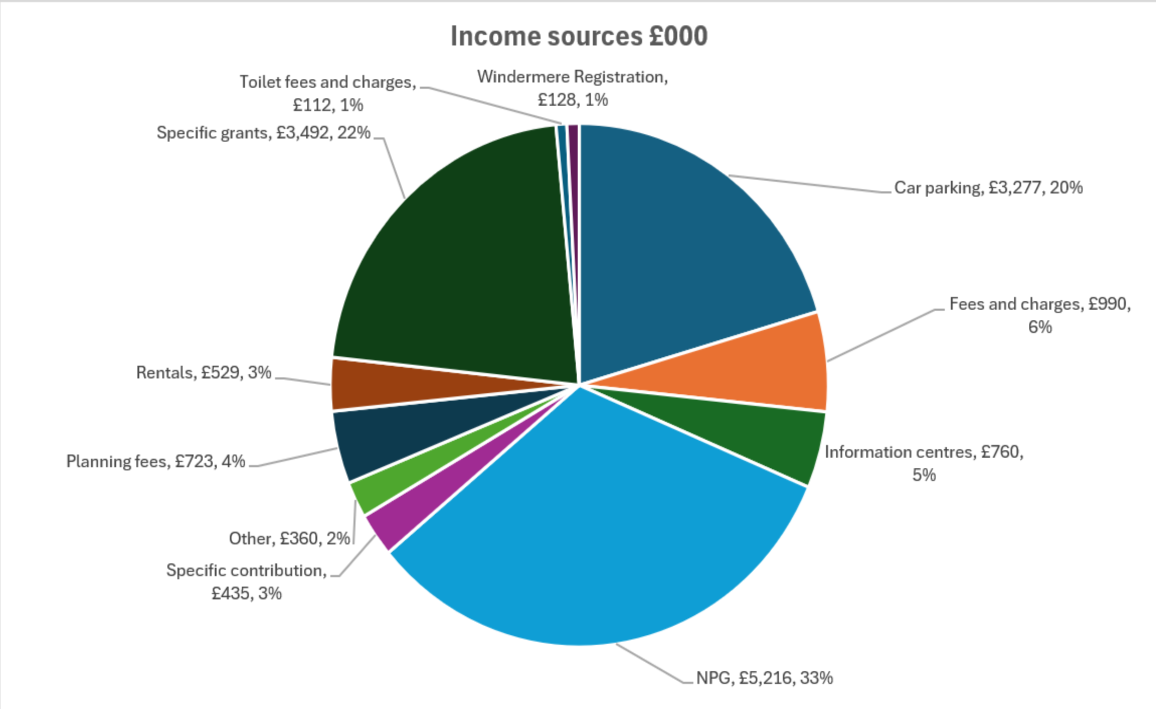
- Supplies and services costs were £134k lower than budgeted. £76k of this was cost savings within Visitor Services, £21k related to development management, largely due to lower use of consultants. There was also £29k spend in relation to the TIC review work that was in addition to the budget.

The General Fund overall closed at £1.915m, with the trading reserve closing at £0.5m.

Sources of Revenue Funds

In addition to core grant from DEFRA, the Authority also receives income from a range of other sources, and these are summarised below:

Sources of Revenue Funds 2025/26



A further detailed split of grant income can be found in note 15; as already set out, the Authority has had some large scheme specific grants in year, with the majority of this relating to FiPL, and the Coast-to-Coast National Trail.

This provides an indication of the relative split of activities within the Authority, with a mixture of core activities, scheme specific external funding and fees generated from service users.

Capital Investment in 2025/26

The Authority's capital investment can be analysed as follows:

	Original Full Year Budget £000	Working Full Year £000	Actual £000	Budget Remaining £000
Vehicle replacement	491	538.6	538.6	0
PM Plant & machinery	0	171.7	176.2	-4.5
IT Rolling Replacement Programme	54.7	50.7	50.8	-0.1
Northern Area Office	0	17	15.8	1.2
EPOS System	0	40	28.8	11.2
Website	60	60	55.9	4.1
K2T Bridges	0	225	0	225
K2T Extension	0	71	134.3	-63.3
LDF BOWNESS Bay IC	0	10.7	10.7	0
Southern Office fit out	0	53	53.6	-0.6
Murley Moss LED lighting	0	3.5	5.3	-1.8
Murley Moss Solar Canopy	0	137	137.1	-0.1
Glenridding TIC Solar	0	15	14.6	0.4
Brockhole Lift Works	0	16.6	16.6	0
Murley Moss Lift Replacement	60	60	59.8	0.2
Coniston TIC Boiler	15	0	0	0
Brockhole Gardeners Buggy Replacement	12.3	0	0	0
Murley Moss Boiler	60	0	0	0
Southern & Northern Officer Solar	0	60.1	52.2	7.9
Toilet Refurbishments	0	100	112.3	-12.3
Coniston Boating Centre Ticket Office	100	0	0	0
Moot Hall Boiler	15	12.2	12.2	0
Brockhole Lakeshore (Phase 2)	0	2.3	2.3	0
Defra Access for All – paths and bridges	0	167.3	167.3	0
EV Chargers	0	25	30.9	-5.9
Murley Moss Board Room Partitions	0	31.8	31.1	0.7
Brockhole Improvements	0	13.2	25.2	-12
Capitalisation Rights of Way Works	115	115	115	0
Total	**983**	**1,996.7**	**1,846.6**	**150.1**

Most of the budget was spent in year, with total expenditure of £1,847k. The Keswick to Threlkeld bridges project has slipped to 2026/27 and the Keswick to Threlkeld extension project exceeded the budget, although this is largely about timing of spend being sooner than anticipated; the scheme is assumed to be fully grant funded from the Borderlands Inclusive Growth Deal as part of the See More Lake District Cycling programme. The Authority used the following capital resources to finance its 2025/26 capital spend:

Financed by:	**£000**
Capital receipts	67
Capital grants and contributions in year	1,498
Grant credited to service lines to match REFCUS*	282
Total	**1,847**

*Revenue Expenditure Funded from Capital Under Statute

The Authority continues to strive to provide excellent value for money. Our organisational strategy aims to deliver maximum impact in terms of service delivery by using our staff and other resources in more efficient ways. Our effectiveness is a key consideration and our success in delivering the Vision for the National Park is monitored closely using a number of performance indicators and actions set out in our Business Plan (see Performance and Risk Management section below).

Sources of Capital Funds

In 2025/26 the Authority received £1,780k of grants and other contributions to support the capital programme, including grant supporting REFCUS expenditure. Most of this came from DEFRA as part of the 2025/26 grant settlement or specific Access Funding. Capital receipts of c£90k were also received in year.

There was £0.9m of usable capital resources remaining at 31 March 2026 (see detail in the reserve note 30). These will be used to fund the Authority's future capital programme. A fully funded programme assuming no further significant receipts was approved at Authority in June 2026; this included the approval of carry forwards from 2025/26 and the allocation of £1.598m DEFRA capital grant which was confirmed as part of the 2026/27 grant settlement.

Investment Plans

The Authority's capital programme routinely includes re-investment in essential business infrastructure, such as operational buildings, vehicles and computer equipment.

The three year settlement from DEFRA for 2026/27 to 2028/29 included a capital grant allocation of c£1.5M a year, although this figure is only indicative for years two and three. This will enable the Authority to plan more strategically in terms of capital investments.

Other than debt recognised through IFRS 16 (leases), the Authority is currently debt-free but acknowledges that modest borrowing may be necessary to support the financing of the capital programme in future years, in addition to the usual mixture of capital receipts and external grant funding.

The Authority also has an active Commercial Strategy Board. This has identified a pipeline of potential projects that primarily focus on expansion or review of current areas of service provision. There is an investment reserve to support investment in these with the ambition that these schemes will be able to make a significant contribution to a balanced and robust MTFS.

Performance and Risk Management

Business Plan

Our Business Plan sets out the key actions we will take to support delivery of the Vision, the Partnership's Plan, and our Organisational Strategy. It includes actions to deliver those elements of the Partnership's Plan that we either lead on or have substantial input to, as well as actions related to managing the National Park Authority and its statutory duties. All Business Plan actions support either our statutory purposes or wider statutory duties.

The Business Plan is reviewed and refreshed at the end of each year. This allows us to ensure we remain on course towards achieving the Vision and to take account of changing circumstances and financial constraints.

The three-year 2025-2028 Business Plan came into effect on 1 April 2025. It was updated in September 2025 to reflect changes to our service structure, with the Strategy and Rangers service splitting into two service areas: Strategy and Partnerships, and Rangers.

The key components of the 2025-2028 Business Plan were:

- The **Organisational Strategy**, which set out our six priorities for the Lake District, our values and behaviours, and a vision for how we wanted to be working as an Authority in 2030.
- **Key actions to help deliver our priorities for the Lake District** over the three years of the plan. Each key action had milestones for 2025/26.
- A statement of the **service objectives** of each service area.
- **Additional key actions for services**, which were further areas of significant work to be undertaken during 2025/26 to help deliver the service objectives.

To ensure we can deliver our Business Plan, any events which could be detrimental to plan delivery are identified as risks and are managed to reduce their likelihood and impact. **Corporate risks** are those which threaten more than one service area, or the whole organisation, and which have a financial or reputational scale which requires management at a strategic level. **Business Plan risks** are those which specifically threaten the delivery of the objectives and milestones identified within the Business Plan.

Service Plans
To support the delivery of the Business Plan, Heads of Service produce annual Service Plans which show the work that staff will undertake to deliver Business Plan actions, and other service work which is not detailed in the Business Plan.

To ensure that staff have the capacity to deliver our corporate plans, appropriate time is set aside for them to engage in essential day-to-day activities and to deliver any new work which might arise during the year.

Monitoring Performance
Progress with delivering our Business Plan, including the management of key risks, is reviewed by the Strategic Leadership Team each month. A Performance and Risk Monitoring Report is presented to members at the end of each quarter. During 2025/26, this was at Resources Committee. Following a review of governance arrangements, the 2025/26 quarter four report, and subsequent reports, will be presented to Authority Committee. These quarterly monitoring reports are available to view on our website.

Summary of Performance and Risk Management in 2025/26

Delivery of Business Plan actions

- The 2025-2028 Business Plan (revised September 2025) included 19 key actions to help deliver our priorities for the Lake District. Fifteen of these actions (79 per cent) had a green (complete) status at the year end, as the planned work for 2025/26 had been substantially delivered.
- The remaining four actions had a red (not complete) status. The elements of work which were not completed for these actions were rolled forwards into the 2026-2027 Business Plan.
- The 2025-2028 Business Plan also included 21 additional key actions to help deliver service objectives. Eighteen of these (86 per cent) had a green (complete) status at the year end.

- The other three actions had a red (not complete) status, with the outstanding work now due to be completed in 2026/27.
- A summary of the status of Business Plan actions at the end of 2024/25 and 2025/26 is shown in the table below:

	March 2025			March 2026		
	Total	Green status	Red status	Total	Green status	Red status
Key actions to deliver our priorities for the Lake District	17	11	6	19	15	4
Key actions to deliver service objectives	20	17	3	21	18	3
Total	**37**	**28 (76%)**	**9 (24%)**	**40**	**33 (83%)**	**7 (17%)**

Overall Service Performance

- Each Head of Service provided a red, amber or green status for overall service performance at the end of 2025/26. Detailed commentary on service performance was reported to members at Authority in June 2026.
- Four of our six services reported a green status at the year end, which means that delivery of service objectives was largely on track.
- Development Management continued to report an amber status, as Service Plan delivery was continuing to present challenges. Application performance (planning and trees) is above Government designation thresholds, albeit we remain too reliant on extensions of time for planning applications. Pre-application advice services and our land charges function operate effectively. In isolation, these four workstreams would rate green. Enforcement, however, presents ongoing risks resulting in an amber status. On-hand enforcement case numbers remain high, which results in increased risks around resolution timescales and developments potentially becoming immune from enforcement action by passage of time. A small number of more complex cases continue to be time-consuming. Issues with enforcement notice non-compliance are also increasing, requiring resource intensive and lengthy prosecution proceedings.
- Strategy and Partnerships also reported an amber status at the year end. Planned activities for the year were delivered broadly in line with agreed milestones, with the majority of actions either completed or progressing as scheduled. However, a small number of actions experienced minor slippage or were put on hold, primarily arising from capacity pressures linked to vacancies; dependencies on partner or external stakeholder timescales; and the prioritisation of statutory or time critical work and new opportunities.
- The table below shows the status reported by each service area at the end of 2025/26, and compares it to that reported at the end of the previous year:

March 2025 Overall Service Performance		March 2026 Overall Service Performance	
Service	**Status**	**Service**	**Status**
Resources	**Amber**	Resources	**Green**
People and Organisational Development	**Green**	People and Organisational Development	**Green**

Communications and Engagement	**Green**	Communications and Engagement	**Green**
Development Management	**Amber**	Development Management	**Amber**
Strategy and Rangers	**Green**	Strategy and Partnerships	**Amber**
		Rangers	**Green**

Management of Key Risks

- For all key risks, we establish what control mechanisms are already in place to manage them. We then decide what further mitigation actions are needed and these are included within the Business Plan or Service Plans, with necessary resources aligned to them.
- For our more significant risks, we state the contingency plans we would enact should we be unable to manage the risk. We do this for any risks which are at a critical or high level; risks which are at a medium level, with a risk score of ten or above; and risks where the impact on the Authority would be ‘high’ or ‘very high’.
- In February 2026, the Strategic Leadership Team completed an annual review of the Authority’s risk appetite statement. The statement explains how willing we are to accept risks while working to achieve our objectives. There were no significant changes proposed to the risk appetite statement, and our Risk Management Strategy was approved by Governance Committee in April 2026.
- There were six Business Plan risks and nine corporate risks in the corporate Risk Register at the year end. One of these risks, related to the initiatives to embed a new operating model for Brockhole, was closed in March 2026.
- Our risks are at a slightly lower level than at the end of 2024/25 – this is shown in the table below.
- There were no risks at a critical or high level; and no medium level risks had a risk score of ten or above.
- There were five medium level risks, all with a risk score below ten. Four of these (Cyber Risk and Data Security; External Factors impacting the Authority; Development Management – Enforcement; Special Area of Conservation Planning Reviews) had risk scores above tolerance and an amber status. The Greenside Mine risk was within tolerance and had a green status.
- Nine risks were at a low level, and all had a green status. One of these (Resource Availability) had a risk score above tolerance and the other eight had risk scores within tolerance.

	March 2025		**March 2026**	
Risk type	Business Plan	Corporate	Business Plan	Corporate
Critical level	0	0	0	0
High level	0	0	0	0
Medium level, with risk score 10 or above	1	1	0	0
Medium level, with risk score below 10	2	3	2	3
Low level	3	4	4	5
Total risks	**6**	**8**	**6**	**8**

Going Concern

The Authority’s accounts have been prepared on the basis that the Authority continues to operate as a going concern for the foreseeable future.

The MTFS approved in March 2026 proposed a balanced budget for 2026/27 to 2028/29. This includes a recurring reduction in the core revenue grant settlement of 8.2% from 2024/25 levels. It also includes c£1.5m capital grant for the first three years of the MTFS.

The actuary’s triannual valuation undertaken during 2025/26, shows the Authority’s pension scheme to be 124% funded. This has resulted in an ongoing reduction in the annual employers contribution and a significant increase in the annual rebate for the first three years of the MTFS.

The MTFS showed a balanced position through the life of the strategy including maintaining a General Fund balance of £1.5m. There is however uncertainty over significant balances in years 4 and 5 of the plan where the recurrence of pension rebates and capital grant is not assumed.

The Authority has managed its position to ensure a level of resilience whilst recognising the uncertainty in future years. There is not judged to be any issue about the overall assertion of going concern.

Changes to Accounting Policies and Accounting statements

The 2025/26 Code did not introduce any significant changes, which require a change to our accounting policies. The introduction of indexation for property plant and equipment is a change to the estimation techniques to provide current values for assets (where applicable), and this has been fully adopted. The statements are structured to comply with the disclosure requirements of the Code and in an order judged to provide the most logical sequence, with reference to the significance of the main statements and supporting notes.

Governance Arrangements

There were no significant changes to the underlying governance arrangements in year. The Annual Governance Statement for 2025/26, including the action plan of potential improvements, is included within this document.

Cash flows and Other Issues

The Authority held only non-material provisions at 31 March 2026. During 2025/26 there were no significant debt write offs.

Cash flows during the year were managed with no need for temporary or long term borrowing. No cash flow difficulties are forecast within our existing planning horizons, with a good level of cash backed reserves held in highly liquid, high quality investment counterparties along with a broadly balanced MTFS position over the next 3 years.

The Authority considers its staff and its positive working relationships with the other members of the Lake District National Park Partnership to be key strengths and drivers for its success and performance. Reserve balances are appropriate and not excessive. There were no material events after the reporting date.

Materiality and Roundings

The financial statements are prepared taking into account the materiality provisions of the Code, with the aim of providing a true and fair presentation for the readers of the accounts. External audit provide independent assurance that there are no material omissions or errors using their own qualitative and quantitative criteria, as set out in the audit plan and the audit findings report.

The Authority uses rounding to the nearest thousand pounds in the financial statements. Our accounting policies allow for small rounding differences in the accounts where these do not detract from the reader's overall understanding of the Authority's financial performance.

PETER NOTLEY

Pete Notley CPFA
Head of Resources (S151 Officer)
29/6/2026

Statement of Responsibilities

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 Head of Resources (S151 Officer).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard assets.
- To approve the Statement of Accounts .

The Authority approves the Statement of Accounts for the period 1 April 2025 to 31 March 2026

Name :

Date :

Chair of Governance Committee

TO BE COMPLETED POST AUDIT

The Head of Resources' (S151 Officer) Responsibilities

The Head of Resources (S151 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 2025/26 (the Code). In preparing this Statement of Accounts, the Head of Resources (S151 Officer) has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the requirements of the local authority Code of Practice.
- Kept financial records and accounts which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

These accounts were authorised as at the date below which is the date up to which events after the balance sheet date have been considered.

The Accounts have been prepared in accordance with the requirements of the Code and give a true and fair view of the financial position of the Authority as at 31 March 2026 and its income and expenditure for the year then ended.

PETER NOTLEY

Name: Peter Notley CPFA

Date: 29/6/2026

Position: Head of Resources (S151 Officer)

TO BE COMPLETED AND UPDATED FOR 2025/26 WHEN FINAL OPINION IS ISSUED

Independent auditor's report to the members of Lake District National Park Authority

Comprehensive Income and Expenditure Statement (CIES)

2024/25 Gross Exp £000	2024/25 Gross Income £000	2024/25 Net Exp £000		Note	2025/26 Gross Exp £000	2025/26 Gross Income £000	2025/26 Net Exp £000
947	(166)	781	Executive Board & Legal		1,011	(160)	851
2,908	(680)	2,228	Resources		2,905	(590)	2,315
5,704	(5,861)	(157)	Visitor Services		4,579	(5,403)	(824)
540	0	540	People		561	(6)	555
478	(137)	341	Communications		575	(152)	423
1,100	(555)	545	Development Management		1,484	(986)	498
8,999	(7,439)	1,560	Strategy & Rangers		6,050	(3,791)	2,259
72	(60)	12	Non Distributed Costs		74	(62)	12
20,966	**(15,116)**	**5,850**	**Cost of Services**	9	**17,239**	**(11,150)**	**6,089**
		(921)	Financing & Investment Income & Exp	14			(1,240)
		(6,232)	Non-specific grant income	15			(6,714)
		(1,303)	**(Surplus) or Deficit on Provision of Services**	9			**(1,865)**
		(1,528)	(Surplus) or deficit on revaluation of non-current assets	19			(675)
		416	Remeasurements of the defined benefit liability	16			(10,875)
		(1,112)	**Other Comprehensive (Income) & Expenditure**				**(11,550)**
		(2,415)	**Total Comprehensive (Income) & Expenditure**				**(13,415)**

This Statement shows the accounting cost in the year of providing services in accordance with the Code, rather than the amount to be funded from taxation. Some local authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement. This authority does not routinely exercise its powers to raise local taxation and instead relies upon Defra grant and income from chargeable activities.

Movement in Reserves Statement (MIRS)

	Note	General Reserve Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2025		**5,154**	**644**	**245**	**6,044**	**36,664**	**42,708**
Movement in reserves during 2025/26							
Total Comprehensive Income and Expenditure		1,865	0	0	**1,865**	11,550	**13,415**
Adjustments between accounting basis and funding basis under regulations	10	(1,514)	23	0	**(1,492)**	1,492	**0**
Increase/decrease for 2025/26		351	23	0	373	13,042	13,415
Balance at 31 March 2026 carried forward		**5,505**	**667**	**245**	**6,417**	**49,706**	**56,123**

The equivalent figures for 2024/25 were:

	Note	General Reserve Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Useable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024		**3,789**	**820**	**252**	**4,861**	**35,431**	**40,292**
Movement in reserves during 2024/25							
Total Comprehensive Income and Expenditure		1,303	0	0	**1,303**	1,113	**2,416**
Adjustments between accounting basis and funding basis under regulations	10	63	(176)	(7)	**(120)**	120	**0**
Increase/decrease for 2024/25		1,366	(176)	(7)	1,183	1,233	2,416
Balance at 31 March 2025 carried forward		**5,155**	**644**	**245**	**6,044**	**36,664**	**42,708**

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into ‘usable reserves’ (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The ‘Surplus or (deficit) on the provision of services’ line shows the true economic cost of providing the Authority’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance. The ‘Net increase/decrease before transfers to earmarked reserves’ line shows the statutory General Reserve Balance before any transfers to or from earmarked reserves undertaken by the Authority.

Balance Sheet

The Accounts have been prepared in accordance with the requirements of the code and give a true and fair view of the financial position of the Authority as at 31 March 2026 and its income and expenditure for the year then ended. The unaudited accounts were issued on 29 June 2026. The final audited statements will be authorised by the Chair of Governance Committee and will be recertified by the S151 Officer post audit.

31/03/2025 £000		Note	31/03/2026 £000
31,547	Property, Plant & Equipment	19	37,079
1,512	Property, Plant & Equipment – Right of Use Assets		1,330
8	Heritage Assets		8
5,888	Investment Property	22	1,072
120	Surplus Assets	19	120
11	Intangible Assets		89
0	Assets related to defined benefit pension scheme		11,551
39,086	**Long Term Assets**		**51,249**
7,478	Cash & cash equivalents	27	6,825
237	Inventories & Work in Progress		143
1,278	Short Term Debtors	28	1,626
8,993	**Current Assets**		**8,594**
(3,342)	Short Term Creditors	29	(2,499)
(20)	Provisions		(20)
(3,362)	**Current Liabilities**		**(2,519)**
(713)	Liability related to defined benefit pension scheme	16	(0)
(1,296)	Liability related to Right of Use Assets		(1,201)
(2,009)	**Long Term Liabilities**		**(1,201)**
42,708	**Net Assets**		56,123
	Usable Reserves		
644	Capital Receipts Reserve	10	667
245	Capital Grants Unapplied Reserve	10	245
3,586	Earmarked Reserves	31	3,591
1,568	General Reserve	10	1,914
	Unusable Reserves		
13,404	Revaluation Reserve	10	13,485
24,249	Capital Adjustment Account	10	24,922
(275)	Accumulated Absences Account		(252)
(713)	Pension Reserve	16	11,551
42,708	**Total Reserves**		**56,123**

The Balance Sheet shows the value 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. Usable reserves, being those reserves that the Authority may use to provide services. Use of these is subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves includes unrealised gains and losses, for example the revaluation reserve, where amounts would only become available to provide services if the assets are sold. It also includes reserves that hold timing differences shown in the Movement in Reserves Statement line “adjustments between accounting basis and funding basis under regulations”.

Cash Flow Statement

2024/25 £'000		2025/26 £'000
1,303	**Net surplus/(deficit) on provision of services**	**1,865**
1,356	Capital items (Depreciation, amortisation & impairment)	1,542
(57)	Recategorisation of PPE to Right of Use Asset upon adoption of IFRS 16	0
(172)	Movement in Market Value Investment Properties	(19)
1,959	Increase/(decrease) in creditors, Debtors, inventories & Provisions	1,097
(512)	Movement on pension liability- Increase/(decrease)	(1,389)
2,574	**Adjustment to net surplus/deficit on provision of services for non-cash movements**	**1,231**
(26)	(Profit)/Loss from the sale of PPE, Investment Property & Intangibles	(66)
(175)	Interest Receivable	(195)
(201)	**Adjustment for items included in the net surplus/deficit on provision of services that are investing and financing activities**	**(261)**
2,373	**Total Adjustments**	**970**
3,676	**Net cash flows from Operating Activities**	**2,835**
(686)	(Purchase) of property, plant & equipment & investment properties	(1,847)
26	Proceeds from the sale of property, plant & equipment and Investment Property	(89)
(415)	Receipt of Capital Grants - Cash	(1,780)
175	Interest Received	195
63	Other receipts from investing activities	0
(837)	**Investing Activities**	**(3,521)**
1	Creditors relating to purchase of Property Plant and Equipment	(117)
29	Donated Right of Use Assets	0
132	MRP (Right of Use Assets)	150
162	**Financing Activities**	**33**
3,001	Net increase/(decrease) in cash and cash equivalents	**(653)**
4,447	Cash and Cash equivalents at the beginning of the reporting period	**7,478**
7,478	Cash and Cash equivalents at the end of the reporting period	**6,825**

The Cash Flow statement shows the changes in cash and cash equivalents 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 taxation and 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 predicting claims on future cash flows by providers of capital, for example borrowing, to the Authority.

Notes to the Core Financial Statements

1. Statement of Significant Accounting Policies

Introduction and General Principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and the Service Reporting Code of Practice 2025/26, supported by International Financial Reporting Standards (IFRS)*.

Accruals of Income and Expenditure

Income and expenditure is accounted for in the year in which resources are consumed or when entitlement arises. The principles applied are as follows:

- 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 fixed 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.
- Where the Authority is acting as an agent for another party income and expenditure are recognised only to the extent that commission is receivable by the Authority for the agency services provided or the Authority incurs expenses directly on its own behalf in providing the services.
- Government Grants are recorded as Income when they are received provided there is reasonable assurance that the conditions of receipt are complied with or at a later date should the conditions be met at that later date. Grants and contributions used to finance the acquisition of a non-current asset are initially credited to Capital Receipts in Advance and then recognised in the Comprehensive Income and Expenditure Statement when any conditions are met. These grants are reversed out of the General Reserve to the Capital Grants Unapplied Account until the capital expenditure is incurred, in which case they are transferred to the Capital Adjustment Account through the Movement in Reserves Statement. Where grants

are received but conditions are not met, these are accrued forward to the following financial year.

- In relation to the Local Government Pension scheme the liability that the Authority has for meeting the future cost of retirement benefits arising from service provided by employees up to the Balance Sheet date net of the contributions paid into the fund and the investment income generated.
- Changes in fair values of Investment Properties are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- The Statutory basis of accounting for the Authority differs from that reported in the Comprehensive Income & Expenditure Account as required under IFRS. Details are provided in the following table:

The differences between the Statutory Basis of Accounting and the IFRS Accounting base are as follows:

Income or Expense	**Basis of Statutory Charge to General Fund**	**Basis of Accounting Charge or Credit**	**Other Funds utilised to represent enhancement from Statutory Outturn to Accounting Outturn**
Consumption or usage of Long-Term Assets	Contribution to the reduction in borrowing requirement in excess of minimum required.	Full accrual principle determined by Depreciation, Amortisation & Impairment	Capital Adjustment Account with small portion to Revaluation Reserve in relation to Current Cost Element of Depreciation
Grant receipts relating to Long Term Assets	None	All Grants received in year providing no conditions are attached and/or conditional grants from prior years that were applied in year.	Unapplied Capital Grants Reserve
Disposal Receipts or entitlements relating to Long Term Assets	None	Net Profit or Loss	Capital Receipts Reserve (deferred if cash not received) minus Capital Adjustment Account (or Revaluation Reserve) in relation to holding value of asset at time of sale.
Financing of new Capital Investment	Contributions made where otherwise not funded by Capital Receipts or designated Capital Grants	None	Capital Adjustment Account
Upward/(Downward) Valuation of Assets	None	Credited/(Debited)	Revaluation Reserve or, for Investment Properties (or where reinstating past Impairment), Capital Adjustment Account
Pension Scheme Costs	Direct amounts paid in relation to the scheme	Full accrual principles including actuarial valuation	Pension Reserve
Staff Costs	Direct amounts paid	Accrual made for leave entitlement deferred forwards	Accumulated Absences Adjustment Account

Income or Expense	Basis of Statutory Charge to General Fund	Basis of Accounting Charge or Credit	Other Funds utilised to represent enhancement from Statutory Outturn to Accounting Outturn
‘Revenue Expenditure Financed by Capital Under Statute’ (capex in respect of an asset owned by a third party)	None	Full accrual principles	Capital Adjustment Account
Minimum Statutory Provision for Capital Debt Repayment	Charge as required under statute	None	Capital Adjustment Account

Cash and Cash Equivalents

Cash is defined as cash in hand, deposits held with financial institutions repayable without penalty on notice of not more than 24 hours and bank overdrafts. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes 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.

Reserves

The Authority’s Reserves represent the accumulation of surpluses (and deficits) upon the Comprehensive Income & Expenditure account overall years up to and including the Balance Sheet date. These also equal the Total Value of the Authority’s assets less its’ liabilities.
Reserves are classified into Useable (when currently available for application) and Un-useable (when there is no current liquidity).
The Notes to the Accounts upon the Reserves explain fully the purpose of each Reserve and the uses to which they are applied.

Exceptional Items

Where items of income and expenditure are material, their natures and amounts are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in notes to the accounts, depending on how significant the items are to an understanding of the Authority’s financial performance.

Prior Period Adjustments, Changes in Accounting Policies 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 policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions or 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 year period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the notes. Changes in accounting estimates are applied prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Employee Benefits Payable During Employment

Short term employee benefits include wages and salaries, annual leave and flex-time balances at year end. These liabilities are expected to be settled within 12 months of the reporting date. They are recognised as an expense in the year in which employees work for the Authority and are measured at the amounts the Authority expects to pay when the liabilities are settled. The accrual for the cost of any holiday entitlement earned but not taken before the year end, which can be carried forward, is reversed out of the General Reserve through the Movement in Reserves Statement.

Employee Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer’s employment or an officer’s decision to take voluntary redundancy. They are charged on an accruals basis to the relevant service line of the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring. Where the termination benefits involve the enhancement of pensions the General Reserve is charged with the amount payable by the Authority to the pension fund.

Employee Retirement Benefits

Many employees of the Authority are members of the Local Government Pension Scheme (LGPS), administered by Westmoreland & Furness Council. The scheme is a funded defined benefit scheme meaning that the scheme provides retirement lump sums and pensions, earned as employees work for the Authority. As a defined benefit scheme, this is shown within the Authority’s accounts according to the details set out in the notes to the accounts.

Statutory provisions allow the Authority to charge amounts paid to the pension fund in the year to the General Reserve. This therefore means that within the Movement in Reserves Statement, there are appropriations to and from the Pensions Reserve to remove the notional transactions for retirement benefits and replace them with debits for the amounts paid to the pension fund in the year and any amounts payable but unpaid at the year end. Full details of the LGPS fund are available from its website.

Employee 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 decision and accounted for using the same policies as are applied to the LGPS.

Events after the Balance Sheet Date

Events after the Balance Sheet date are events that might have a bearing upon the financial results of the past year and the financial position presented in the Balance Sheet and that occur between the Balance Sheet date and the date the financial statements are authorised for issue. There are two types of post Balance Sheet event:

i. Those that provide evidence of conditions that existed at the Balance Sheet date. Where material, the financial statements and notes are amended to reflect the impact of these events.
ii. Those that are indicative of conditions that arose after the Balance Sheet date. The financial statements and notes are not amended to reflect these events, but additional explanatory notes may be added where the effect is material.

Events taking place after the date of authorisation for issue are not reflected in the financial statements.

Financial Instruments

Financial instruments held by the Authority are all classed as either financial liabilities or financial assets under the Code. The following items meeting the definition are contained within the Authority's Balance Sheet.

Financial Liabilities

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 carried at their amortised cost. As the Authority is currently debt free it only has one type of financial liability, and these relate to creditors.
Creditors are recognised when a contractual arrangement is entered into between the Authority and a supplier to provide goods and services for an agreed price. The value of the creditors recognised in the Balance Sheet represents the current value of the outstanding liabilities of the Authority at 31 March as a proxy for amortised cost.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The authority holds two main types, those accounted for at Amortised Cost and those at Fair Value.

Amortised Cost

Where the Authority's business model is to hold financial assets to collect contractual cash flows, it classifies these financial assets as measured at amortised cost. These assets 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. They are subsequently measured at their amortised cost. The Authority has two types of assets that meet this class of financial asset, being trade receivables and cash and bank deposits.

Trade receivables are recognised when a contractual arrangement is entered into between the Authority and a debtor for the provision of goods and services for an agreed sum. The value of debtors in the Balance Sheet represents the current value of the outstanding debts owed to the Authority at 31 March as a proxy for amortised cost. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. The Authority recognises expected credit losses on its trade receivables using the simplified approach to the lifetime credit loss model. Using this approach, expected lifetime credit losses on individual debts are calculated based on an assessed credit risk. Changes to the impairment loss allowance are charged to the Comprehensive Income and Expenditure Statement.

Cash and bank deposits are shown in the Balance Sheet at amortised cost using the effective interest rate of the individual investments. For all the investments that the Authority has made, this means that the amount shown in the Balance Sheet is the amount of principal due to be repaid to the Authority, and the interest credited to the Comprehensive Income and Expenditure Statement, is the amount receivable by the Authority under the terms of the agreement. Expected credit losses are assessed using the credit rating of the financial institution and the related product.

Fair Value through Other Comprehensive Income

Changes in fair value are accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss is transferred to the General Fund Balance.

Government Grants and Contributions

Revenue grants are recognised as income at the date that there is reasonable assurance that the grant conditions will be met and that the grant will be paid by the funding body. Conditions are stipulations that specify that the grant must be returned to the funder if not used as specified. Grants where conditions have not been met are carried in the Balance Sheet as creditors until conditions are satisfied, at which point they are credited to the relevant service line in the Comprehensive Income and Expenditure Statement. Grants and contributions used to finance the acquisition of a non-current asset are initially credited to Capital Receipts in Advance and then recognised in the Comprehensive Income and Expenditure Statement when any conditions are met. These grants are reversed out of the General Reserve to the Capital Grants Unapplied Account until the capital expenditure is incurred, in which case they are transferred to the Capital Adjustment Account through the Movement in Reserves Statement.

Inventories, Work in Progress and Long-Term Contracts

Inventories held for resale at the Lake District Visitor Centre and the Information Centres and at the Authority's depots for repairs and maintenance are reflected in the Balance Sheet at the lower of cost or net realisable value.
Work in progress is valued at cost in the Balance Sheet.
Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the year.

Investment Property

Investment properties are defined as those held solely to earn rentals or for capital appreciation or both. Investment property is measured initially at cost and subsequently at fair value based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Properties are revalued annually according to market conditions at year end. Statutory adjustments are applied so that revaluation movements have no impact on the Authority's usable reserves.

IFRS 16 Leases

1. Authority as Lessee

Unless confirmed as an exception (see below) a right of use asset and corresponding liability will be recognised on the Balance Sheet at commencement of a lease.
The lease liability will be measured at the present value of the lease payments that are not paid at that date, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. In this case, the Public Works Loan Board's annuity lending rate will be used as the incremental borrowing rate.
The right of use asset will initially be measured at cost, comprising;

- the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Where a right of use asset is acquired at a peppercorn rent or for nominal lease payments, or for nil consideration, the cost will be measured at its fair value as at the commencement date on the same basis as donated assets.

IFRS16 will not be applied to leases where the underlying asset is valued at £10,000 or less.

IFRS16 will not be applied to short term leases of less than 12 months.

Lease payments relating to finance leases will be apportioned between Interest charged to the Comprehensive Income and Expenditure Statement and a Minimum Revenue Provision to write down the liability on the Balance Sheet.

The asset recognised on the Balance Sheet will be depreciated over the life of the lease on a straight-line basis.

Leases that fall outside IFRS16 are charged to the Comprehensive Income and Expenditure Statement as an expense to the service benefitting from the use of the leased asset. Charges are made on a straight-line basis over the life of the lease.

2. Authority as Lessor

The Authority acts in the capacity of lessor for the lease of land and property it owns.
Lease payments receivable under finance leases are apportioned between a charge for the acquisition of the interest in the property, applied to write down the lease debtor and finance income which is credited to the Comprehensive Income and Expenditure Statement. In addition, for new finance leases, a charge will be made to the General Fund Balance and a credit made to the Capital Receipts Reserve to the value of the non-interest element.
Lease payments due under operating leases are accounted for on an accruals basis in the Comprehensive Income and Expenditure Statement as they become due. Where the Authority acts as lessor, land and property leased under operating leases are held as a non-current asset within the Balance Sheet and valued in accordance with the measurement bases set out in the policy on Property, Plant and Equipment.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the provision of services and are expected to be used during more than one financial year are classified as Property, Plant and Equipment

1. Recognition and Measurement
All 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. All other expenditure on assets is charged as an expense to revenue as it is incurred. Property, Plant and Equipment assets also include assets held under finance leases, which have been capitalised and included in the Balance Sheet at the lower of fair value of the property and the present value of the minimum lease payments.

The de-minimis level below which expenditure on the acquisition, creation or enhancement of a non-current asset is treated as revenue expenditure has been set at £10,000.

Assets are initially measured at cost, comprising the purchase price and any costs that are directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using an appropriate measurement bases as declared in the fixed asset disclosures.

Assets will be valued on a 5-year rolling basis, with annual indexation applied to assets during the four intervening years. Where an appropriate indices cannot be obtained without undue cost or effort, assets will be valued on a quinquennial basis with a desktop revaluation in year three.

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.

2. 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. This is charged to the revaluation reserve up to the value held for the asset in this reserve. Any further loss is charged to the Comprehensive Income & Expenditure Statement. Where a subsequent event is judged to reverse an impairment, 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).

3. Component Accounting
Where a component of a non-current asset is replaced or restored, the carrying amount of the old component shall be derecognised and the new component reflected in the carrying amount. Each part (component) of an item of property, plant and equipment that

is significant in relation to the total cost of the item is depreciated separately. Componentisation is only applied where the difference between the depreciation on each component and the depreciation on the asset as a whole is considered material, which for this Authority is considered to be assets with a value over £1M.

4. Depreciation
Depreciation is provided for on all assets with a determinable finite life (except for investment properties, assets held for sale and assets under construction), by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use. Depreciation is calculated using the relevant life year schedule as declared in the fixed asset disclosures. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation 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.

Non-Current Assets Held for Sale

Non-current assets held for sale are defined as assets that are:

- Available for immediate sale in their present condition
- The sale is highly probable
- The asset must be actively marketed for a sale price that is reasonable
- The sale should be expected to complete in one year.

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

Non-current assets held for sale are revalued immediately prior to reclassification and then measured at the lower of their carrying amount and fair value less selling costs. Any reduction in asset value is recognised as an impairment loss.

Provisions

Provisions are required for any liabilities of uncertain timing or amount in circumstances where:

- the Authority has a present legal or constructive obligation as a result of a past event.
- it is probable that a transfer of economic benefits will be required to settle the obligation.
- a reliable estimate of the amount of the obligation can be made, taking into account the risks and uncertainties surrounding the obligation.

A transfer of economic benefits is regarded as being probable if it is more likely than not to occur. Provisions are charged to the appropriate revenue account of the Authority and expenditure related to the provision is charged directly to that provision. The value of provisions is reviewed at each Balance Sheet date to reflect current best estimates.

Contingent Assets and Liabilities

Contingent assets and liabilities arise where an event has taken place that gives the Authority a possible asset or 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 assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts, unless the possibility of inflow/outflow of resources is remote. They are assessed continually to determine if the inflow/outflow is probable. In the case of a contingent liability, if the outflow becomes probable a provision is recognised unless a reliable estimate cannot be made. If the inflow from a contingent asset becomes probable and can be measured reliably, the debtor (or cash where consideration has been received) and the related revenue are recognised in the financial statements in the period in which the change occurs.

Value Added Tax

Value Added Tax payable is only included as income and expenditure received or paid by the Authority if it is classed as irrecoverable by HM Revenue and Customs.

Fair Value Measurement

The authority measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either in the principal market for the asset or, in the absence of a principal market, in the most advantageous market for the asset.

The authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy as follows:

Level 1	quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date
Level 2	inputs other that quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
Level 3	unobservable inputs for the asset

Rounding

The authority accepts that minor rounding differences of between £1k and £2k may occur within its Statement of Accounts, these amounts are not material, and the Authority does not intend to alter any totals where this occurs.

2. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rate payers how the funding available to the Authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The outturn report for 2025/26 prepared for Resource Management will reflect the Net Expenditure Chargeable to the General Fund without the need for Adjustments to arrive at the net amount charged to the General Fund.

2025/26	**As Reported for Resource Management**	**Adjustment to arrive at the net amount charged to the General Fund**	**Net Expenditure Chargeable to the General Fund**	**Adjustments between Funding & Accounting basis Capital**	**Adjustments between Funding & Accounting basis Other**	**Net Exp in the Comprehensive Income & Expenditure Statement**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Executive Board & Legal	851	(28)	879	0	(28)	851
Programmes & Resources	2,315	167	2,148	230	(63)	2,315
Visitor Services	(824)	895	(1,719)	975	(80)	(824)
People & Organisation Development	555	(17)	572	0	(17)	555
Communications & Customer Engagement	423	(28)	451	0	(28)	423
Development Management	498	(64)	562	0	(64)	498
Strategy & Rangers	2,259	191	2,068	336	(145)	2,259
Non distributed costs	12	0	12	0	0	12
Net Cost of Services	**6,089**	**1,116**	**4,973**	**1,541**	**(425)**	**6,089**
Other Income & Expenditure	(5,722)	1,100	(4,622)	8,955	(12,287)	(7,954)
(Surplus)/Deficit on General Fund Balance in Year	**367**	**2,216**	**351**	**10,496**	**(12,712)**	**(1,865)**
Opening General Fund Balance			(5,154)			
Plus Surplus on General Fund Balance in Year			(351)			
Closing General Fund Balance			**(5,505)**			

The comparative figures for the prior year are as follows:

2024/25	As Reported for Resource Management	Adjustment to arrive at the net amount charged to the General Fund	Net Expenditure Chargeable to the General Fund	Adjustments between Funding & Accounting basis Capital	Adjustments between Funding & Accounting basis Other	Net Exp in the Comprehensive Income & Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
Executive Board & Legal	781	(5)	786	0	(5)	781
Programmes & Resources	2,228	167	2,061	180	(13)	2,228
Visitor Services	(157)	888	(1,045)	908	(20)	(157)
People & Organisation Development	540	(3)	543	0	(3)	540
Communications & Customer Engagement	341	7	334	0	7	341
Development Management	545	(13)	558	0	(13)	545
Strategy & Rangers	1,560	232	1,328	265	(33)	1,560
Non distributed costs	12	0	12	0	0	12
Net Cost of Services	**5,850**	**1,273**	**4,577**	**1,353**	**(80)**	**5,850**
Other Income & Expenditure	(4,607)	(1,335)	(5,942)	(1,119)	(92)	(7,153)
(Surplus)/Deficit on General Fund Balance in Year	**1,244**	**(62)**	**(1,365)**	**234**	**(172)**	**(1,303)**
Opening General Fund Balance			3,789			
Plus Surplus on General Fund Balance in Year			1,365			
Closing General Fund Balance			**5,154**			

3. Accounting Concepts

In all cases, due consideration has been given to the relevance, reliability, comparability and understandability of financial information. The materiality of particular items and issues has also been considered.

The following accounting concepts have been used:

- Accruals - this means that income and expenditure are recognised as they are earned and incurred, not as money is received or paid
- Going concern – this assumes that the Authority will continue to operate in the future
- Primacy of legislative requirements – this means that where specific legislative requirements and accounting principles conflict, the legislative arrangements shall be used.

These concepts have been used in the selection of the accounting policies, estimation techniques and professional judgements employed.

This approach aims to provide information about the Authority's financial position, performance and cash flows in a way that meets the common needs of most users and shows the stewardship and accountability of members and management for the resources entrusted to them.

4. Accounting Standards that have been issued but have not yet been adopted

The following standards have been issued but have not been adopted by the 2025/26 Code.

a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024

b) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024

c) Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024

d) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

None of the above are likely to have a material impact on the Authority, but all will be reviewed when adopted by the Code.

5. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- Following a review of the operating model at Brockhole Visitor Centre, the site was leased to a third part to operate on 1 April 2026. Over the course of 2025/26 the LDNPA activities at Brockhole were significantly reduced. This change to the operational model has been used in the application of accounting policies. This is consistent with the balanced Medium Term Financial Strategy that was approved by Authority in March 2026.

- The 2025/26 Code introduced indexation for property plant and equipment. This change requires the Authority to identify appropriate indices to reflect market changes to these assets in place of more regular formal valuations, which are now only required every 5 years. Indices have been chosen following consideration of numerous available indices, in accordance with the Code and supplementary guidance as interpreted in the context of a National Park Authority.

- The Authority owns several pieces of woodland that up to 31/3/2025 were treated as investment properties. During 2025/26 a Woodlands Officer was employed, who has undertaken numerous surveys and managed works to improve the condition and safety of the woodland, in some instances securing grants to assist with this. Further work is being undertaken with the aim of securing countryside stewardship higher tier status, which will enable further works to be funded. Consequently, the Authority is no longer holding these assets purely for capital appreciation or rental income, so has changed the category from investment to operation in accordance with the Code as interpreted in the context of a National Park Authority.

- The Authority has followed the same recognition criteria as the prior year in relation to the defined benefit pension asset/liability and the asset ceiling. The principals of IFRIC 14 have been applied to assess the potential for reductions in contributions. The asset ceiling calculation has been provided by the actuary based on the present value of the projected future service cost less the minimum future contributions. The current contribution rate has been judged to be the best indication of a minimum funding rate with the future service cost being derived from the actuary projections. This has resulted in the funded asset being capped at £12M. This has no impact on the Authority's usable reserves.

6. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates. The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- 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 expert advice on the assumptions applied. The effects on the net pensions liability of changes in individual assumptions can be measured. During 2022/23 the Authority saw a significant movement in the value of the defined benefit pension liability, where this is would have been disclosed as a funded asset, but was capped at £0 due to the provisions in IAS19 and IFRIC14 around asset ceilings (see also accounting judgements, note 5 above); in addition an unfunded liability of £852k was split out and recognised. This was updated for 2023/24 and 2024/25 where the same treatment was applied. Following the triannual valuation of the pension fund in 2025/26 the actuary has calculated a net pension asset of £12M at 31 March 2026, including the asset cap. Although the figures relating to the pension scheme are large, with a significant capping as well as credits and debits to the Comprehensive Income and Expenditure statement, statutory accounting adjustments mean these have no impact on the Authority's usable reserves.

- Fair value measurements – Our investment properties and surplus assets are valued at fair value. The market valuation technique has been used to value these assets taking account of the market participant's ability to generate economic benefits by using the asset in its highest and best use. For most of these assets observable inputs from the sale of similar assets in the local area have been used to inform the valuation.

- Operational Land and Buildings – changes to the Code now requires operational land and buildings to be formally valued every five years and indexation applied in the intervening years. Indices have been selected for this purpose and applied in accordance with the Code. Professional consideration has been given to the selection of indices, which will be used annually until such time as circumstances change or alternative indices become available.

- The UK economy experienced fluctuating inflation during 2025/26, ending the financial year at 2.8%. We are satisfied that the wider economic conditions at the balance sheet date are reflected in the values within the statement of accounts. However, we note that inflation remains above the Bank of England target balance of 2% and given the magnitude of non-current assets, there is still potential for material changes in the value of assets and liabilities at the next reporting date. It is not practicable to project what these impacts may be. Statutory overrides exist to prevent fluctuations in the value of the net defined benefit pension liability and non-current assets from impacting on the General Fund balance.

- A review of the operating model at Brockhole visitor centre has been completed, and a third party has taken on the site from 1 April 2026. As at the balance sheet date, specific services and activities delivered from the main building and grounds had ceased, but the site remained an operational asset as public access to the grounds, lakeshore, adventure play, toilets and car park remained. Indexation has been applied to the valuation of the asset in line with the Code as interpreted in the context of a National Park Authority.

7. Impact of Changes to the Code of Practice

The only change to the 2025/26 Code that has a material impact on the information reported in these financial statements relates to adaptations to IAS 16 Property, Plant & Equipment, which includes the introduction of indexation for tangible non-investment assets. The accounting policies have been updated for the amendment to estimation technique (indexation) and the relevant disclosures have been included within the notes. The Accounting policies for 2025/26 were approved by Governance Committee on 15 April 2026.

8. Material Items of Income and Expense

Significant transactions relating to non-current assets include revaluations, depreciation and disposals; these are set out in detail in the non-current asset note.

Total capital expenditure for 2025/26 was £1,847k (£686k in 2024/25). A further split of this capital expenditure is provided in the capital expenditure note.

The core grant settlement from Defra was £5,126k. This is within the non-specific grant income line in the CIES.

Further details around individually material grant income amounts are disclosed in note 15 (grants).

9. Expenditure and Income Analysed by Nature

2024/25 General Fund £000s	2024/25 Other Reserves £000s	2024/25 Total £000s		2025/26 General Fund £000s	2025/26 Other Reserves £000s	2025/26 Total £000s
			Expenditure			
8,547	(80)	8,467	Employee benefits expenses	8,508	(425)	8,083
10,874	52	10,926	Other service expenses	7,334	282	7,616
0	1,355	1,355	Depreciation, amortisation and revaluation	0	1,540	1,540
0	(89)	(89)	Loss on disposal of non current assets	0	26	26
0	(428)	(428)	Interest payments (IAS 19 - non cash)	0	(988)	(988)
19,421	810	20,231		15,842	435	16,277
			Income			
(14,846)	(52)	(14,898)	Fees, charges and other service income	(10,868)	(282)	(11,150)
(6,232)	0	(6,232)	Non specific grants and contributions	(6,714)	0	(6,714)
(57)	(172)	(229)	Investment Property Income	(64)	(19)	(83)
(175)	0	(175)	Interest & investment income	(195)	0	(195)
(21,310)	(224)	(21,534)		(17,841)	(301)	(18,142)
(1,889)	**586**	**(1,303)**	**(Surplus) / Deficit on Provision of Services**	**(1,999)**	**134**	**(1,865)**
4,575	**1,275**	**5,850**	**Cost of services**	**4,974**	**1,115**	**6,089**

10. Movement in Reserves Statement - 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. The adjustments are made to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets outs a description of the capital reserves that the adjustments are made against:

Capital Receipts Reserve – this 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. The balance on the reserve shows the resources that have yet to be applied for these purposes at year end.

Capital Grants Unapplied – this reserve holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

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 additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings to the Revaluation Reserve to convert current and 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 subsequent costs. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the authority. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Revaluation Reserve - records the amount by which the current value of fixed assets in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost. The balance on the Revaluation Reserve at 31 March 2026 in to fixed assets represents the revaluation gains accumulated since 1 April 2007. Accumulated gains arising before this date are consolidated into the balance on the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, disposed of, or used in the provision of services in which case the gains are consumed through depreciation.

Deferred Capital Receipts Reserve – Same principles as Capital Receipts Reserve but reflects circumstances where the timing between Asset Sale and Cash Receipt is offset.

Adjustments between the Funding and Accounting Basis for Capital Purposes are allocated to Income & Expenditure reporting segments are explained in detail as set out below:

2025/26	Capital Receipts	Capital Grants	Capital Adjustment	Revaluation	Deferred Capital	Capital Outturn
Movements in the year	Reserve	Unapplied Reserve	Account	Reserve	Receipts Reserve	For the Year
	£000	£000	£000	£000	£000	£000
Transfers between Reserves		0	(594)	594		0
GF Contributions to Capital Spend						0
Capital Grant Receipts	(89)	0	(1,566)			(1,655)
REFCUS Expenditure			282			282
Capital expenditure charged against the General Fund			(282)			(282)
Profit or Loss on Asset Sale	66		115		0	181
RoU Assets			(150)			
Depreciation & Amortisation			1,508			1,508
Impairment			33			33
Market Value - Investment Properties			(19)			(19)
Total Capital Adjustment between Accounting and Funding base	(23)	0	(673)	594	0	48
Other C&I - Revaluation				(675)		(675)
Total reserves movement - Capital	(23)	0	(673)	(81)	0	(777)

The comparable figures for 2024/25 were as follows:

2024/25 Movements in the year	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Capital Adjustment Account £000	Revaluation Reserve £000	Deferred Capital Receipts Reserve £000	Capital Outturn For the Year £000
Transfers between Reserves		7	(537)	537		7
GF Contributions to Capital Spend						0
Capital Grant Receipts	265	0	(635)			(370)
REFCUS Expenditure			52			52
Capital expenditure charged against the General Fund			(52)			(52)
Profit or Loss on Asset Sale	(89)		0		0	(89)
RoU Assets			(161)			(161)
Depreciation & Amortisation			1,380			1,380
Impairment			(24)			(24)
Market Value - Investment Properties			(172)			(172)
Total Capital Adjustment between Accounting and Funding base	176	7	(149)	537	0	571
Other C&I - Revaluation				(1,528)		(1,528)
Total reserves movement - Capital	176	7	(149)	(991)	0	(957)

ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

General Reserve – this is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources the Authority is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

2024/25		Adjustment between accounting base and funding base	2025/26		
£000	£000		£000	£000	£000
	732	**Total capital adjustments between accounting base and funding base**			**48**
		Pension Reserve items:			
956		Current Service Cost	622		
0		Curtailment Cost	85		
47		Administrative Expenses	46		
(1,087)		Reversal of Employers Contributior	(1,152)		
(84)		Total items to net cost of services		(399)	
(428)		Interest cost minus return on plan assets to financing income & expenditure		(988)	
	(512)	**Total pension reserve items**			**(1,387)**
	3	Other items			(23)
	(161)	Right of Use Assets			(150)
	62	**Total adjustments between accounting base and funding base**			**(1,512)**
	1,303	Surplus upon provision of services			1,865
	(1,365)	**General fund outturn under statute (including Earmarked Items)**			**(353)**

Other Items as reflected in the Table above shows movements upon the Accumulated Absences Reserve and Financial Instruments Reserve. These are immaterial in nature.

11. Officers' Remuneration

The following table discloses details of remuneration to senior employees who earned over £50,000. There were no senior employees earning over £150,000.

	Salary including Allowances	Expense Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total
	£	£	£	£	£
2025/26					
Chief Executive	107,899	0	0	17,891	125,790
Director of Sustainable Development	88,034	0	0	15,934	103,968
Head of Resources (S151 Officer)	69,633	0	0	12,604	82,237
	265,566	0	0	46,429	311,995
2024/25					
Chief Executive *	135,000	0	0	23,621	158,621
Director of Sustainable Development	82,590	0	0	14,956	97,546
Director of Visitor Services and Resources **	41,970	0	0	6,782	48,752
Head of Resources (S151 Officer) ***	68,780	0	0	12,323	81,103
	328,339	0	0	57,682	386,022

* Chief Executive comprises of 2 people; one left on 31/12/24 but the other started 1/10/24

** The Director of Visitor Services transferred to being the Chief Executive on 1/10/24

*** Head of Resources comprises of 2 people; one left on 13/12/24 but the other started 21/10/24

The Accounts and Audit Regulations 2015 also require that local authorities disclose details of the number of other employees whose remuneration, excluding pension contributions, exceeds £50,000 in bands of £5,000.

No of Employees 2024/25	Remuneration Band	No of Employees 2025/26
11	£50,000 - £54,999	8
6	£55,000 - £59,999	4
0	£60,000 - £64,999	3
2	£65,000 - £69,999	1
1	£70,000 - £74,999	1
0	£75,000 - £79,999	2

Exit Packages in the year are summarised below

	Number	Value Range £	Total £000
2025/26			
Voluntary	3	1-19,999	
Compulsory	12	1-19,999	
Voluntary	1	20,000-39,999	
Compulsory	0	20,000-39,999	
Compulsory	0	40,000-59,999	242
Compulsory	0	60,000-79,999	
Compulsory	0	80,000-99,000	
Compulsory	1	100,000-150,000	
2024/25			
Compulsory	13	1-19,999	91
Voluntary	2	1-19,999	

12. Members' Allowances

The Code of Practice on Local Authority Accounting requires that Local Authorities disclose details of allowances paid to elected members during the year.

Details of allowances paid in 2025/26 to members and independent persons appointed by the Authority to comply with its obligations under the Localism Act 2011 are as follows:

Name		Appointing body	Notes	Basic Allowance £	Special Responsibility £	Travel and Subsistence £	Total £
Juliet	Bailey	Secretary of State	2	750	-	-	750
Jenny	Boak	Westmorland and Furnes	2	2,605	-	-	2,605
Matthew	Brereton	Westmorland and Furness Council		3,000	-	275	3,275
Michael	Carter	Secretary of State	1	750	1,125	1,035	2,910
William	Clark	Westmorland and Furness Council		3,000	-	-	3,000
Philip	Dixon	Westmorland and Furness Council		3,250	-	-	3,250
Jaqueline	Drake	Westmorland and Furness Council		3,000	2,000	161	5,161
Mark	Hatton	Secretary of State	2	250	-	-	250
Vicky	Hughes	Westmorland and Furnes	1	403	-	-	403
Tiffany	Hunt	Secretary of State		3,040	6,000	946	9,985
James	Jackson	Secretary of State		3,042	3,875	100	7,016
Linda	Jones-Bulman	Cumberland Council	1	363	-	-	363
Mark	Kidd	Secretary of State		3,000	2,000	297	5,297
Jackie	Lancaster	Secretary of State	2	2,226	-	231	2,457
Sally	Lansbury	Cumberland Council		3,000	-	93	3,093
Reginald	Minshaw	Cumberland Council		3,000	-	765	3,765
Sabine	Mosner	Secretary of State		3,000	2,000	408	5,408
Richard	Outhwaite	Secretary of State		3,000	-	612	3,612
Andrew	Pratt	Cumberland Council		3,000	-	-	3,000
Douglas	Rathbone	Westmorland and Furness Council		3,000	-	193	3,193
Andrew	Southorn	Independent person		150	-	79	229
Christopher	Southward	Cumberland Council	2	2,605	-	521	3,126
Suzanne	Stolberg	Secretary of State		3,000	-	411	3,411
David	Tweddle	Independent person		150	-	-	150
Peter	Walter	Secretary of State		3,000	-	780	3,780
Ian	Wharton	Secretary of State	1	500	-	195	695
Total				**56,083**	**17,000**	**7,102**	**80,185**

Notes:

1 Members left the Authority during the year:

I Wharton left 1st May 2025
L Jones-Bulman left 14th May 2025
V Hughes left 19th May 2025
M Carter left 30th June 2025

2 Members joined the Authority during the year.

C Southward joined 19th May 2025
J Boak joined 21st May 2025
J Lancaster joined 4th August 2025
M Hatton joined 1st September 2025
J Bailey joined 1st January 2026

Comparative figures for 2024/25 are shown below:

2024/25 £000		2025/26 £000
74	Allowances	73
7	Expenses	7
81		**80**

13. Related Party Transactions

The Authority is required to disclose details of material transactions with related parties. Related parties are generally either individuals or organisations that could exert direct or indirect control over the other party.

The Authority's transactions with related parties can be summarised as follows:

Central Government exerts significant influence over the general operations of the Authority. It is responsible for providing the statutory framework in which it operates, provides a significant element of its funding in the form of grants and prescribes the terms of many of the transactions the Authority has with other parties. The majority of the Authority's grant funding is provided by the Department of Environment, Food and Rural Affairs. All grants received during 2025/26 are detailed in note 15 (Grants) to the Financial Statements.

Members – Members of the Authority have direct control over the Authority's financial and operating policies. Members allowances paid in 2025/26 are detailed in note 12 to the Financial Statements. As set out in note 12 a significant number of the Authority's members during the year were also elected members of other local authorities within Cumbria. Details of the Authority's transactions with these authorities are detailed in the table below. All elected members are required to keep a register of their disclosable pecuniary interests up to date and complete a declaration of related party transactions at the end of the year.

Related Party	Business Rates £000	Other Payments £000	Income £000	Support Grants £000	Owed To £000	Owed From £000
Westmorland & Furness Council	462	150	132	30	91	0
Cumberland Council	31	146	168	26	92	218
Total	**493**	**296**	**300**	**56**	**183**	**218**

Comparative figures for 2024/25 are shown below:

Related Party	Business Rates £000	Other Payments £000	Income £000	Support Grants £000	Owed To £000	Owed From £000
Westmorland & Furness Council	450	118	100	51	12	30
Cumberland Council	30	9	73	96	3	102
Total	**480**	**127**	**173**	**147**	**15**	**132**

Officers - the Authority's senior managers were asked to declare any direct financial relationship with the Authority through outside bodies or companies for the financial year 2025/26. The Authority's Chief Executive Officer is a board member of National Parks Partnership and a trustee of the Lake District Foundation. The Director of Sustainable Development is a Trustee of World Heritage UK. The Assistant Director of Sustainable Development is a board Director of Cumbria Tourism. Details of the Authority's transactions with these organisations in 2025/26 are listed in the table below. A small number of other non-material declarations were made by other Officers.

Related Party	Payments £000	Income £000	Owed to £000	Owed from £000	Payment details include
Lake District Foundation	32				Grants and service fee
Lake District Foundation	10				Core funding
Lake District Foundation		110		110	Grants and donations
National Parks Partnerships		13		10	Grants and sponsorship
National Parks Partnerships	18				Contribution and subscription
Cumbria Tourism	17				Contribution and membership
Cumbria Tourism	1				Sponsorship
Cumbria Tourism	1				Guides and cards
World Heritage UK	1	0			Memberships and conference fees
Cumbria Association of Local Councils	4				Grant and support events
	85	**123**	**0**	**120**	

Comparative figures for 2024/25 are shown below:

Related Party	Payments £000	Income £000	Owed to £000	Owed from £000	Payment details include
Lake District Foundation	70			39	Grants donations
Lake District Foundation	10				Core funding
Lake District Foundation		49			Grants and donations
World Heritage UK	2	0			Memberships
Cumbria Tourism	31				Membership and projects
Cumbria Tourism		2			Recharges for staff time
National Park Partnership	0				Memberships
National Park Partnership		0			Grants
	113	**51**	**0**	**39**	

Details of Members disclosable pecuniary interests are available on the LDNPA website or can be inspected at the LDNPA head office in Kendal during office hours. Details of officers' interests are recorded in the Register of Officers Interests which can also be inspected at the head office in Kendal during working hours.

The Authority's transactions with Cumbria Local Government Pension Fund are shown in note 16 to the Financial Statements.

14. Financing and Investment Income and Expenditure

2024/25 Gross Exp £000	2024/25 Gross Income £000	2024/25 Net Exp £000		2025/26 Gross Exp £000	2025/26 Gross Income £000	2025/26 Net Exp £000
2,809	(3,237)	(428)	Pension Net Interest Cost	2,900	(3,888)	(988)
85	(260)	(175)	Interest receivable	62	(257)	(195)
12	(241)	(229)	Income & expenditure on investment properties and changes to their fair value	3	(86)	(83)
0	(89)	(89)	Net Profit / Loss upon Sale of non IP Assets	115	(89)	26
2,906	**(3,827)**	**(921)**	**Total**	**3,080**	**(4,320)**	**(1,240)**

15. Grant Income

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

Non Specific Grant Income:

	2024/25 £000	2025/26 £000
Non Specific Grant Income		
National Park Grant	5,839	5,216
Capital Grants & Contributions:		
National Park Capital Grant	0	1,419
National Highways	0	79
Defra	291	0
Westmorland and Furness	3	0
Insurance Receipts	70	0
Donated asset	29	0
	6,231	**6,714**

Specific Grant Income:

	2024/25 £000	2025/26 £000
Specific Grant Income		
DEFRA	2,421	1,408
National Trust	15	0
Lake District Foundation	110	83
Rural Payments Agency	7	2
Forestry Commission	93	0
Cumbria Action	23	16
FiPL	277	179
Department Levelling Up Housing Communities	650	315
Other Grants & Contributions less than £10,000	7	13
National Grid	175	200
Woodland Trust	5	20
Revere	9	0
NDA (Nuclear Decommissioning Authority)	42	0
Natural England	742	825
Cumberland Council	81	25
National Parks England	27	54
Westmorland and Furness	31	56
Pathways to Planning (LGA)	10	10
CLEP - Cumbria Local Enterprise Partnership	11	0
United Utilities	34	0
HBRG	2,296	0
Friends of the Lake District	0	8
Wellbank Footpath S106	0	50
TVMG	0	103
Esme Fairburn Trust	0	10
Plantlife	0	117
	7,066	**3,494**

The Authority has also received grant with unmet conditions that it has yet to recognise as income. The following were held as grant receipts in advance:

	2024/25 £000	2025/26 £000
Grant Receipts in Advance		
National Grid	50	159
Lake District Foundation	5	5
Woodland Trust	64	54
National Parks England	65	0
Westmorland & Furness	6	0
Planning pathways	10	0
Nutrient Neutrality - DLUHC	300	0
TVMG	104	76
Education Grant Officer	0	33
Love Windermere	0	42
Active Travel England	0	200
LNMF - MHCLG	0	24
Education Grants	0	20
Digital Planning Project	0	19
Misc each under £2,000	0	6
	604	**638**

16. Pension Reserve

The Pension Reserve represents the overall surplus of the Authority for pension payments to employees and ex-employees who are, or have been, members of the Local Government Pension Scheme. In years prior to 2022/23 the balance of the Pension Reserve represented a deficit position. Since that point, the unadjusted actuarial valuation showed an asset on the funded element of the scheme. Under proper accounting practice, the judgement was that this did not meet the criteria for recognition and a ceiling was applied. During 2025/26 the triannual review of the pension fund that it was 124% funded and as a consequence the annual rebate was increased and employers' contribution reduced with effect from 2026/27. In part, as a consequence the actuary calculations for 31 March 2026 reduced the ceiling by £12M This changed the position from an unfunded liability to an asset, which is now recognised on the balance sheet. The Pension 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 & 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 employers contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the pension reserve shows the difference between the benefits earned by past and current employees and the resources set aside to meet them. The position fluctuates from year to year as it represents a snapshot at the end of the financial year, based on prevailing market and other economic conditions and assumptions. The statutory arrangements ensure that funding is set aside by the time any benefits come to be paid.

Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities. The following tables outline transactions affecting the Authority's share of the pension fund's liabilities and assets during the year:

2024/25 £000	Gross Liabilities	2025/26 £000
(58,310)	**Opening balance as at 1 April**	**(51,316)**
(2,809)	Interest cost	(2,900)
8,785	Actuarial (losses) / gains	718
(956)	Current service cost, past cost, curtailments	(707)
(409)	Contributions from scheme participants	(396)
2,310	Benefits paid	2,960
73	Estimated unfunded benefits paid	74
(51,316)	**Closing balance at 31st March**	**(51,567)**

2024/25 £000	Gross Assets	2025/26 £000
57,501	**Opening balance as at 1 April**	**50,603**
3,237	Interest on plan assets (exc admin)	3,888
(1,066)	Actuarial (losses) / gains	767
(8,135)	Adjustment for Asset Ceiling	9,392
(47)	Employer administration expenses	(46)
1,014	In-year contributions by Employer	1,078
73	In-year contributions for unfunded (Discretionary benefits)	74
409	Contributions by employees into the scheme	496
(2,383)	Benefits paid	(3,034)
50,603	**Closing balance at 31st March**	**63,118**

2024/25 £000		2025/26 £000
1,084	**General Fund Charge - Employer Contributions**	1,152
-131	Current Services Cost Adjustment	-530
47	Administrative Expenses	46
1,000	**Current Service Cost & Administrative Expenses**	668
	Curtailments & Past Service Costs	85
(428)	Interest cost less return on plan assets to financing income & expenditure	(988)
572	**Charge to Surplus/(Deficit) upon Provision of Services**	**(235)**
416	Actuarial Gains/Losses to other income & expenditure	(10,877)
988	**Charge to Comprehensive Income & Expenditure Account for the year**	**(11,112)**
(1,084)	Less General Fund Charge - Employer Contributions	(1,152)
(96)	**Movement in Pensions Reserve Balance for the year**	**(12,264)**
(809)	**Pension Reserve Balance at 1 April**	**(713)**
96	Movements Charged to Comprehensive Income & Expenditure In Year	12,264
(713)	**Pension Reserve Balance at 31 March**	**11,551**

17. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment the Authority makes contributions to the cost of employee’s retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority is committed to making these payments. This commitment to make retirement payments at a future date is disclosed in the year that the employees have earned their future pension entitlement in accordance with IAS 19.

At 31 March 2026 the Authority’s pension arrangement for its employees was the Cumbria Local Government Pension Scheme, which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit pension arrangement for local authorities and related employers, and is governed by statute (principally now the Local Government Pension Scheme Regulations 2013).

The Cumbria Local Government Pension Scheme is a multi-employer arrangement, under which each employer is responsible for pension costs, liabilities and funding risks relating to its own employees and former employees. Each employer’s contribution to the scheme is calculated in accordance with the LGPS Regulations which require an actuarial valuation to be carried out every three years. The latest actuarial valuation of scheme, for which results are known, took place on 31 March 2025 and at that date showed a funding level of 124% (assets of £3.5 billion against accrued liabilities of about £2.8 billion). The duration of the liabilities for the individual employers who participate in the scheme can be significantly different from this, reflecting the profile of its employees and former employees.

Governance and Risk Management

The surplus associated with the Authority’s pension arrangements is material to the Authority, as is the cash funding required. The details in relation to each arrangement, including the relevant provisions for governance and risk management, are set out below:

- Nature of the Scheme

The Scheme targets a pension paid throughout life. The amount of pension depends on how long employees are active members of the scheme and their salary when they leave the scheme (a ‘final salary’ scheme) for service up to 31 March 2014 and on revalued average salary (a ‘career average’ scheme) for service from 1 April 2014 onwards.

- Governance

Management of the scheme is vested in Westmorland and Furness Council as Administering Authority of the Scheme. Westmorland and Furness Council has appointed a Pension Committee to manage the Scheme. Advice is given by Westmorland and Furness’s Director of Resources (s151 Officer), the Council’s finance team and by two independent advisers. The current advisers are appointed for their knowledge of investments and of pension funds; one adviser being primarily an investment specialist, the other complementing these investment skills with actuarial knowledge of the liability profile of the Scheme. A Local Pension Board, established under the Public Service Pensions Act 2013, assists with the governance of the scheme.

- Funding the Liabilities

Regulations governing the Scheme require actuarial valuations to be carried out every three years. Contributions for each employer are set having regard to their individual circumstances. The Regulations require the contributions to be set with a view to targeting the Scheme’s solvency, and the detailed provisions are set out in the Scheme’s Funding Strategy Statement. The most recent available valuation was carried out in 2025 (setting contribution rates until March 2029), and for the fund as a whole showed a surplus of assets against liabilities of £0.67 billion as at that date, equivalent to a funding level of 124%. A surplus buffer of 110% was agreed to reflect current economic uncertainty and aid future contribution stability.

- Net defined benefit pension asset recognition

As part of assessing whether the net defined benefit pension surplus on the balance sheet should be recognised in full, the Authority has assessed the level of potential for reduction in future contributions in line with IFRIC 14. An asset ceiling calculation has been completed by the actuary to assess this level of future contributions against the minimum funding requirement for the scheme. In prior years this fully capped the asset resulting in an unfunded liability of £713k. The 2025 triannual valuation resulted in a reduction in employers’ contributions to the pension fund. The impact of this on the ceiling calculation means that the pension is now recognised on the balance sheet as an asset of £11.551m.

- Risk and Investment Strategy

The Scheme’s primary long-term risk is that the Scheme’s assets will fall short of its liabilities (i.e. promised benefits payable to members). The aim of investment risk management is to balance the minimisation of the risk of an overall reduction in the value of the Scheme with maximising the opportunity for gains across the whole Scheme portfolio. The Scheme achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and keep credit risk to an acceptable level. In addition, the Scheme manages its liquidity risk to ensure there is sufficient liquidity to meet the Scheme’s forecast cash flow.

- Market Risk

Market value risk is the risk that the fair value or future cash flows of a financial institution will fluctuate because of changes in market price. The Scheme is exposed to the risk of financial loss from a change in the value of its investments. This may result in the Scheme’s assets failing to deliver the returns required to match the underlying liabilities of the Scheme over the longer term. To mitigate against market value risk, the Scheme has set restrictions on the type of investment it can hold. Mitigation against market risk is also achieved by diversifying across multiple investment managers and regularly reviewing the Investment Strategy and performance of the Scheme.

- Interest Rate Risk

The Scheme invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risks that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

- Foreign Exchange Risk

The Scheme holds a number of financial assets and liabilities in overseas financial markets and is therefore exposed to the risk of loss arising from exchange rate movements of foreign currencies. The Fund mitigates this through maintaining unhedged listed equity exposure (to aim to provide protection during extreme market falls) and to hedge other lower-risk assets where practical and possible. The use of active management also helps to manage this risk.

- Credit / Counterparty Risk

Credit risk is the risk that a counterparty to a transaction or a financial instrument will fail to discharge an obligation or commitment that it has entered into and cause the Scheme to incur financial loss. The selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. Through review of the Scheme's external Investment Managers annual internal control reports the Scheme monitors its exposure to credit and counterparty risk.

- Liquidity Risks

Liquidity risk represents the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Administering Authority, with the Actuary, frequently reviews the overall cash flow position of the Scheme to ensure its obligations can be covered. The Scheme holds a large value of very liquid securities which could be promptly realised if required.

- Other Risks

Actions taken by the Government could result in stronger local funding standards, which could materially affect the authority's cash flow.

There is a risk that changes in the assumptions (e.g. life expectancy, price inflation, discount rate) could increase the defined benefit obligation and/or the liabilities for actuarial valuation purposes. Other assumptions used to value the defined benefit obligation are also uncertain, although their effect is less material.

Local Government Pension Scheme assets comprised:

Assets in the pension fund are valued at realisable value which is principally market value for investments. As the type of asset will determine the risk associated with that asset, details of the categories of fund asset are shown below. The total assets of £70.9m set out below have been capped for accounting purposes by £7.8m to reconcile the net position of liabilities and assets back to the £11.552 assets per the balance sheet.

	Quoted	Fair value of scheme assets 2024/25 £000	2025/26 £000
Cash and equivalents:			
Cash accounts	Y	1,017	2,971
Net current assets	N	-	71
Equities:			
UK equity pooled	Y	1,288	1,510
Global quoted pooled	Y	16,403	15,741
Overseas equity pooled	Y	5,761	7,140
Bonds:			
UK Government indexed pooled	N	9,828	10,522
Property:			
UK	N	68	57
Property	N	5,219	5,077
Alternatives:			
Healthcare	N	949	567
Private equity	N	6,710	6,700
Multi asset credit	N	4,474	3,205
Infrastructure	N	10,574	11,394
Real Estate	N	-	-
Private debt	N	5,490	5,949
Total assets		**67,781**	**70,904**

Basis for Estimating Assets and Liabilities

Assets have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme and discretionary benefit liabilities have been estimated by Mercer Limited, an independent firm of actuaries, with estimates for the Cumbria LGPS Fund being based on the latest full valuation at 31 March 2025.The significant assumptions used by the actuary have been:

	Local Government Pension Scheme 2024/25 £000	2025/26 £000
Mortality		
Longevity - current		
Men	21.5	21.4
Women	24	24.1
Longevity - future		
Men	22.8	22.7
Women	25.7	25.6
Rate inflation	2.60%	2.90%
Rate salaries	4.10%	4.40%
Rate pensions	2.70%	3.00%
Rate for discounting	5.80%	6.20%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while 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 credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	Increase/(decrease) in the Defined Pension Surplus £000
Longevity (1yr increase in life expectancy)	(1,047)
Rate of inflation (increase by 0.25% per annum)	(1,734)
Rate of increase in salaries (increase of 0.25% per annum)	(180)
Rate for investment returns (decrease 1% per annum)	(702)
Rate for discounting scheme liabilities (increase by 0.5% per annum)	3,301

Asset and Liability Matching Strategy

Cumbria Local Government Pension Scheme does not have an asset and liability matching strategy. However, Local Government Pension Schemes have a long term liability profile, and their investment strategy must be undertaken with a view to matching this. The Scheme's Investment Strategy is to hold assets across a range of products and managers in order to diversify risk.

The policy documents for the Cumbria Local Government Pension Scheme include a 'Funding Strategy Statement' (FSS) which is reviewed and published whenever there is a material change in either the policy on the matters set out in the FSS or the scheme's 'Statement of Investing Principles'. The FSS addresses the issue of managing the need to fund benefits guaranteed by statute over the long term. The implementation of the funding strategy is the responsibility of Westmorland and Furness Council, acting on the professional advice provided by the actuary. The purpose of the FSS is to:

- establish a clear and transparent fund-specific strategy which will identify how employers pension liabilities are best met going forward;
- to support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities

In practice the funding target is met by a range of combinations of funding plan, investment strategy and investment performance. The Investment Strategy Statement and the Funding Strategy Statement are published in the Cumbria LGPS Annual Report, which is available on the Cumbria Pension Fund website.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at a constant a rate as possible. Each employer's position within the scheme is assessed separately and their individual contribution rate takes into account their differing circumstances and the funding plan, as laid down in the Funding Strategy Statement. The last valuation was dated 31 March 2025, at which time the funding level was 124% and the recovery period increased to 15 years.

If any employer becomes unable to pay contributions or make good deficits in the future, the Fund's assets will be lower than expected and the funding level will be worse than expected. This risk can be mitigated by regular employer covenant reviews by the Administering Authority. However, in the ultimate default of an employer any shortfall would then become the responsibility of any guarantor or all other employers in the Fund. If an employer terminates participation and becomes an Exiting Employer under the Regulations then the shortfall will be determined in line with the termination policy set out in the Funding Strategy Statement.

The Authority anticipates making contributions of £901k to the scheme in 2026/27. This excludes an annual surplus refund payment of £644k. The contributions for 2026/27 have been paid up front in April resulting in net cash savings to the Authority of £23k.

The weighted average duration of the defined benefit obligation for scheme members is 14 years for 2025/26 (18 years 2024/25). The very mature duration profile has been used determine these assumptions.

18. Disclosure of External Audit Costs

In 2025/26 the Authority incurred the following fees relating to external audit and inspection:

	2024/25 (restated) £	2025/26 £
Scale Fee	56,863	58,455
Additional for IFRS 16 Work 24-25	2,006	
	58,869	58,455

The fee for 2025/26 is based on the Audit Plan presented to Governance Committee in April 2026. This may change dependent on the actual level of work performed (for example on the new lease standard) or changes to audit requirements, subject to PSAA approval. Any changes to the actual fees will be shown as a restated 2025/26 amount in the 2026/27 accounts.

The 2024/25 figure has been restated to include additional fees agreed through PSAA in relation to implementation of IFRS 16 (leases)

No non-audit services were provided.

19. Property, Plant and Equipment

The table below sets out the balances relating to Property, Plant and Equipment in 2025/26

PPE	OPERATIONAL					NON OPERATIONAL		
	Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty Assets	Assets under Construc'n	Surplus assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
Valuation as at 1 April 2025	22,146	2,442	717	8,519	471	0	120	**34,415**
Reclassification	4,862	0	0	0	0	0	0	**4,862**
Upward Revaluation recognised in Revaluation Reserve	485	0	0	0	0	0	0	**485**
Downward Revaluation recognised in Revaluation Reserve	(192)	(23)	0	0	0	0	0	**(215)**
Upward Revaluation recognised in Surplus /Deficit on Provision of Services	17	0	0	0	0	0	0	**17**
Downward Revaluation recognised in Surplus /Deficit on Provision of Services	(54)	0	0	0	0	0	0	**(54)**
Additions	546	883	51	0	0	0	0	**1,480**
Derecognition - disposals	(283)	(227)	(206)	0	0	0	0	**(716)**
Valuation as at 31 March 2026	**27,527**	**3,075**	**562**	**8,519**	**471**	**0**	**120**	**40,274**
Depreciation								
Accumulated Dep'n at 1 April 2025	(283)	(1,127)	(488)	(849)	0	0	0	**(2,747)**
Reclassification	0	0	0	0	0	0	0	**0**
Depreciation for the year	(823)	(207)	(69)	(229)	0	0	0	**(1,327)**
Restatement of Depreciation upon Revaluation to Revaluation Reserve	366	31	0	0	0	0	0	**397**
Restatement of Depreciation upon Revaluation to I&E and CAA	56	0	0	0	0	0	0	**56**
Restatement of Depreciation upon Disposal	238	105	206	0	0	0	0	**549**
Accumulated Dep'n at 31 March 2026	**(446)**	**(1,198)**	**(351)**	**(1,078)**	**0**	**0**	**0**	**(3,073)**
Net Book Value at 31 March 2026	**27,081**	**1,877**	**211**	**7,441**	**471**	**0**	**120**	**37,201**

2024/25

PPE	OPERATIONAL					NON OPERATIONAL		
	Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty Assets	Assets under Construc'n	Surplus assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
Valuation as at 1 April 2024	21,060	2,411	651	8,490	471	61	120	**33,264**
Reclassification	61	0	0	0	0	(61)	0	**0**
Upward Revaluation recognised in Revaluation Reserve	1,105	0	0	0	0	0	0	**1,105**
Downward Revaluation recognised in Revaluation Reserve	(404)	0	0	0	0	0	0	**(404)**
Upward Revaluation recognised in Surplus /Deficit on Provision of Services	75	1	0	0	0	0	0	**76**
Downward Revaluation recognised in Surplus /Deficit on Provision of Services	(68)	(107)	(1)	0	0	0	0	**(176)**
Additions	318	157	130	29	0	0	0	**635**
Derecognition - disposals		(22)	(63)	0	0	0	0	**(85)**
Valuation as at 31 March 2025	**22,145**	**2,441**	**718**	**8,519**	**471**	**0**	**120**	**34,414**
Depreciation								
Accumulated Dep'n at 1 April 2024	(233)	(1,196)	(505)	(621)	0	0	0	**(2,555)**
Reclassification	0	0	0	0	0	0	0	**0**
Depreciation for the year	(781)	(164)	(55)	(228)	0	0	0	**(1,228)**
Restatement of Depreciation upon Revaluation to Revaluation Reserve	713	106	8	0	0	0	0	**827**
Restatement of Depreciation upon Revaluation to I&E and CAA	17	106	1	0	0	0	0	**124**
Restatement of Depreciation upon Disposal	0	22	63	0	0	0	0	**85**
Accumulated Dep'n at 31 March 2025	**(283)**	**(1,128)**	**(488)**	**(849)**	**0**	**0**	**0**	**(2,747)**
Net Book Value at 31 March 2025	**21,862**	**1,314**	**230**	**7,670**	**471**	**0**	**120**	**31,669**

At 31 March 2026, the authority had entered into two contracts for the construction or enhancement of property, plant and equipment in 2025/26. These capital commitments are:

Scheme	Approx value £000	Period
Website	24	2025/26
Solar Canopies	54	2025/26
	78	

The comparative capital commitments for 2024/25 are shown below.

Scheme	Approx value £000	Period
Brockhole Lakeshore Phase 2	20	2024/25
	20	

20. Bases of Valuation

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three. Details of the valuation bases applied are set out in the Statement of Accounting Policies.

The authority ensures that all property, plant and equipment is measured at current value utilising a rolling programme of revaluations over a five-year cycle, with annual indexation, where appropriate, applied to assets during the four intervening years. The 2025/26 valuations and indexations were carried out by Mrs H Lancaster MSc MRICS in compliance with the guidance notes provided by the Royal Institute of Chartered Surveyors.

The significant assumptions applied in estimating the current values of property, plant and equipment include the selection of the following indices. The indices used ensure the value of assets are kept materially up to date for any movements in variables.

- BCIS All-In TPI – Buildings
- CoStar Offices – Offices
- CoStar Industrial – Depots
- CoStar Retail – TIC's
- Savills Residential Development Land Index UK – Land

It should be noted that no suitable index could be sourced for the indexation of car parks, therefore these assets will be subject to a quinquennial revaluation, with a desktop revaluation in year three.

The following table details the indices applied in 2025/26 & the value of the changes:

Index Used	Average change %	Valuation change £'000
BCIS All-In TPI	2.76%	147
Savills Residential Development Land Index UK	1.00%	19
CoStar Offices	2.70%	67
CoStar Industrial	4.60%	27
CoStar Retail	-2.30%	(17)
Total Indexation Applied in 2025/26	-	244

In addition to our investment properties, which are valued annually, valuations of our different types of other asset have been carried out as follows:

PPE	OPERATIONAL Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty & Heritage Assets	NON OPERATIONAL Assets under Construc'n	Surplus assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at Historical Cost	0	0	0	0	471	0	0	**471**
Carried at Depreciated Historical Cost	74	1,595	211	7,441	0	0	0	**9,320**
Valued at current value as at:								
31 March 2026	5,725	0	0	0	0	0	120	**5,845**
31 March 2025	19,511	275	0	0	0	0	0	**19,786**
32 March 2024	1,536	0	0	0	0	0	0	**1,536**
Indexation Applied to valuations above	236	8	0	0	0	0	0	**244**
Total Cost or Valuation	**27,081**	**1,877**	**211**	**7,441**	**471**	**0**	**120**	**37,201**

- 31 March 2024 - Toilets & TIC's
- 31 March 2025 – Brockhole, Coniston Boating Centre, Murley Moss office, Northern Office, Car Parks and Depots
- 31 March 2026 – Operational woodlands

Our valuers also provided a report confirming that there were no other changes in market conditions during 2025/26 that would give rise to a material change in the valuations reported at 31 March 2026 except where specified.

The values of all operational assets other than land and buildings were reconsidered by managers within the Authority at 31 March 2026. The basis of asset valuation is set out below.

Asset Category	Basis of Valuation
Operational Land and Buildings - non specialised	Current Value - Existing Use Value
Operational Land and Buildings - specialised	Depreciated Replacement Cost
Infrastructure, and Community Assets	Depreciated Historic Cost
Vehicles, Plant and Equipment	Depreciated Historic Cost (as a proxy for fair value)
Surplus Assets	Current Value – Fair value estimated at highest and best use from a market participant's perspective

The fair value for the Authority's surplus assets, which are land assets, has been determined using level 2 of the above hierarchy. These assets have been categorised as Assets Held for Sale as they meet the requirements set out in the code of practice. The market approach valuation technique using current market conditions and recent sales prices and other relevant information for similar assets in the local area has been used to determine fair value. Any adjustments applied in the assessment of fair value are those consistent with established practices.

In estimating the fair value of the Authority's assets held for sale, the highest and best use of the properties is their current use. The authority has carried out sufficient work to satisfy itself that the carrying value of assets not valued in year are not materially different to their current values.

Depreciation is provided on assets with a finite useful life, other than freehold land. Three of the Authority's assets, Murley Moss, Brockhole and the Keswick to Threlkeld Multi User Trail have been split into components with estimated useful lives as follows:

Component	Useful Life (Years)
Structure/Tunnels	50
Mechanical & Electrical	20
Roof	35
External Works	30
Path surfaces & fencing	15

For all other assets depreciation is charged, in line with the accounting policies, on a straight line basis over the following estimated useful lives:

Asset Type	Useful Life (Years)
Operational Buildings	10 to 50 depending on the type of asset and the construction material
Vehicles and Plant	5 to 15
Fixtures and Fittings	5 to 15
Infrastructure Assets	Generally 30 years but may differ depending on specific asset
Computer Equipment	3 to 5
Other Equipment	5 to 10

Residual values are based on the expected age and condition of the asset at the end of its useful life.

An analysis of all property, plant and equipment, heritage assets & investment property and non-current assets held for sale includes: -

Number Held 2024/25	Type of Asset	Number Held 2025/26
117	Land and buildings	132
132	Vehicles, Boats & Other Plant	132
61	Computer and General Office Equipment	45
36	Community & Investment Assets	25
346		334

21. Capital Expenditure

Capital Expenditure and its financing, including schemes under construction were as follows:

	2024/25 £000s	2025/26 £000s
Opening Capital Financing Requirement	0	**1,433**
Land and Buildings		
Information Centre works	33	37
Brockhole Improvements	120	44
Toilet Refurbishments		112
Ravenglass Toilets	20	0
Murley Moss	83	96
Northern Office	0	47
Southern Office	65	75
Land at Threlkeld	0	134
Ambleside Dept	49	0
Coniston Jetty	68	0
Right of Use Assets	1565	0
	2,003	546
Infrastructure & Community		
Multi-User Trails	7	115
DEFRA Access works	93*	167*
	100	282
Vehicles and Plant		
Vehicles	87	539
Boats	15	0
Plant & Equipment	9	344
	111	883
Equipment		
Computer Equipment	37	51
	37	51
Intangibles		
Website & Software	0	85
	0	85
	2,251	**1,846**
Financing used		
Useable Capital Receipts	265	67
Capital Grants & Contributions	421	1780
Direct Revenue Financing	0	0
MRP/Loans to Fund Principle	132	135
Closing Capital Financing Requirement	**1,433**	**1,298**
Exlanation of Movements in Year		
MRP/Loans to Fund Principle	**1,433**	**135**

*£167k of capital expenditure classified as Revenue Funding Capital Under Statue so not added to Asset Register/Balance Sheet

22. Investment Property

2024/25 £000s		2025/26 £000s
5,716	**Opening Balance of Investment Property**	**5,888**
0	Additions	31
0	Disposals	0
172	Net gains or (losses) from fair value adjustments	16
0	Reclassification as Property, Plant & Equipment	(4,863)
0	Reclassification from Assets Held for Sale	0
5,888	**Closing Balance of Investment Property**	**1,072**

The Authority's investment property assets were revalued as at 31 March 2026 as detailed in note 19.

Information relating to the fair value hierarchy for the Authority's investment properties is shown in the table below. Under IFRS 13, fair value is determined using a specific hierarchy as follows:

Level 1 – Quoted prices in an active market for identical assets
Level 2 – Other significant observable inputs
Level 3 – Significant unobservable inputs

The Authority has no investment properties that fall into Level 1 of the hierarchy.

	Fair value as at 31 March 2025			Fair value as at 31 March 2026		
	Level 2 £000s	Level 3 £000s	Total £000s	Level 2 £000s	Level 3 £000s	Total £000s
Commercial Properties	679	0	679	919	0	919
Woodlands	5,062	0	5,062	0	0	0
Hostels / Residential	0	147	147	0	153	153
Total	**5,741**	**147**	**5,888**	**919**	**153**	**1,072**

The following valuation techniques have been used to determine the level 2 and level 3 fair values:

Significant observable inputs – Level 2

The fair value has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold. The fair value has been assessed using adjustments consistent with established practices.

Significant unobservable input – Level 3

The fair value for our remaining hostel type asset has also been based on the market approach using current market conditions. However, as detailed below, the fair value has been assessed using adjustments based on the valuer's judgement alone and which are outside established practices.

In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is their current use.

A reconciliation of fair value measurements using significant unobservable inputs categorised within level 3 of the fair value hierarchy is shown in the table below:

2024/25 £000		2025/26 £000
148	**Opening Balance**	**148**
(1)	Total gains for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	6
0	Disposals	0
148	**Closing Balance**	**153**

As the valuation technique used to measure the fair value of the assets categorised as level 3 is based on current market conditions, significant changes to the market would result in significantly lower or higher values.

Other amounts that have been recognised in the Comprehensive Income and Expenditure Statement relating to investment property are:

2024/25 £000		2025/26 £000
(69)	Rental income from investment property	(58)
(0)	Other income from investment property	(0)
0	Direct operating expenses from investment property that generated rental income during the period	0
12	Direct operating expenses from investment property that did not generate rental income during the period	3
(58)	**Net Income from investment property**	**(55)**

The Authority has contractual responsibility for landlord's repairs and maintenance expenditure on one of its investment properties. The Authority may not be able to realise the full value of one property, because external monies were received toward its purchase. There are no restrictions on the Authority's ability to realise the value inherent in its other investment properties or on the Authority's right to the remittance of income and the proceeds of disposal. One property is held on a long term peppercorn lease, sub let to a third party.

23. Leases

Authority as Lessee
In 2024/25, the authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of- use asset and a lease liability were brought onto the Balance Sheet at 1 April 2024. Leases for items of low value are exempt from the new arrangements.

The authority's lease contracts comprise leases of operational land and buildings and motor vehicles. Most are individually immaterial; however, material leases include the lease for the Southern Office which commenced in October 2024 for a term of 25 years. The value of the asset as at 31 March 2026 was £556,464.

The table below shows the change in the value of right of use assets held under leases in 2025/26;

	Land & Buildings	Vehicles, Plant & Equipment	TOTAL
	£000	£000	£000
Balance at 1 April 2025	1,459	47	**1,506**
Adjustment to Opening Balance	11	0	**11**
Additions	0	0	**0**
Revaluations	0	0	**0**
ReClassification	-11	0	**-11**
Depreciation and amortisation	-128	-47	**-175**
Disposals	0	0	**0**
Balance at 31 March 2026	**1,330**	**0**	**1,330**

The Authority incurred the following expenses and cash flows in relation to leases

	2024/25	2025/26
	£000	£000
Comprehensive Income & Expenditure Statement		
Interest expense on lease liabilities	85.3	78.5
Expense relating to short-term leases	0.1	0.0
Expense relating to exempt leases of low-value items	0.9	1.2
Variable lease payments not included in the measurement of lease liabilites	23.6	38.1
Income from subletting right-of use assets	0	0
Gains or losses arising from sale and leaseback transactions	0	0
Cashflow Statement		
Total cash outflow for leases	**109.9**	**117.8**

The lease liabilities are due to be settled over the following time banks (measured at the undiscounted amounts of expected cash payments:

Maturity Analysis of Leases	2024/25	2025/26
	£000	£000
1 Year	240	158
2 - 5 Years	699	578
More than 5 Years	1,516	1,406
TOTAL	**2,456**	**2,142**

Lessor Operating Leases

The Authority has granted use of a number of its properties under operating leases. The income gained under these arrangements in 2025/26 was £506k (2024/25 £459k). The total value of properties where part or all of the property is leased out under operating leases is as follows:

	Gross £000	Depreciation £000
Property, Plant and Equipment	8,256	(82)
Investment Property	1,627	0
	9,883	**(278)**

The comparative value of properties where part or all of the property is leased out under operating leases is as follows:

	Gross £000	Depreciation £000
Property, Plant and Equipment	8,232	(52)
Investment Property	1,376	(10)
	9,608	**(62)**

The future minimum lease payments receivable under non-cancellable leases in future years will be received over the following periods:

	Total	
	2025	**2026**
Not later than 1 year	301	308
Later than 1 year but not later than 5 years	624	580
Later than 5 years	579	465
	1,504	**1,353**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2025/26 (£22k) worth of contingent rents were receivable by the Authority (2024/25 £85k).

24. Contingent Liability

Under the provisions of the Conservation (Natural Habitats &c) Regulations 1994 the Authority had an obligation to review any planning permissions on Special Area of Conservation sites. The majority of work was undertaken but further investigations for a small number of mineral sites are continuing and there is one site where a review is still progress. On this site Natural England issued a Notice under the Environmental Damage (Prevention and Remediation) (England) Regulations 2015 (EDR). This was appealed and the notice was not upheld by the planning inspectorate. Clarity has been sought from DEFRA as to the next steps.

Any changes considered necessary to the current planning permissions as a result of this process may lead to a requirement to pay compensation. If LDNPA do not amend the planning permission, there is a possibility that a fine may be levied relating to the Authority's responsibilities for protection of the site.

It is not currently possible to make a reliable estimate of the likelihood or amount of any potential compensation payment or fine. Furthermore, legislative changes since the permissions were granted give rise to further options for progress and further uncertainty as to the ultimate course of action. Progress on this matter may or may not involve the Authority directly and significant further action would be required to establish the nature, value and timing of any potential liability.

25. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. All other financial assets and liabilities are classified as loans and receivables, debtors and creditors and 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 2026

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	31-Mar-25		31-Mar-26	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
Financial liabilities - short term creditors				
Financial liabilities carried at contract amount	1,093	1,093	2,260	1,260
Liabilities not defined as financial instruments	2,249	2,249	1,239	1,239
Total included in Creditors	**3,342**	**3,342**	**2,499**	**2,499**
Financial liabilities - long term liabilities, lease liabilities	**1,296**	**1,296**	**1,201**	**1,201**
Financial assets - short term debtors and cash				
Amortised cost - cash and cash equivalents	7,478	7,478	6,825	6,825
Amortised cost within debtors	360	360	468	468
Assets not defined as financial instruments	918	918	1,158	1,158
Total included in short term debtors	**1,278**	**1,278**	**1,626**	**1,626**

26. 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 to the Authority
- liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market investments.

In order to minimise the risks, the Authority has adopted the CIPFA Code of Practice for Treasury Management. Accordingly, the Authority approves an annual Treasury Management Strategy which sets out policies on borrowing, investment, financing and interest rate exposure.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. The Authority's Treasury Management strategy for 2026/27 requires that deposits are only made if the following criteria are met.

Institution type	Minimum Fitch Long Term Rating / Fund Rating	Time Limit	Money Limit (£m)
Major UK Banks	A	364 days	2
Major Building Societies	A	364 days	1
Money Market Funds	AAA	N/A	6
UK Gilts and Debt Management Office	n/a	364 days	6
Local Authorities	n/a	364 days	1

These ratings are confirmed at the point of deposit and kept under review. Principal investments are limited to a maximum of £2m with any one financial institution. The rating requirements and investment limits for financial institutions are reviewed annually to reduce the financial exposure with individual banks. The maximum invested at any one time during 2025/26 was £7,455k (2024/25 £7,602k).

The Authority's standard terms and conditions for payment of invoices are 30 days from the invoice date. The Authority does not generally allow credit for customers; however, £224k of the £959k customer balances at 31 March 2026 was past due. The past due element can be analysed as follows:

31-Mar-25 £000	Days past due	31-Mar-26 £000
77	31-60 days	125
9	61-90 days	0
0	91-120 days	6
23	Over 120 days	93

The credit quality of other financial assets is considered to be very high given the low rate of debt write off. Historical experience of default with regard to trade receivables and an analysis of the debt outstanding at 31 March 2026 shows that an allowance for credit losses of £11k (£12k 2024/25) is adequate to cover any anticipated credit risk for 2025/26. No debts were written off in 2025/26 (2024/26 £2,841).

Liquidity risk

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. At 31 March 2026 there are no financial liabilities other than trade creditors, which are expected to be paid within one year. Liquidity risk is managed through daily cash flow monitoring. The exception to this is the lease liability recognised under IFRS16. There are recurring revenue budgets to support the ongoing payment of these liabilities and although the present value of the future cash flows has been recognised, the actual payments will continue to fall due annually, in line with the lease agreement.

Market risk

The bank rate has not fallen as far or as quickly as projected, falling from 4.5% to 3.75% in year. The Authority is currently debt free and has no plans to take on external debt. However, the Prudential Code requires the Authority to fix each year the maximum of interest on borrowing that is subject to variable rates. As the Authority's borrowing is currently expected to be for short term cash management only (if required at all), it is anticipated that 100% of this could be at variable rates without exposing the Authority to undue risk. The proportion of fixed and variable rate interest will depend on forecasts for interest rates during the period under review. Maximum borrowing will be undertaken at fixed rates when interest rates are considered to be at their lowest and on a variable basis when interest rates are expected to fall.

In 2025/26 the Authority received £257k in interest income (£260k in 2024/25). Although the bank rate has fallen in year the interest rate offered by public sector savings facility, used by the Authority, remained at the higher end of the bank rate for a significant part of the year. The Authority has continued to use AAA rated money market fund as its main deposit facility. The average cash and investment balance over the period was, £6.4m so had interest rates been +/-1% higher during the period, the income received would have varied by circa +/- c£64k.

Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

27. Cash and Cash Equivalents

31-Mar-25 £0		31-Mar-26 £0
3	Cash held	3
558	Bank Accounts	352
1,917	Call accounts	870
5,000	Money Market Funds	5,600
7,478		6,825

28. Short Term Debtors and Prepayments

31 March 2025 £000		31 March 2026 £000
(12)	**Impairment for Bad Debts**	(11)
	Prepayments & Accrued Income	
0	Government Departments	1
11	Local Authorities	16
350	Other	895
	Debtors	
443	Government Departments	111
132	Local Authorities	219
355	Other	397
1,278	**Total Debtors**	**1,628**

29. Short Term Creditors and Receipts in Advance

31 March 2025 £000		31 March 2026 £000
	Income in Advance	
491	Government Departments	0
81	Local Authorities	0
367	Other	747
	Creditors	
654	Government Departments	321
49	Local Authorities	528
1,700	Other	904
3,342	**Total Creditors**	**2,500**

30. Nature and Purpose of General Fund Earmarked Reserves

The Authority is required to maintain a number of reserves under the provisions of the Code. The reserves and their broad functions are as follows.

Usable, cash-backed reserves

General Reserve

This balance represents the cumulative surplus available to the Authority to support revenue spending and which has not been earmarked for a specific purpose.

Earmarked Reserves

This balance represents monies available to support revenue spending but which the Authority has earmarked for specific purposes. Details of these specific purposes are shown in the table below:

Ring-fenced Funds Reserve	Used to set aside funding allocated for specific purposes and projects running between years.
External Grants Reserve	To hold external grant monies until the time they are used to support service delivery.
Climate Change Reserve	Held to support specific projects that reduce our own climate change emissions and emissions projects in the LDNP.
Windermere Registration Reserve	Held to support the management and administration costs of the Windermere Lake Byelaws.
UK National Parks Digital Partnership	Held under agreement in support of service delivery for the UK National Parks Digital Partnership.
Cumbria Woodlands	Held to support the Cumbria Woodlands service and neutralise any impact on the Authority General Fund for Cumbria Woodlands work. This has been closed as at 31/3/2026.
Investment for our Future Reserve	Held to provide funding to invest in new initiatives that can deliver additional financial contribution and / or improvements in direct delivery.
Partnership Priorities Reserve	Held to support the achievement of priorities identified by the Lake District National Park Partnership through specific projects.
Fix the Fells Reserve	Held to balance any surplus or deficit in the year from LDNPA payments made on behalf of the Fix the Fells Partnership, with grant contributions to the Fix the Fells partnership, and to cover any potential liabilities of staffing costs.
Public Rights of Way Reserve	Held to support the Rangers team in the maintenance and improvement of Rights of Way network also to support any inquiry costs against RoW legal challenges.
Visitor Services Trading Reserve	A general contingency reserve specifically to smooth out trading performance within Visitor Services. This has a target balance of £500k.
Biodiversity Net Gain Reserve	To hold amounts received specifically in relation to funding future BNG work.
Farming in protected Landscapes reserve	To hold funds to support work relating to administering the FiPL scheme.
Planning interim support reserve	Funds held to support the Development Management service.
Local Plan reserve	Funds set aside to develop and support the Local Plan work and examination.
Committed Salary Reserve	Used to hold reserve funds where these have been committed to pay for future salary costs.

31. Summary of Movement on Usable Reserves

Description	Balance 31 March 2024	Transfers to/(from) reserves	Balance 31 March 2025	Transfers to/(from) reserves	Balance 31 March 2026
	£0	£0	£0	£0	£0
Usable Reserves - capital					
Useable Capital Receipts Reserve	820	-176.1	643.9	22.5	666.4
Capital Grants Unapplied Reserve	252	-6.9	245.1	0	245.1
Total capital reserves	**1,072**	**183**	**889**	**22.5**	**911.5**
Usable Reserves - revenue					
Earmarked Reserves					
Ring-fenced Funds Reserve	180	464.2	644.2	-127.7	516.5
External Grants Reserve	206	-33.7	172.3	2.5	174.8
Biodiversity Net Gain Reserve	70	3.5	73.5	72.5	146.0
Climate Change Reserve	5	5	10	30.7	40.7
Windermere Registration Reserve	10	-10.1	-0.1	0.1	0.0
Cumbria Woodlands	106	24.5	130.5	-130.5	0.0
Investing for our Future	281	-43	238	-37.8	200.2
Local Plan reserve	115	21	136	95.5	231.5
Partnership Priorities Reserve	176	19.6	195.6	44.6	240.2
Fix the Fells Reserve	119	0.4	119.4	-24.8	94.6
Committed Salary reserve	403	448.2	851.2	-119.9	731.3
Public Rights of Way Reserve	73	63.5	136.5	105.7	242.2
Planning Interim Support Reserve	64	168.1	232.1	-0.9	231.2
National Parks Portal Reserve	0	32	32	13.6	45.6
Farming in Protected Landscapes	58	165.6	223.6	-27.1	196.5
Visitor Services Trading	537	-145	392	108.0	500.0
Total Earmarked Reserves	**2,403**	**1,184**	**3,587**	5	**3,591**
General Reserve	1,387	181.2	1568.2	346.8	1,915.0
Total Usable Reserves	**4,862**	**1,182**	**6,044**	**374**	**6,418**

32. Prior Period Adjustment

There have been no prior period adjustments other than the adjustment in the audit fees note. This does not impact any other element of the statements.

Annual Governance Statement 2025/26

1. Scope of responsibility

Lake District National Park Authority (the 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 its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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.

The Authority has approved and adopted a Local Code of Corporate Governance (LCoCG). This forms part of the Authority Handbook and is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* (and addendum May 2025). This statement explains how the Authority has complied with the LCoGC and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (1) (b), which requires all relevant authorities to prepare an annual governance statement.

2. The Purpose of the Governance Framework

The Governance Framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its priorities and to consider whether those priorities have led to the delivery of appropriate services and value for money. This is brought together in the Authority's LCoCG; this review has been completed with reference to the detailed provisions set out in the LCoCG.

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 Business Plan, policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

There are seven key principles to good governance highlighted in the CIPFA/Solace framework, the LCoGC is also structured around these:

Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Principle B Ensuring openness and comprehensive stakeholder engagement

Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits

Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes

Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it

Principle F — Managing risks and performance through robust internal control and strong public financial management

Principle G — Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The following section summarises key elements of the Authority’s Governance arrangements in place during the year ended 31 March 2026 and up to the date of approval of the statement of accounts. Section 4 sets out the review of effectiveness and section 5 contains the action plan for implementation during 2026/27.

3. Governance Arrangements.

3.1 The Authority’s Vision – Purpose, Outcomes and Objectives

The Authority’s Business Plan is a key document for the Authority, providing the framework for all Authority activity. The strategic outcomes and related Authority objectives set out in the Business Plan are drawn from the Lake District National Park Partnership’s Plan, which is the Management Plan for the National Park. The Partnership Plan highlights strategic outcomes and key actions required to deliver the Vision for the National Park, which have been agreed by all of the partners on the Partnership, and the Authority’s Business Plan identifies the key activities where we are leading or are substantively involved in delivery. It also details the key service objectives for the each of the Authority’s services over the next three years.

The Business Plan gives a clear message to the public and our partners about the priorities for the Authority over the course of its 3 year term, setting out where the Authority will be focusing its resources and activity.

3.2 The Authority’s Vision – Implications for Governance Arrangements

The Authority’s direction of travel set out in the Business Plan is reviewed annually with Members to ensure that objectives and actions are still relevant and consistent with our strategic aspirations. Key objectives are reviewed and all of the specific actions forming part of the Authority’s Business Plan have assigned owners.

The Business Plan is underpinned by a set of supporting strategies and detailed Service Plans that set out key activities and measures for each outcome theme in the Business Plan. The Business Plan forms the basis of quarterly performance reports received by the Resources Committee, and monthly reports received by Strategic Leadership Team.

3.3 Measuring the Quality of Services

Performance within services is measured monthly against performance indicators, which in turn feed into Service Plans monitored by the Strategic Leadership Team. Performance indicators are continually refined and reviewed to ensure their continuing relevance to our operations and to ensure high quality data for business decision making.

3.4 Roles and Responsibilities

The Authority documents and defines roles and responsibilities in a number of ways. These are set out in the Scheme of Delegation and Terms of Reference for each Committee. The Authority’s role in significant partnerships, such as the Lake District

National Park Partnership, is defined and responsibilities within these are understood by relevant parties.

3.5 Governance and People

The Authority has adopted a suite of core policies, values and behaviours to complement our Vision and these have been agreed by Members and codified within the Authority Handbook.

The Authority's Vision, values and behaviours, form a key part of the staff appraisal process and provide staff with a clear definition of the standards of behaviour expected in the Authority. The framework is supported by the Authority's Officer Code of Conduct and staff induction programme.

To support internal communications, we have implemented Microsoft Teams and use the Authority intranet (Waymarker) as a platform to share information.

In 2025/26 Members have had access to training and away hours of relevance to their role. Our processes for induction and management of volunteers ensures a near seamless provision of services between staff and volunteers and they are integral to our visitor management activities in the National Park.

We continue to prioritise management arrangements around equalities legislation to ensure we fulfil our obligations to promote social inclusion as a public body. In our Partnership Plan and Business Plan we have identified a "Lake District for Everyone" as a strategic priority to ensure we continue to work to promote accessibility and inclusion in the delivery of our services and the management of the National Park.

3.6 Risk Management

To support the need for continuous improvement, the Authority has developed an integrated assurance framework to contribute to the delivery of the objectives and actions set out in the Business Plan. This is embedded into service planning and day-to-day risk management processes. The risk management framework was awarded substantial assurance during the 2023/24 internal audit review and has not significantly changed for 2025/26.

Key corporate and business risks are discussed at monthly Strategic Leadership Team meetings, and all risk owners are clear of their roles and responsibilities within the risk management framework. Communication of risk as part of the quarterly Business Plan and Risk Update report ensures the Authority's Members have an opportunity to comment and contribute.

3.7 Ensuring Effective Counter-fraud and Anti-corruption Arrangements are Developed and Maintained

The Authority complies with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption. It has an Anti-Fraud Theft and Corruption Policy that remains appropriate and fit for purpose.

Employees are made aware of its requirements in detail as part of our induction arrangements including awareness of the Officer Code of Conduct. Employees must comply with our Financial Regulations and Contract Standing Orders and demonstrate high standards of probity when dealing with the Authority's affairs. We also operate a Disciplinary and Capability procedure for allegations of fraud and corruption by officers.

Members must operate within our adopted Code of Conduct for Members of the Lake District National Park Authority and with Standing Orders. The Members Handbook sets out the relevant requirements.

The Authority operates a culture in which high standards of conduct and probity are expected, and this is supported by strong organisational policies and procedures. We deploy sufficient resources to the prevention and detection of fraud and our policies and procedures in this regard are sound. No material instances of internal fraud or corruption were reported in the 2025/26 financial year.

Managers ensure that staff are aware of the Authority's values, standards and behaviours. The internal control environment is regularly reviewed through the work of internal and external audit. Internal audit has reviewed our arrangements and resourcing for the prevention, detection of fraud, theft or corruption and are satisfied with our approach. Risks around fraud are discussed with the internal auditors (TIAA) as part of preparation of the annual internal audit plan. These arrangements were reviewed in detail by TIAA as part of the 2025/26 internal audit plan and given the highest rating of operational effectiveness.

3.8 Financial Management Arrangements

The Authority's financial management arrangements conform to the Governance requirements of CIPFA's "Statement on the Role of the Chief Financial Officer in Local Government" as the Head of Resources (S151 Officer) has full access to the Strategic Leadership Team and reports direct to the Chief Executive. The Head of Resources is designated as the responsible officer for the administration of the Authority's financial affairs under Section 151 of the Local Government Act 1972. Responsibilities are defined in the Scheme of Delegation. The S151 Officer oversees the development and work of the financial management function at the Authority and is its responsible officer for matters of financial administration. The post holder is a professionally qualified as an accountant with suitable experience, supported by a finance team with 4 qualified accountants (3 of whom are CIPFA qualified) with extensive local government experience.

The Authority operates a Commercial Strategy Board (CSB), which comprises Members and senior officers. The Board considers appropriate investments that support delivery of National Park objectives and improve our financial resilience as outlined in our Medium-Term Financial Strategy.

CIPFA's Financial Management Code sets out good practice in financial management to assist local authorities in demonstrating their financial stability. The Authority is compliant with most major elements of the code and considerable work has been undertaken to strengthen compliance further including implementation of an annual Financial Resilience Assessment and ensuring compliance with the Prudential Code for Capital Finance for Local Authorities.

3.9 Financial Monitoring and Reporting

The Strategic Leadership Team receive monthly financial performance reports. Members receive quarterly reports including revenue monitoring and forecast projections to the end of the financial year. Budget managers are allocated a business partner, and budgets are reviewed jointly on a monthly basis to inform the reporting to Strategic Leadership Team and Members.

3.10 Ensuring Effective Arrangements are in Place to Perform the Monitoring Officer Function

The Director of Sustainable Development was the Authority's Monitoring Officer for the 2025/26 year, subsequently, the Authority Solicitor has been made the Monitoring Officer. This officer has a duty to report to the Authority where they are of the opinion that any proposal, decision or omission will give rise to unlawfulness or if any decision or omission has given rise to or would constitute maladministration. The Monitoring Officer provides a range of functions relating to the conduct of Members (for example maintaining the Register of Members' Interests, Code of Conduct complaints etc.) and advising the Governance Committee.

The Authority Solicitor also advises on legal matters, attends Strategic Leadership Team and Committee meetings to support lawful decision making, and provides a legal commentary on reports to Members.

3.11 Ensuring Effective Arrangements are In Place to Perform the Head of Paid Service Function

The Authority's Head of Paid Service is the Chief Executive who is responsible and accountable to the Authority for all aspects of operational management. The Chief Executive works closely with the Authority Chair and Deputy and Committee Chairs and Members in line with the principle contained within the Authority's Local Code of Corporate Governance about Members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Chief Executive is supported in their role by the Director of Sustainable Development and has regular access to and contact with the Members through formal and informal meetings. The Strategic Leadership Team also supports this role, and consists of the Director of Sustainable Development, Assistant Director of Sustainable Development, Authority Solicitor, S151 Officer and Heads of Service meeting every two weeks to discuss strategic developments and business performance.

3.12 Governance Committee

The Authority has established a Governance Committee to oversee the workings of the corporate governance arrangements of the Authority and to report to the Authority on these and related financial probity issues. The Governance Committee operates within CIPFA's "Audit Committees – Practical Guidance for Local Authorities". The committee completes a self-assessment of effectiveness annually. This concluded that the committee was operating effectively for 2025/26. Comments around training have been noted with this area remaining an important part of governance arrangements and Member engagement.

3.13 Internal Audit

The Authority maintains an independent Internal Audit Service, which operates within the principles set out within the Global Internal Audit Standards (previously Public Sector Internal Audit Standards). Internal Audit has carried out an annual programme of reviews as approved by the Governance Committee. The managers of the services and functions reviewed have each agreed actions and priorities arising from the review and the achievement of those actions is monitored on an ongoing basis by the Authority's Internal Audit service and Strategic Leadership Team. The Head of Internal Audit's opinion is that reasonable and effective risk management, control and governance processes are in place.

3.14 Ensuring Compliance with Relevant Laws

Systems are in place to ensure that appropriate legal and financial advice is provided at relevant points in the decision-making process. All reports to Members are reviewed by Strategic Leadership Team with attendance including the Head of Resources (S151 Officer), the Monitoring Officer and Authority Solicitor. This ensures that checks are made on the legal and financial consequences of any course of action prior to a decision being made.

The Authority has a variety of methods for receiving updates in legislative changes. In addition to departmental officers keeping up to date with legislative, regulatory and guidance changes, the Authority subscribes to a legislative update service. The usual method of direct notification of legislative changes by Central Government also occurs on an ongoing basis. This is supported by employees' membership of professional bodies and the associated requirement that they will remain up to date with changes to their area of expertise and responsibility. Employees are provided with training to maintain up to date professional competencies where applicable.

3.15 Complaints and Whistle Blowing

The Authority operates a formal complaints system in accordance with best practice, giving members of the public the ability to complain about aspects of the Authority's service with which they are dissatisfied. The Authority reviews any complaints received in order to assess their validity and learn for the future. The Authority's whistleblowing arrangements are set out in our Confidential Reporting Policy which is available to all staff on our intranet and externally on our website. Our Confidential Reporting Policy ensures there is a clear channel of confidential reporting for staff should this be required. There has been no use of the confidential reporting code during 2025/26 and nothing that has led to investigation of wider underlying governance issues.

3.16 Clear Channels of Communication.

All formal meetings are held in public, with the reports and minutes of those meetings being published on the Authority's website unless there are legal reasons for confidentiality. There are opportunities for members of the public to ask questions at meetings of the Authority and committee meetings are now live streamed and recorded to allow greater public access.

Various channels of communication are available to ensure all stakeholders find information accessible. Internal communications are also delivered using a number of channels including Teams, Waymarker and email.

3.17 Enhancing the Accountability for Service Delivery and Effectiveness of other Public Service Providers.

Whilst the Authority continues to deliver most of its services directly, there are a number of areas where the Authority has contractual arrangements in place for the delivery of services. Arrangements are in place to monitor the delivery, price and quality of these services and any significant issues would be reported back to Members through financial and performance reporting.

3.18 Commerciality and Commissioning

The Authority recognises that a commercial and commissioning approach brings with it opportunities for introducing greater flexibility with regard to the delivery of services. Purchasing of services from third parties also demands that we receive assurance that the businesses delivering the goods and services are resilient, reliable and reputable. This work is governed by the regulations and guidance set out in our Contract Standing Orders.

3.19 Good Governance in respect of Partnerships

The Authority's governance arrangements and procedures ensure that partnerships are entered into for the delivery of strategic objectives and that partnership arrangements are clearly defined. The effective management of individual partnerships is the responsibility of the lead service area and significant partnerships, such as the Lake District National Park Partnership are subject to regular monitoring and review. The most recent Internal Audit review on partnership working (during 2023/24) concluded that our arrangements provide substantial assurance over this area of activity.

3.20 External Audit

A robust framework for external audit also provides Members with independent assurance over the financial statements and arrangements for Value for Money. The Authority prepared the unaudited 2024/25 accounts by the statutory deadline of 30 June 2025. The audited accounts were published in October 2025 before the statutory backstop date for 2024/25 accounts. There has been a national issue around backlogs in external audit of local authorities. The Authority is in a relatively good position for 2025/26 having no gaps in its assurance, having met all the previous deadlines with unqualified accounts opinions. The external audit plan for the 2025/26 accounts was presented to Governance Committee in April 2026.

4. Review of Effectiveness

During 2025/26 assurance information has been collated using different means of independent review of effectiveness across the Authority's Services. These include:

4.1 Individual assurance reviews from the risk based internal audit plan (TIAA)

TIAA have reported on specific operational areas during the year. These reports have been presented to Governance Committee for their scrutiny and oversight. A number of areas were rated as substantial assurance during the year, the highest rating available.

4.2 Annual internal audit opinion issued by Internal Audit (TIAA)

TIAA also provide an annual audit opinion to give an overall assessment of the control environment at the Authority. Reflecting the individual assurance reviews completed, the opinion was that reasonable and effective risk management, control and governance processes are in place.

4.3 Accounts opinion issued by the external auditor (Grant Thornton)

The statement of accounts for 2024/25 was prepared by the deadline then audited and published in October 2025 before the backstop date. The auditor concluded “We have not identified any adjustments which impact useable reserves, this is a good outcome for the Authority”; this provides overall assurance on the arrangements for financial reporting and the supporting systems, people and processes.

4.4 Value for Money opinion issued by external audit (Grant Thornton)

The value for money opinion for 2024/25 was reported in September 2025 looking at Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness. There were no significant weaknesses. There was one minor improvement recommendations around strengthening financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year.

4.5 Volume and severity of governance issues reported through committee and Executive Board

There have been no significant occurrences of issues where the governance framework has been tested around standards, ultra vires activity or other fraudulent transactions.

4.6 Performance reporting against the business plan targets and financial budgets (Resources Committee)

Ongoing monitoring and reporting of performance against business plan targets and financial budgets has been in place during the year. The framework has proved to be effective at detecting and finding mitigations for events that threaten delivery of the business plan, within the available resources. For example, issues raised during the in-year budget monitoring were reflected in the Medium-Term Financial Strategy for 2026/27; the budget and MTFS for 25/26 were balanced and the budget for 2026/27 to 2028/29 is also balanced and approved. There are some potential risks around the final two years of the last approved version of the MTFS.

4.7 Committee self assessment

Governance Committee has completed its self-assessment and concluded it was operating effectively for 2025/26. As part of an overall review of committee functions, the Resources Committee was amended to the Resources Meeting which has no decision making powers. This was part of a number of changes aimed to improve the overall system of committees. A post implementation review is included as an action plan item.

4.8 Review of arrangements in place during 2024/25 against the CIPFA/Solace framework by officers.

A full review of LCoGC against the CIPFA Solace framework was conducted in 2022/23. This produced a number of areas that were included for follow up in the 2022/23 action plan. An addendum to the Framework was issued in May 2025. A review of this addendum has not flagged any issues with the AGS.

4.9 Monitoring of implementation of the prior year action plan

The governance issues that we identified in the 2024/25 review have seen considerable progress during the 2025/26 financial year. Further detail is provided below.

5. Significant Governance Issues

Five issues were flagged during the 2024/25 review (please see prior year AGS for details). Of these, 4 are judged to have been implemented and one is ongoing. The action around data management is carried forward as some of the actions are yet to be completed. Work is ongoing to address the issues recognised internally and subsequently by TIAA's assurance review during 2024/25.

In addition, there are a small number of new items that have been flagged from the 2025/26 annual review. These are not judged to be significant governance weaknesses but are opportunities for improvement. The full action plan to be monitored during 2026/27 is as follows:

1. Continue to embed high standards of data management practices in the Authority and deliver the recommended actions from the internal audit findings
2. Review financial forecasting arrangements to capture more accurate estimates of vacancy underspends and staff charges to grants throughout the year
3. Perform a post implementation review of new governance arrangements – some changes are proposed to the running of Resources Committee and Park Strategy and Vision Committee during 2026/27. The effectiveness of these arrangements should be reviewed after an appropriate time post implementation.
4. The Authority has recently become a "Responsible Body" with governance arrangements introduced to manage the process of entering into conservation covenants. The effectiveness of these arrangements should be reviewed after an appropriate time post implementation.
5. Cyber crime is a serious threat to the authority. Completion of training by staff and members is to be closely monitored and reported on following the recommendation by TIAA.
6. Artificial Intelligence may have the potential to significantly improve productivity. A trial is underway looking at the potential use of Artificial Intelligence by staff. This should be assessed by Strategic Leadership Team and a clear business case be developed for any potential further investment.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements and will monitor their implementation and operation as part of our next annual review.

6 Opinion

We are satisfied that there are no significant governance issues and that the governance arrangements are fit for purpose.

Signed:	**Jim Jackson**	**Gavin Capstick**
	(Chair)	(Chief Executive)

On behalf of the Lake District National Park Authority

26/6/2026

Glossary of Terms

Accounting Period - The period of time covered by the accounts, normally 12 months commencing on 1st April for local authorities.

Accruals - Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made or received at the balance sheet date.

Amortisation – The writing down of intangible assets and revenue expenditure funded from capital resources by making a charge (similar to depreciation) to service revenue accounts.

Budget - A statement of the Authority’s plans in financial terms. A budget is prepared and approved by the Lake District National Park Authority prior to the start of each financial year and is used to monitor actual expenditure throughout the year.

Capital Expenditure - Expenditure on new assets such as land and buildings, or on enhancements to existing assets that significantly prolong their useful life or increase their value.

Capital Financing Costs - The annual cost of borrowing (principal repayments and interest charges), leasing charges and other costs of funding capital expenditure.

Capital Receipt - Income from the sale of capital assets such as land or buildings.

CIPFA – Chartered Institute of Public Finance and Accountancy

Creditors - Amounts owed by the Authority at 31 March for goods received or services rendered but not yet paid for.

Current Assets - Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities - Amounts which will become due or could be called upon during the next accounting period.

Debtor - Amounts owed to the Authority, which are collectable or outstanding at 31 March.

Deferred Liabilities - This represents the liability for principal repayments on finance leases.

Depreciation - The estimated using up of the value of an asset, owing to age, wear and tear, deterioration, or obsolescence.

Finance Lease - A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Government Grants - Payments by central government towards local authority expenditure. They may be specific, for example Sustainable Development Grant, or general, such as National Park Grant.

Heritage Assets - Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

National Park Grant - The main grant paid by central government to a National Park Authority towards the costs of its services.

Non-Current Asset - Assets that can be expected to be of use or benefit the Authority in providing its service for more than one accounting period.

Operating Lease - A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

Provisions – Amounts set aside to meet known liabilities.

Reserves - Amounts set aside in the accounts for the purpose of meeting future expenditure.

Revenue Expenditure - Spending on day-to-day items including employees' pay, premises costs and supplies and services.

Revenue Expenditure Funded from Capital Under Statute - Expenditure of a capital nature but for which there is no tangible asset, for example capital grants.

Abbreviations used in the accounts
CIPFA - Chartered Institute of Public Finance and Accountancy
IFRS – International Financial Reporting Standards