



# **ANNUAL NARRATIVE REPORT AND UNAUDITED STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2025**

**Pembrokeshire Coast National Park Authority**  
**Annual Narrative Report and Accounts for the year ended 31 March 2025**

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## **Annual Narrative Report**

### **Introduction**

The purpose of the narrative report is to provide information on the authority, its main objectives and strategies and the principal risks it faces. The report provides a brief explanation of the more significant matters reported in the accounts and aims to add to and assist the interpretation of the accounting statements which are set out on pages 18 to 64 which consist of: -

- The Comprehensive Income and Expenditure Statement which consolidates all the gains and losses of the Authority during the financial year. These gains and losses reconcile to the overall movement in net worth.
- The Balance Sheet which sets out the financial position of the Authority as at 31st March 2025.
- The Movement in Reserves Statement which summarises the changes in the balance sheet over the financial year.
- The Cash Flow Statement which summarises the inflows and outflows of cash arising from transactions for revenue and capital.
- The Statement of Accounting Policies and explanatory notes which form the basis for the preparation of the accounts.

The Authority's accounts for the year ending 31 March 2025 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (the Code). This format incorporates the requirements of International Financial Reporting Standards (IFRS) wherever this is possible.

### **Organisational review and external environment**

The Pembrokeshire Coast National Park as a public body, was designated in 1952 following the implementation of the National Parks and Access to the Countryside Act 1949. The National Parks and Access to the Countryside Act 1949, subsequently amended by the Environment Act 1995, saw the creation of the Pembrokeshire Coast National Park Authority ("the Authority") in 1996 to protect areas of the Pembrokeshire coastline, inland waterways and other designated inland areas.

The Authority has two statutory purposes:

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

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

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The strategic aim of the National Park is detailed in its Partnership Plan 2025-2029 which sets out actions and responsibilities to meet the National Park purposes of conservation, enjoyment and understanding. Developed in partnership with stakeholders, the delivery of the partnership plan is monitored through the Authority's performance monitoring framework and focuses on four complementary key themes:



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

### **Business performance and operational model**

The Authority's Management Plan, now referred to as a Partnership Plan, sets out the priorities, objectives and key actions for a five-year period. In March 2025, the National Park Authority, following consultation, approved a new National Park Partnership Plan 2025-2029 for the Authority. Following feedback from partners as part of the consultation process, officers began exploring opportunities to develop an overarching partnership or forum to specify, guide and scrutinise Plan achievements. The list of Special Qualities for the Park was updated within the Plan, taking account of a previous public consultation on the Park's Special Qualities. A link to the document is attached:

<https://www.pembrokeshirecoast.wales/wp-content/uploads/2025/03/1-Partnership-Plan.pdf>

A quarterly performance monitoring system is in place to enable effective performance reporting to the Operational Review Committee and the Audit and Corporate Services Review Committee. Annual performance is reported in our annual report on 'Meeting Well-Being Objectives' which is available on our website. The Authority also produces an Assurance Monitoring Report covering compliance, public and statutory duties including corporate improvement. This is an element of our risk management and assurance approach which supports officers and Members in monitoring, assessing and responding to compliance and corporate improvement areas of work.

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### Overall Service Performance

The Revenue Budget and Capital programme for 24-25 were approved by the Authority in February 2024. The Authority classifies its services based on delivery criteria and are noted below. Costs saw an increase overall principally as a result of the impact of a pay and grading award. This cost an additional £402k in additional salaries, backdated to April 23 and met out of earmarked reserves. Increased investment income and additional revenue funding of £1.4m from Welsh Government however has contributed to a positive out turn for the year of £117k despite an expected original budgeted deficit of £509k and vired deficit budget of £252k:

<b>Service Areas:</b>	<b>2024-25</b>	<b>2024-25</b>	<b>2023-24</b>	
	<b>Net Exp</b>	<b>Vired</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	
	£'000	£'000	£'000	
Conservation of the Natural Environment	325	384	(59)	413
Conservation of the Cultural Heritage	147	153	(6)	114
Development Control	506	537	(31)	457
Forward Planning & Communities	293	291	2	290
Promoting Understanding	1,203	1,369	(166)	1,118
Recreation & Transport	(262)	(368)	106	(107)
Rangers, Estates & Volunteers	1,427	1,483	(56)	1,374
Democratic Representation & Management	757	746	11	505
Support Service Costs	2,042	1,970	72	1,735
<b>Cost of Services</b>	<b>6,438</b>	<b>6,565</b>	<b>(127)</b>	<b>5,899</b>
Financing & Investment Income & Expenditure	(771)	(598)	(173)	(627)
Other Operating Expenditure	20	18	2	13
Taxation & Non -specific Grant Income	(5,798)	(5,733)	(65)	(5,341)
Capital grants	(6)	-	(6)	(1,116)
<b>(Surplus)/Deficit on Provision of Services</b>	<b>(117)</b>	<b>252</b>	<b>(369)</b>	<b>(1,172)</b>
Other items allocated from Authority reserves	(290)	(358)	68	1,098
<b>(Increase)/Decrease in Total Comprehensive Income and Expenditure</b>	<b>(407)</b>	<b>(106)</b>	<b>(301)</b>	<b>(74)</b>

### Financial Performance and significant matters in the Accounts

The year ending 31 March 2025 continued to be a challenging year with the Authority operating in a sustained and unsettled external environment, together with the challenge of a pay & grading award. There has been continued impact of higher wage settlements than expected, increasing the Authority's underlying running costs, with particular pressures around fuel and wages.

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A summary of total income and expenditure is illustrated below:

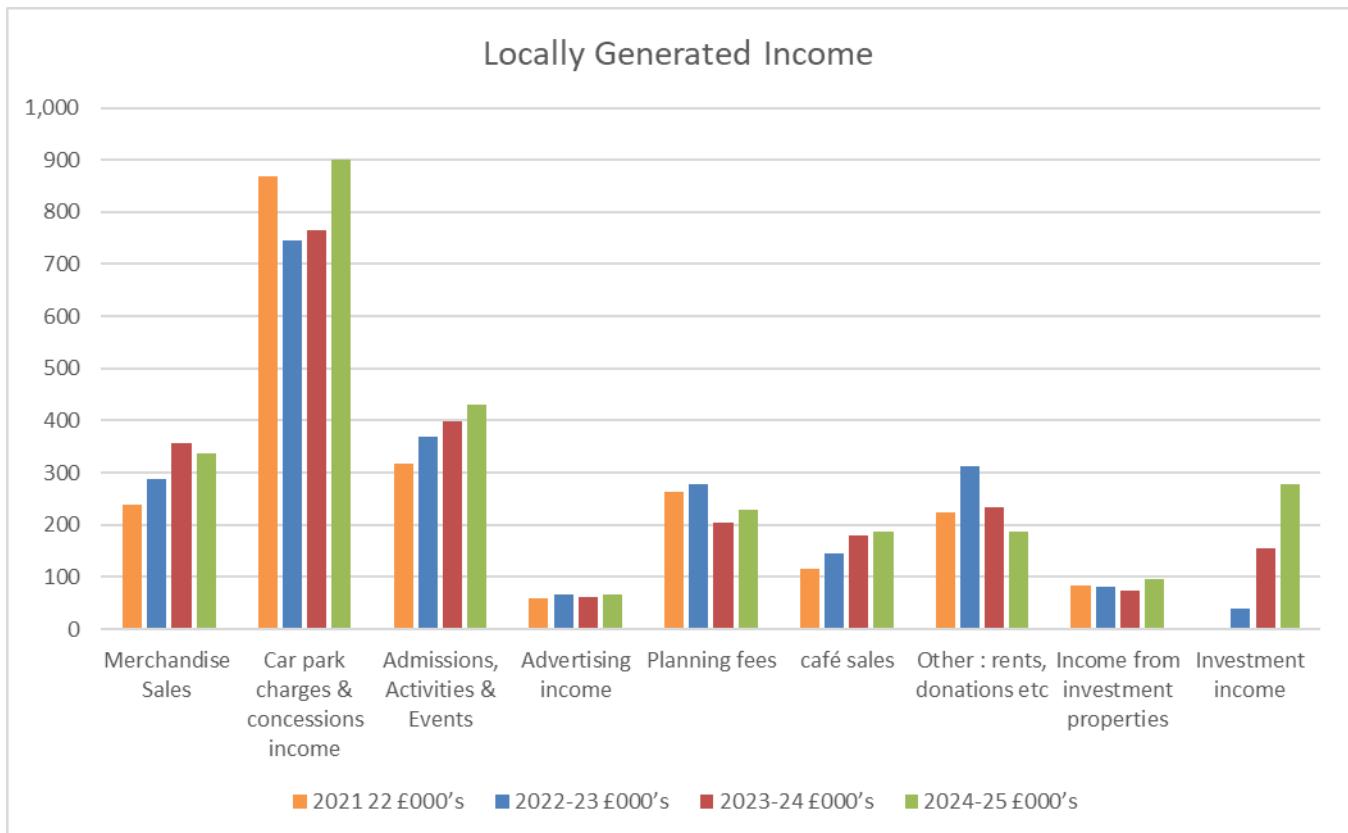
<b>TOTAL INCOME</b>	<b>2025</b>		<b>2024</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
National Park Grant - Welsh Government	4,715	44%	4,258	40%
National Park Levy - Pembrokeshire County Council	1,083	10%	1,083	10%
Authority Generated Income	2,738	26%	2,429	23%
Service/Project Specific Revenue Grants	2,390	21%	1,847	17%
Capital grants	6	0%	1,116	10%
<b>Total funding</b>	<b>10,932</b>	<b>100%</b>	<b>10,733</b>	<b>100%</b>

The Welsh Government sets the level of Government funding for the National Park Authority on an annual basis through National Park Grant. For 2024/25, the level of core funding allocated resulted in a flat-cash settlement at the same level since 2020/21 at £3,249k. However, during the year the Authority received a revenue top up of £1.4m (2024: £1,009k) for 24-25 which ensured the budgeted deficit was prevented.

In setting the amount of National Park Grant, the Welsh Government also determines, in accordance with statutory powers, the minimum amount that can be raised by the National Park Authority as a Levy against Pembrokeshire County Council. The National Park Grant represents 81% of the Authority's core grant funding, with the remaining 19% represented by the Levy. This has remained the same at £1.083m since 21-22. The Authority, however, generates 26% (2024: 23%) of its income locally, for example through car park charges, planning fees and 21% (2024:17%) from other service and project specific grants such as the maintenance of the Coast Path (National Trail). Any deficit or surplus is managed via the Authority's revenue reserves.

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

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Car park income and concession outlets continues to be a major income generator for the Authority, contributing towards its conservation aims. No price increases were implemented in 24-25, however, increased costs were experienced resulting in a lower return. Whereas our admission prices to our heritage centres remain competitive and offer families good value, visitor numbers have been lower than the previous year. Despite this, our visitor centres have seen increases in admission and café sales principally due to inflationary price uplifts. Income from investment properties remain stable, impacted by visitor trends as some of the rents are either wholly or partially turnover based. The short-lived spike in UK 'staycation' activity as an immediate consequence of Covid saw those turnover based rental incomes perform well in 2021-22 as a result but have since declined over the last two years. As an example, our turnover rent from Manorbier car park was £60K in 2021-22, £45K in 2022-23 but recovered to £57K in 2024-25. Our investment income on the other hand improved due to higher interest rates, higher cash balances and good treasury management.

The fall in planning income is attributed to wider economic challenges and cost of living increases which have meant a general decrease in householder type planning applications. Planning fees are set by Welsh Government and there has been no fee increase since August 2020. WG have assured Planning Authorities that there will be a planning fee income rise in 2025-26 which should see this figure improve, aiming towards improved cost recovery.

A summary of costs for the year are detailed below:

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<b>TOTAL REVENUE EXPENDITURE</b>	<b>2025</b>		<b>2024</b>	
	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Employees	6,034	56%	5,304	55%
Pension actuarial adjustments	-27	0%	105	1%
Premises related	1,162	11%	1,170	12%
Transport & Travel	209	2%	205	2%
Supplies, Services and Grants	2,679	25%	2,305	24%
Depreciation, amortisation & revaluations	704	7%	572	6%
Other operating expenditure	54	1%	-100	-1%
<b>Total revenue expenditure</b>	<b>10,815</b>	<b>100%</b>	<b>9,561</b>	<b>100%</b>

Costs increased by £1.2m over the prior year, principally due to higher employee costs which saw an increase of 14% in the year. This was due to a backdated pay and grading award costing £400k combined with annual pay awards ranging between 2.5% to 5.8%. The pay & grading award is estimated to impact the Authority with ongoing increased costs of £200k per annum. All other costs were within expectations.

Cash flows during the year were managed within existing resources and there was no requirement for temporary borrowing. Both revenue and capital funds were monitored and re-projected on a regular basis. Cash flows were managed during 2024-25, with an investment return of £279k for the year, (2024: £155k). No cash flow difficulties are forecast within existing planning horizons, with a good level of cash backed reserves held in liquid bank deposits. Useable reserve balances have increased by £334k, in particular earmarked reserves. These have been set aside to meet forecast future deficits; infrastructure improvement works and delivery of committed projects.

The Authority had no material provisions as at 31 March 2025 and during 2024-25 there were no significant debt write offs. There were no material events after the reporting date.

The General Fund overall closed at £1.6m (2024: £1.2m), which is an improvement on the assumptions in the Mid Term Financial Strategy (Budget Reports).

Overall, Net Assets held by the Authority increased by £499k, primarily representing the surplus for the year in the comprehensive income and expenditure statement. A further £3m provision (2024: £7.6m) was made on the pension fund due to changes in recognition guidance introduced in the prior year. Whilst the defined benefit pension fund has seen an increase in its net surplus to £11m, this has been derecognised to zero. Only unfunded benefits of £31k is recognised as a negative reserve and recorded in long term liabilities. The surplus reflects the benefits earned by employees and the resources the Park has set aside to meet them, which has been limited by IAS 19 and IFRIC 14 to nil. The defined benefit pension asset is valued by actuaries and impacts the Authority's unusable reserves.

Investment and cash balances increased by £352k due to additional funding and investment interest.

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Capital expenditure for 2024-25 amounted to £505k (2024: £529k). Details are noted in Note 17-21 of the accounts. The capital expenditure was funded by capital receipts of £418k, grants of £47k and earmarked reserves of £40k (note 21). This saw the acquisition of an electric minibus, investment in new machinery and IT, with larger scale projects such as the 'Green' meeting room, beach access at Traeth Mawr/Newport and buildings at Castell Henllys starting work. These unspent budgets will be added to a revised capital programme for 2025-26. There are sufficient funds available to complete the Authority's capital programme using a combination of capital resources and earmarked reserves as at 31 March 2025. Further grant funding has also been awarded for 25-26 to enable completion of the Traeth Mawr, Newport beach facility. A summary of the movement in the capital investment programme is noted below:

<b>Capital Programme 2024-25</b>	<b>Original Approved Budget</b>	<b>Revised Working Budget</b>	<b>Total Expenditure 31-03-2025</b>	<b>Actual d/(Understand)</b>	<b>Overspent</b>	<b>Budget remaining</b>
	£	£	£	£	£	£
Plant & Equipment	-	207,032	203,805	-	3,227	-
Carew Causeway Repairs	32,000	32,000	-	-	-	32,000
Castell Henllys Improvement Programme	50,000	50,000	1,750	-	-	48,250
Green Room Redevelopment Project	463,287	850,000	76,274	-	-	773,726
Traeth Mawr, Newport Development	150,000	150,000	34,943	-	-	115,057
Fleet Upgrade	22,846	97,846	97,549	-	297	-
Decarbonisation / Net Zero feasibility for our Buildings	150,000	150,000	-	-	-	150,000
Carew Castle Enhancement & Interpretation	42,675	42,675	2,959	-	-	39,716
Carew Castle Visitor Access improvements	32,000	32,000	-	-	-	32,000
OYP security	20,000	20,000	-	-	-	20,000
PV projects	0	11,773	12,909	1,136	-	-
IT systems	0	70,000	74,789	4,789	-	-
Llanion Park H&S	5,000	40,000	-	-	-	40,000
Porthgain Hoppers	5,000	5,000	-	-	-	5,000
<b>TOTAL</b>	<b>972,808</b>	<b>1,758,326</b>	<b>504,978</b>	<b>2,401</b>	<b>1,255,749</b>	

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

## **Governance**

The governance arrangements of the Authority are addressed in the Annual Governance Statement for 2024-2025. There have been no significant changes in the governance arrangements in the year. Areas identified for improvement are addressed in our Annual Governance Report.

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## **Risks and opportunities**

The Park operates a risk management framework and documents its key risks in the Corporate Risk Register. This is reviewed by the Audit and Corporate Services Review Committee annually. The Annual Governance Statement for 24-25 includes an assessment of current key weaknesses of the Authority's governance arrangements together with planned actions to address these.

During 2024-25, the Authority's management of risk was reviewed by internal audit. Recommendations from this Audit will be taken forward for completion in 2025-26 including updating Authority's risk objectives. This has been incorporated into the Risk Management framework and is being embedded into our approach to managing risks.

## **Basis of preparation**

The 2024-25 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code') Introduced the following significant changes:

- *IFRS 16 Leases January 2016*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1) January 2020*
- *Lease liability in a Sale and Leaseback (Amendments to IFRS 16) September 2022*
- *Non-current Liabilities with Covenants (Amendments to IAS 1) October 2022*
- *International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) May 2023*
- *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) May 2023*

IFRS 16, effective April 2024, represented the main impact for the Authority. This requires lessees to adopt a policy to recognise eligible leases on their balance sheets as right-of-use assets with corresponding lease liabilities, unless exempted. The adoption of this new standard has resulted in the Authority recognising right of use assets and related lease liabilities in connection with all former operating leases except for those identified as low value or having a remaining lease term of less than 12 months from the date of initial application of the standard. Following an assessment of the Authority's leased assets, assets worth £100k were recognised as Right of Use Assets with a corresponding liability of £100k. (see note 22). The authority has initially recognised lease liabilities measured at the present value of lease payments, discounted by applying the authority's calculated incremental borrowing rate of 5%, wherever the interest rate implicit in the lease cannot be determined.

The statements are structured to comply with the disclosure requirements of the Code and in an order judged to provide the most logical sequence, with reference to the significance of the main statements and supporting notes. The accounting policies used in the preparation of the accounts are listed on pages 23 to 31.

Assets costing more than £10k with an economic useful life of over one year are capitalised. Assets under this value are treated as a revenue cost.

The Authority's accounts have been prepared on the basis that the Authority continues to operate as a going concern for the foreseeable future. This is judged to be reasonable based

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on the Medium-Term Financial Strategy (MTFS/Budget) for 2025-26 which was approved in March 2025. Whilst this projected a deficit of £566k, there is sufficient reserves to ensure a balanced budget. Key controls including regular budget monitoring will continue to keep the MTFS updated to ensure that if budget assumptions are not met, corrective action can be taken in a timely manner.

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

### **Strategy and resource allocation**

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

The Authority's future financial outlook will continue to be challenging over the next few years as the impact of cumulative reductions in core funding is felt and costs remain high. Welsh Government settlement for 25-26 included a 5% increase but this is not sufficient to meet the increased costs which have arisen over the last few years.

Over the past two years higher inflation has led to higher-than-expected pay awards. These increased costs, combined with flat line settlements from the Welsh Government and the levy has contributed towards the Authority facing a deficit position. The Park Authority is considering options such as reducing the scale of the operation, potential strategies for growing the business through income generation and grant funding so as to mitigate financial risk and impact.

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

### **Outlook**

The Authority's MTFS for 2025-26 assumes a 5% increase in core funding but flat lined over subsequent years of the strategy. This indicates significant deficits for the years 2025-26 to 2028-29 exceeding £1m per annum which will require either significant additional income generation from either existing or new sources combined with either cost reductions or service curtailment to balance the budget. The Authority, in the past, has grown its income from non-core grant sources which has helped sustain service levels.

Inflation is showing an increasing trend, from 2.8% in May 2024 to 4% in May 2025, principally driven by increases in energy costs. Global uncertainty remains elevated, influenced by unsettled conditions in the Middle East which impact on energy costs & supply chains. Political change in government has seen significant changes to policies which impact costs e.g. lowering of national insurance thresholds, leading to further uncertainties around the

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economy, inflation, legislation and interest rates, all of which could have a significant impact on what the Authority is able to achieve in future years.

More unexpected global shocks could destabilise inflation and a period of uncertainty remains. As a result, interest rates are likely to be held at 4.25% in the short term but with the advantage of receiving good returns on cash balances.

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

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

The Authority's cash reserve position provides a cushion to address this deficit in the short term. The financial situation will therefore be managed by:

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

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

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## Statement of Responsibilities for the Financial Statements

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

- to make arrangements for the proper administration of its financial affairs and to
- secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the S151 Officer (chief financial officer).to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

to approve the statement of accounts.



.....Dr. Madeleine Havard

Date....11/02/26.....

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

The Chief Financial Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code'). In preparing this statement of accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgments and estimates that were reasonable and prudent.
- complied with the local authority code.

The Chief Financial Officer has also:

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

### **Chief Financial Officer's Certificate**

I hereby certify that the Statement of Accounts presents a true and fair view of the financial position of the Authority as at 31<sup>st</sup> March 2025 and its expenditure and income for the year ended 31<sup>st</sup> March 2025.



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

Date ...11/02/26.....

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

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### **Opinion on the financial statements**

I have audited the financial statements of Pembrokeshire Coast National Park Authority for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004. Pembrokeshire Coast National Park Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Pembrokeshire Coast National Park Authority as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. My staff and I are independent of Pembrokeshire Coast National Park Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of Pembrokeshire Coast National Park Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement. I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

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

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**Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

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

**Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

My procedures included the following:

- Enquiring of management, the Authority's Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Pembrokeshire Coast National Park Authority's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: management override and the posting of unusual journals.
- Obtaining an understanding of Pembrokeshire Coast National Park Authority's framework of authority as well as other legal and regulatory frameworks that Pembrokeshire Coast National Park Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that

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had a fundamental effect on the operations of Pembrokeshire Coast National Park Authority.

- Obtaining an understanding of related party relationships.

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

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

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

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

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

#### **Other auditor's responsibilities**

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

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**Certificate of completion of audit**

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

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

**13 February 2026**

*The maintenance and integrity of Pembrokeshire Coast National Park Authority's website is their responsibility; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

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**Comprehensive Income and Expenditure Statement**

Notes	2025			2024		
	Gross expenditure	Gross Income	Net expenditure	Gross expenditure	Gross Income	Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	1,475	(1,150)	<b>325</b>	1,120	(706)	<b>413</b>
Conservation of the Cultural Heritage	153	(6)	<b>147</b>	116	(2)	<b>114</b>
Development Control	747	(241)	<b>506</b>	674	(216)	<b>457</b>
Forward Planning & Communities	393	(100)	<b>293</b>	390	(100)	<b>290</b>
Promoting Understanding	2,866	(1,663)	<b>1,203</b>	2,734	(1,617)	<b>1,118</b>
Recreation & Transport	924	(1,186)	<b>(262)</b>	866	(973)	<b>(107)</b>
Rangers, Estates & Volunteers	1,544	(117)	<b>1,427</b>	1,462	(88)	<b>1,374</b>
Democratic Representation & Management	1,017	(260)	<b>757</b>	646	(140)	<b>505</b>
Support Service Costs	2,071	(29)	<b>2,042</b>	1,939	(204)	<b>1,735</b>
<b>Cost of Services</b>	<b>6</b>	<b>11,190</b>	<b>(4,752)</b>	<b>6,438</b>	<b>9,946</b>	<b>(4,047)</b>
						<b>5,899</b>
Financing & Investment Income & Expenditure	9					(627)
Other Operating Expenditure	10					13
Taxation & Non-specific Grant Income	11/12					(6,457)
<b>(Surplus)/Deficit on Provision of Services</b>						<b>(1,172)</b>
(Surplus)/deficit on revaluation of fixed assets	17					(836)
Actuarial (gains)/losses on pension assets/liabilities	33					4,817
Other Comprehensive Income and Expenditure						<b>3,981</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>4/5</b>					<b>2,809</b>

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**Balance Sheet**

		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>			
Property, Plant & equipment	17	16,120	15,788
Heritage Assets	18	646	646
Investment property	20	1,326	1,317
		18,092	17,751
<b>Long term assets</b>			
Investments	23	4,822	4,641
Inventories	24	197	157
Debtors	25	415	672
Cash & cash equivalents	26	3,615	3,443
		9,049	8,913
<b>Current liabilities</b>			
Creditors due within one year	27	(763)	(908)
		26,379	25,756
Creditors due after more than one year	28	(123)	-
<b>Net assets</b>		<b>26,255</b>	<b>25,756</b>
<b>Reserves</b>			
Useable reserves	29	8,405	8,071
Unusable reserves	30	17,850	17,685
<b>Total reserves</b>		<b>26,255</b>	<b>25,756</b>

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**Movement in Reserves Statement for the year ending 31 March 2025**

	Notes	General Funds					Earmarked Reserves					Capital Receipts Reserve					Capital Grants Unapplied Reserve					Total Useable Reserve					Revaluation Reserve					Capital Adjustment Account					Pension Reserve					Accumulated Absences Reserve					Total Unusable Reserves					Total Authority Reserves				
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000																	
<b>Balance as at 1 April 2024</b>		1,216	5,575	328	952	8,071	6,521	11,237	-	(73)	17,685	25,756																																												
Total Comprehensive Income and Expenditure	7	117	-	-	-	117	440	-	(58)	-	382	499																																												
Adjustments between accounting basis & funding basis under regulations	7	290	335	(71)	(337)	217	(88)	(108)	27	(48)	(217)	-																																												
<b>Increase/(Decrease)</b>		407	335	(71)	(337)	334	352	(108)	(31)	(48)	165	499																																												
<b>Balance as at 31 March 2025</b>	29/30	1,623	5,910	257	615	8,405	6,873	11,129	(31)	(121)	17,850	26,255																																												

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**Movement in Reserves Statement for the year ending 31 March 2024**

	Notes	General Funds					Earmarked Reserves					Capital Receipts Reserve					Capital Grants Unapplied Reserve					Total Useable Reserve					Revaluation Reserve					Capital Adjustment Account					Pension Reserve					Accumulated Absences Reserve					Total Unusable Reserves					Total Authority Reserves				
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000																		
<b>Balance as at 1 April 2023</b>		1,142	4,937	389	319	6,787	5,771	11,162	4,922	(77)	21,778	28,565																																												
Total Comprehensive Income and Expenditure		1,172	-	-	-	1,172	836	-	(4,817)	-	(3,981)	(2,809)																																												
Adjustments between accounting basis & funding basis under regulations	7	(1,098)	638	(61)	633	112	(86)	75	(105)	4	(112)	-																																												
<b>Increase/(Decrease)</b>		74	638	(61)	633	1,284	750	75	(4,922)	4	(4,093)	(2,809)																																												
<b>Balance as at 31 March 2024</b>	29/30	1,216	5,575	328	952	8,071	6,521	11,237	-	(73)	17,685	25,756																																												

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**Cashflow Statement**

	Notes	2025 £'000	2024 £'000
<b>Net (surplus)/deficit on the provision of services</b>		(117)	(1,172)
<b>Net cash flows from operating activities</b>			
Adjust net (surplus)/deficit on the provision of services for non-cash movements	31	(841)	(685)
Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	20	97	74
<b>Net cash flows from investment activities</b>		(861)	(1,783)
Investing Activities	32	689	1,558
<b>Net (increase)/decrease in cash and cash equivalents</b>		(172)	(225)
Cash and cash equivalents at the beginning of the reporting period		(3,443)	(3,218)
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<u>(3,615)</u>	<u>(3,443)</u>

## Statement of Accounting Policies

### a) General Principles

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

The accounts have been prepared in accordance with:

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

### b) Accounting Concepts

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

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

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

### c) Accruals of Income and Expenditure

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

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**d) Contingent Assets and Contingent Liabilities**

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

**e) Events after the reporting period**

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

**f) Grants Received**

Grants received are matched with the expenditure to which they relate. The National Park Grant from the Welsh Government and the Levy from Pembrokeshire County Council, which finance the general activities of the Authority, are credited to the revenue account for the period in respect of which they are payable. Revenue grants for specific services are presented against those services in the Comprehensive Income and Expenditure Account. Where the acquisition of a fixed asset is financed either wholly or in part by a grant from another organisation, the amount of grant is credited to the Comprehensive Income and Expenditure Account. Unless any conditions have not been met, grants and contributions for revenue purposes must be fully recognised in the Comprehensive Income and Expenditure Account in the period of receipt. Revenue grant income is transferred to earmarked reserves until it is applied. Transfers from the General Fund to earmarked reserves are accounted for in the Movement in Reserves Statement (MiRS) within the transfers to or from earmarked reserves line.

**g) Group Accounts**

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

**h) Investments and Capital Instruments**

The Authority does not hold any investments in listed and unlisted companies. Surplus cash deposited in short term notice money market accounts accessible over 90 days, are treated as investments. The Authority does not issue or hold any capital instruments listed or publicly traded on a stock exchange or market.

**i) Leases**

**The Authority as Lessee**

IFRS 16 Leases, which is mandatory from 1 April 2024, requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct

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its use. The Code expands the scope of IFRS 16 *Leases* to include arrangements with zero consideration, peppercorn or nominal payments.

### **Initial measurement of Right of Use Assets**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or zero consideration leases, the asset is measured at fair value.

### **Subsequent measurement**

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or zero consideration leases have been valued using market prices or rentals for equivalent land and properties. The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee

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- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

### **Low value and short lease exemption**

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

### **Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **The authority as lessor**

#### **Operating leases**

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset if material and charged as an expense over the lease term on the same basis as rental income.

#### **j) Employee Benefits**

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

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement. Where termination

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

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

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

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

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

**k) Provisions**

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

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**I) Reserves**

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

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

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

**m) Inventories and Long-term Contracts**

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

**n) Non-Current Assets**

Fixed assets comprise capital expenditure on:

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

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

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

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

- Operational property, plant and equipment assets are carried at their current value to the authority in their existing use.
- Non-operational property, plant and equipment – surplus assets are carried at fair value.
- Non-operational assets in the course of construction/development are recorded at cost.

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- Infrastructure – depreciated historical cost.
- Community assets – depreciated historical cost or valuation rather than current or fair value.
- Assets held for sale – measured at the lower of their carrying amount and fair value less costs to sell. These non-current assets are taken outside the scope of capital accounting pending sale although they remain subject to capital financing arrangements under the Prudential Framework.

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

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

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

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

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

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

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

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When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on assets held for sale.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written-off value of disposals is not a revenue charge as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement

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

The cost of services in the Comprehensive Income and Expenditure Account includes a capital charge for all fixed assets used by each service, as recorded in the Balance Sheet at 31<sup>st</sup> March 2025. These charges equate to the sum of depreciation. The General Fund Balance is adjusted so the overall result is of no financial impact on the amounts raised from the National Park Grant and Local Authority Levy – that is, the adjustments are self-balancing. All expenditure on repairs and maintenance relating to fixed assets is charged to the appropriate service revenue account. Payments that, under legislation, are funded from capital resources but where no fixed assets are created, are charged to the appropriate service in the Comprehensive Income and Expenditure Statement. These charges are subsequently reversed out in the Movement in Reserves Statement with an equal charge to the Capital Adjustment Account.

**p) Interest Charges and Receipts**

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

**q) Value Added Tax**

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

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**r) Investment Properties**

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

**s) Heritage Assets**

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

**t) 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, which 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.

## Notes to the Accounts

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

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

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS 17 Insurance Contracts issued in May 2017.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

It is not anticipated that the above amendments will have a material impact on the information provided in the Authority's financial statements.

### 2. Critical judgements in applying accounting policies

Other than those disclosed elsewhere in these notes the Authority has not had to make any critical judgements about complex transactions or those involving uncertainty about future events. However, with the uncertainty regarding the future level of funding for the National Park Authority beyond 2025, there is the assumption the authority will be able to conduct its primary functions post 2025 and be a going concern.

### 3. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

- In the Authority's Balance Sheet on 31 March 2025, there is a risk of material adjustment in the forthcoming financial year in the size of the pension asset /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

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and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied. Whereas this was assessed to be valued at £11m at the year end, this asset and reserve was derecognised in the balance sheet in accordance with IAS 19 & IFRIC 14.

- The Statement of Accounts contains accruals for income and expenditure known as at the balance sheet date. This includes the accumulative absences accrual which represents the value of staff leave due, but not taken, as at the end of the financial year.
- Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase in these circumstances.
- IFRS 16 requires entities to make certain judgements and estimations. Critical judgements include:
  - determining whether or not a contract contains a lease
  - establishing whether or not it is reasonably certain that an extension option will be exercised
  - considering whether or not it is reasonably certain that a termination option will not be exercised
  - determining whether or not variable leased payments are truly variable, or in-substance fixed
  - for lessors, determining whether the lease should be classified as an operating or finance lease.
  - calculating the appropriate discount rate to use
  - estimating the lease term
  - estimating variable lease payments dependant on an index or rate.
- There is a uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to reduce levels of service provision.

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#### 4. Expenditure and Funding Analysis

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

	Net expenditure chargeable to the General Reserve	Adjustment between funding & accounting	Net comprehensive Income & Expenditure	Net expenditure chargeable to the General Reserve	Adjustment between funding & accounting basis	Net comprehensive Income & Expenditure
	31-Mar-25			31-Mar-24		
	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	252	73	325	323	90	413
Conservation of the Cultural Heritage	141	6	147	107	7	114
Development Control	470	36	506	421	36	457
Forward Planning & Communities	275	18	293	274	16	290
Promoting Understanding	923	280	1,203	884	234	1,118
Recreation & Transport	(447)	185	(262)	(290)	183	(107)
Rangers, Estates & Volunteers	1,247	180	1,427	1,193	181	1,374
Democratic Representation & Management	739	18	757	489	16	505
Support Service Costs	1,785	257	2,042	1,445	290	1,735
Past Service Gain / Pension Curtailment	-	-	-	-	-	-
<b>Net Cost of Services</b>	<b>5,386</b>	<b>1,053</b>	<b>6,438</b>	<b>4,846</b>	<b>1,053</b>	<b>5,899</b>
Other Income & Expenditure	(5,793)	(1,144)	(6,937)	(4,920)	1,830	(3,090)
<b>(Surplus)/Deficit for year</b>	<b>(407)</b>	<b>(91)</b>	<b>(499)</b>	<b>(74)</b>	<b>2,883</b>	<b>2,809</b>
Opening balance of General Reserve	(1,216)			(1,142)		
<b>Closing Balance of General Reserve</b>	<b>(1,623)</b>			<b>(1,216)</b>		

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**5. Adjustments between the funding and accounting basis**

	Capital	Other	Pension	Total	Capital	Other	Pension	Total
	31-Mar-25				31-Mar-24			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	16	31	26	73	18	44	28	90
Conservation of the Cultural Heritage	-	(1)	7	6	-	1	6	7
Development Control	-	4	32	36	-	-	36	36
Forward Planning & Communities	-	2	16	18	-	-	16	16
Promoting Understanding	156	26	98	280	149	-	85	234
Recreation & Transport	188	(14)	11	185	188	(16)	11	183
Rangers, Estates & Volunteers	125	(14)	70	181	135	(29)	75	181
Democratic Representation & Management	-	(1)	18	17	-	1	15	16
Support Service Costs	179	15	63	257	234	(5)	62	290
Past Service Gain / Pension Curtailment	-	-	-	-	-	-	-	-
<b>Net Cost of Services</b>	<b>664</b>	<b>48</b>	<b>341</b>	<b>1,053</b>	<b>724</b>	<b>(4)</b>	<b>334</b>	<b>1,053</b>
Other Income & Expenditure	(454)	(377)	(313)	(1,144)	(976)	(1,861)	4,667	1,830
<b>(Surplus)/Deficit for year</b>	<b>210</b>	<b>(329)</b>	<b>28</b>	<b>(91)</b>	<b>(252)</b>	<b>(1,865)</b>	<b>5,001</b>	<b>2,883</b>

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**6. Expenditure and income analysed by activity**

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
<b>Expenditure</b>		
Employee benefits	6,034	5,409
Other services	4,077	3,580
Depreciation, amortisation & revaluations	704	572
<b>Total expenditure</b>	<b><u>10,815</u></b>	<b><u>9,561</u></b>
<b>Income</b>		
Fees, charges & specific services grant income	(4,752)	(4,047)
Interest & investment income	(376)	(229)
Credited to taxation & non-specific grant income	(5,804)	(6,457)
<b>Total Income</b>	<b><u>(10,932)</u></b>	<b><u>(10,733)</u></b>
<b>(Surplus)/Deficit on provision of services</b>	<b><u>(117)</u></b>	<b><u>(1,172)</u></b>

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**7. Adjustments between the funding and accounting basis under Regulation**

	<b>2025</b> £'000	<b>2024</b> £'000
<b>Adjustments primarily involving the capital adjustment account:</b>		
<b>Reversal of items debited or credited to the comprehensive income and expenditure statement:</b>		
Charges for depreciation & impairment of non-current assets	664	724
Losses on revaluation of property, plant & equipment	54	12
Movement in fair value of investment properties	(14)	(152)
Financing capital MRP	(2)	-
Capital expenditure funded receipts	(374)	
Non current assets written out	-	16
<b>Insertion of items not debited or credited to the comprehensive income and expenditure statement:</b>		
Capital expenditure charged against the General Fund	(41)	(528)
<b>Adjustment primarily involving the capital receipts reserve:</b>		
Capital receipts used	(91)	(61)
<b>Adjustments primarily involving the pension reserve:</b>		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	440	541
Employers Pension contributions and direct payments to pensioners payable in the year.	(467)	(436)
<b>Adjustment primarily involving the accumulated absences account:</b>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	48	(4)
<b>Total adjustments between accounting basis &amp; funding basis under regulation</b>		
	<b><u>217</u></b>	<b><u>112</u></b>

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**8. Earmarked reserves**

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

	Opening balance as at 1 April 2024	Transfers to revenue	Transfers from revenue	Balance as at 31 March 2025
	£'000	£'000	£'000	£'000
Receipts In Advance*	(2,832)	1,299	(1,948)	(3,481)
Ringfenced project funds	(204)	56	(103)	(251)
Asset management & replacement fund	(167)	39	(50)	(178)
Planning (LDP) fund	(87)	-	(12)	(99)
National Park Wales	(28)	-	-	(28)
Gate refurbishment fund	(35)	-	(2)	(37)
Sustainable development fund	(138)	-	(112)	(250)
Planning Enforcement fund	(78)	31	(100)	(147)
Invasive Species fund	(22)	-	-	(22)
Carew Causeway maintenance fund	(154)	-	(53)	(207)
Digital transformation & IT infrastructure fund	(237)	19	(130)	(348)
Green Room redevelopment fund	(750)	-	300	(450)
Job regrading review fund	(450)	450	(20)	(20)
Decarbonisation fund	(250)	2	(1)	(249)
Investment & delivery fund	(143)	-	-	(143)
<b>Total</b>	<b>(5,575)</b>	<b>1,896</b>	<b>(2,231)</b>	<b>(5,910)</b>

\*Contains grants for specific projects funded in advance of expenditure

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**9. Financing and investment income**

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
(Gain)/Deficit in fair value of investment properties	(14)	(152)
Interest payable & similar charges	5	-
Income from Investment properties	(97)	(74)
Pensions Net Interest Cost	(386)	(246)
Interest receivable and similar income	(279)	(155)
	<b>(771)</b>	<b>(627)</b>

**10. Other operating expenditure**

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Movement on Bad Debt Provision	2	(3)
Pension Administration Expenses	18	16
	<b>20</b>	<b>13</b>

**11. Taxation and non-specific grant income**

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
National Park Revenue Grant - Welsh Government	(4,715)	(4,258)
Levy on Pembrokeshire County Council	(1,083)	(1,083)
Capital grants and contributions	(6)	(1,116)
	<b>(5,804)</b>	<b>(6,457)</b>

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**12. Grant income analysis**

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

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
<b>Credited to Taxation and Non-Specific Grant Income:</b>		
<b>Income:</b>		
National Park Revenue Grant - Welsh Government	(4,715)	(4,258)
Levy on Pembrokeshire County Council	(1,083)	(1,083)
Capital grants - Welsh Government	(6)	(865)
Capital grants - other	-	(251)
	<u>(5,804)</u>	<u>(6,457)</u>
<b>Credited to Services:</b>		
Welsh Government: Sustainable Landscapes Sustainable Places projects, Invasive Species, Designated landscapes projects	(1,397)	(1,041)
Natural Resources Wales: National Trail/Coast Path; Woodland schemes, National Parks Wales, Castlemartin Ranger	(239)	(286)
Pembrokeshire Coast National Park Trust projects	(68)	(36)
Pembrokeshire County Council: Local Places for Nature/ Biodiversity grants/Shared Prosperity Fund	(374)	(190)
Welsh Government Access Improvement Grant	(59)	(29)
Ministry of Defence - Castlemartin Ranger.	(21)	(21)
Community Fund Roots to Recovery	(60)	(104)
National Lottery Heritage Fund	(153)	(77)
Gwynedd County Council Dawsio Y Dibyn & Pollinators	-	(38)
Other grants	(19)	(25)
	<u>(2,390)</u>	<u>(1,847)</u>
<b>Total grants</b>	<b><u>(8,194)</u></b>	<b><u>(8,304)</u></b>

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### **13. Senior officer remuneration**

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

	Chief Executive Officer		Director (Placemaking & Engagement)		Director (Nature Recovery & Tourism)		Monitoring Officer*		S151 Officer*	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Pay	93	89	76	67	75	70	19	17	7	7
P11D values	1	1	1	1	1	1	-	-	-	-
Employer Pension Contributions	10	10	8	7	8	7	2	2	1	1
<b>Total</b>	<b>104</b>	<b>100</b>	<b>85</b>	<b>75</b>	<b>84</b>	<b>78</b>	<b>21</b>	<b>19</b>	<b>8</b>	<b>8</b>

\* The Monitoring Officer is employed 25% of normal contractual hours and the S151 officer on a part time basis.

The median remuneration of the Authority was £27,711 (2024: £25,979) with the ratio of the Chief Executive Officer to the median remuneration of 3.32:1 (2024: 3.45).

The Authority's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	Number of employees	
	2025	2024
£60,000 to £65,000	3	-

### **14. Members allowances and expenses**

Total members' allowances paid during the year amounted to £113,302 (2024: £107,479) plus, reimbursement of travelling, subsistence and other expense payments amounting to £3,065 (2024: £3,637).

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### **15. Termination benefits**

There were no compulsory redundancies in 2024-25, (2024: Nil). The numbers of all exit packages, including pension payments and agreed severances, with total cost per band and total cost are set out in the table below:

	NUMBER OF SETTLEMENTS			COST
	to £20,000	£20,001 to £40,000	£40,001 to £60,000	
	£'000	£'000	£'000	
2024-25	5	-		24
2023-24	-	1	-	9

During the year, the Authority paid £24k in termination benefits, (2024: £9k).

### **16. Audit fees**

	2025 £'000	2024 £'000
	£	£
Financial audit services	32	31
Performance audit services	17	19
	<b>49</b>	<b>50</b>

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## 17. Property, plant and equipment

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

<b>2024-25 Fixed asset schedule</b>	<b>Operational L&amp;B</b>	<b>Non operational assets</b>	<b>Right of Use Assets</b>	<b>Plant &amp; Equipment</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost/Valuation</b>					
Opening balance 1-4-24	14,948	62	-	3,737	18,747
Adjustment on transition to IFRS 16	-	-	100	-	100
Additions	-	116	-	389	505
Disposals	-	-	-	(108)	(108)
Revaluations	245	-	-	-	245
Transfers	5	(3)	-	3	5
<b>Balance @ 31-3-25</b>	<b>15,198</b>	<b>175</b>	<b>100</b>	<b>4,021</b>	<b>19,494</b>
<b>Accumulated depreciation</b>					
Opening balance 1-4-24	802	-	-	2,157	2,959
Charge for year	265	-	3	396	664
Release on disposal	-	-	-	(108)	(108)
Revaluations	(141)	-	-	-	(141)
<b>Balance @ 31-3-25</b>	<b>926</b>	<b>-</b>	<b>3</b>	<b>2,444</b>	<b>3,374</b>
<b>Net book value @ 31-3-25</b>	<b>14,272</b>	<b>175</b>	<b>97</b>	<b>1,577</b>	<b>16,120</b>
<b>Net book value @ 31-3-24</b>	<b>14,146</b>	<b>62</b>	<b>-</b>	<b>1,580</b>	<b>15,788</b>

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<b>2023-24 Fixed asset schedule</b>	<b>Operational L&amp;B</b>	<b>Non operational assets</b>	<b>Plant &amp; Equipment</b>	<b>TOTAL £'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Cost/Valuation</b>				
Opening balance 1-4-23	14,223	52	3,395	17,670
Additions	176	26	326	528
Disposals	-	(16)	-	(16)
Assets derecognised	-	-	16	16
Revaluations	549	-	-	549
Balance @ 31-3-24	<b>14,948</b>	<b>62</b>	<b>3,737</b>	<b>18,747</b>
<b>Accumulated depreciation</b>				
Opening balance 1-4-23	829	-	1,719	2,548
Charge for year	261	-	421	682
Assets derecognised	-	-	17	17
Revaluations	(288)	-	-	(288)
Balance @ 31-3-24	<b>802</b>	<b>-</b>	<b>2,157</b>	<b>2,959</b>
<b>Net book value @ 31-3-24</b>	<b>14,146</b>	<b>62</b>	<b>1,580</b>	<b>15,788</b>
<b>Net book value @ 31-3-23</b>	<b>13,394</b>	<b>52</b>	<b>1,676</b>	<b>15,122</b>

Assets to the value of £3k were made operational during the year and transferred to operational plant & machinery, (2024: £Nil).

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

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Meeting 'Green' room redevelopment	116	40
Traeth Mawr/ Newport Sands beach access redevelopment	38	3
Carew causeway & other castle improvements	12	9
PV installations	6	9
Castell Henllys improvements	3	1
	<b>175</b>	<b>62</b>

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**Revaluations and impairment**

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

St. David's Airfield  
 Haverfordwest Withybush Depot  
 St. Davids Visitor Centre  
 Sychpant Recreation Area  
 Castell Henllys - Roundhouses, Visitor Centre, Store, Carpark & Grounds

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

Year	Other land & buildings	Surplus	
		Assets £'000	Net total
2024-25	513	-	513
2023-24	549	-	549
2022-23	1,417		1,417
2021-22	1,074	-	1,074
2020-21	-	-	-
			2025 £'000
			2024 £'000
			£
Revaluation of fixed assets included in (surplus)/deficit on the provision of services		(54)	(13)
Upward/(Downward) revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services		440	849
<b>Sub total</b>		<u>386</u>	<u>836</u>
Revaluation and Impairment of investment properties		14	152
<b>Total</b>		<u>400</u>	<u>988</u>

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## **18. Heritage assets**

The Authority's classification of heritage assets relates to specific buildings, monuments, cliffs, sand dunes, woodlands and other types of property. The total valuation as at the balance sheet date was £646k (2024: £646k).

## **19. Intangible assets**

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

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Balance as at 1 April	-	25
Amortisation for year	-	(25)
<b>Balance as at 31 March</b>	<b>-</b>	<b>-</b>

## **20. Investment properties**

The following items of income has been accounted for in the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Rental income from investment property	97	74

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

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Balance as at 1 April	1,317	1,165
Transfer to operational land & buildings	(5)	-
Net gain from fair value adjustments	14	152
<b>Balance as at 31 March</b>	<b>1,326</b>	<b>1,317</b>

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**21. Capital expenditure and commitments.**

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

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
<b>Promoting Understanding &amp; Enjoyment:</b>		
- Castell Henllys	3	1
- St.Davids Visitor Centre	13	35
- Carew Causeway	-	9
- Carew Interpretation	3	-
<b>Recreation &amp; Park Management:</b>		
- E.V. Charging Points	-	61
- Carparks	-	51
- Newport Sands development	35	128
<b>Conservation of Natural Environment</b>	203	-
<b>Corporate &amp; Support Services:</b>		
- Vehicles & Equipment	98	204
- Green Room Development	76	3
- IT equipment	74	27
- PV installations	-	9
<b>Total capital spend in year</b>	<b>505</b>	<b>528</b>

**Financing of fixed assets and intangibles**

The net cash additions to fixed assets and intangibles of £505k (2024: £528k) (additions less transfers from non-operational assets) were financed as follows:

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Capital receipts	418	319
Capital and other grants	47	129
Earmarked reserves	40	80
<b>Total</b>	<b>505</b>	<b>528</b>

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### **Capital commitments.**

As at 31<sup>st</sup> March 2025, the Authority had £710k of capital commitments, (2024: £168k) and held no assets for resale (2024: £Nil).

### **22. Leases and lease type arrangements**

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. With the adoption of IFRS 16 for the first time in 2024/25, the opening balance for the Property, Plant and Equipment has been adjusted for the right-of-use assets. The recognition of right-of-use assets of £100k reflects the net present value of lease liabilities as at 1 April 2024. Prior periods have not been restated. As at 31 March 2025 the following material leases has been included in the table below, for right-of-use assets:

<b>Right of use assets</b>	<b>2025</b>			
	<b>Land &amp; buildings</b>	<b>Vehicles &amp; equipment</b>	<b>Total</b>	<b>2024 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adjustment on transition to IFRS 16	100	-	100	-
Depreciation & amortisation	(3)	-	(3)	-
<b>Balance at 31 March 2025</b>	<b>97</b>	-	<b>97</b>	-

Leases recognised as rights of use assets include Carew Castle & Tidal Mill and the Authority's Foreshore lease. Right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-25 and not by adjusting prior year figures. A weighted average incremental borrowing rate of 5% has been applied to lease liabilities as at 1 April 2024. The expense relating to variable lease payments not included in the measurement of lease liabilities, such as supplementary rent, amounts to £17k per annum and has been included in the CIES.

#### **Operating Leases**

The Authority has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. These leases represent vehicles under contract hire agreements, photocopiers and other land & buildings under long-term rental agreements.

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The Authority incurred the following expenses and cashflows in relation to leases:

<b>Comprehensive income &amp; expenditure statement:</b>	<b>2025</b>	<b>2024</b>
	£'000	£'000
Interest expense on lease liabilities	5	n/a
Expense relating to short-term leases	31	n/a
Expense relating to exempt leases of low value	23	n/a

**Maturity analysis of lease liabilities:**

The lease liabilities are due to be settled over the following time bands:

	<b>2025</b>			<b>2024</b>		
	<b>Land &amp; buildings</b>	<b>Vehicles &amp; equipment</b>	<b>Total</b>	<b>Land &amp; buildings</b>	<b>Vehicles &amp; equipment</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	£'000
Falling due within one year	20	13	33	25	16	41
Between one year and five years	73	4	77	96	4	100
After five years	201	-	201	524	-	524
	<b>294</b>	<b>17</b>	<b>311</b>	<b>645</b>	<b>20</b>	<b>665</b>

Lease liabilities for right of use assets:

<b>Right of use assets</b>	<b>2025</b>		
	<b>Land &amp; buildings</b>	<b>Vehicles &amp; equipment</b>	<b>Total</b>
	£'000	£'000	£'000
Falling due within one year	6	-	6
Between one year and five years	25	-	25
After five years	201	-	201
	<b>232</b>	<b>-</b>	<b>232</b>

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**Finance Leases**

The Authority had no finance leases as at 31<sup>st</sup> March 2025, (2024: £Nil).

**Authority as lessor:**

The Authority acts as Lessor for twenty-four properties, generating an income of £97,350 (2024: £73,302). Examples of these properties are the lease of land at Freshwater East and the lease of Llanion Park North Block. Some of these property leases exceed 20 years and are valued on a long-leasehold basis. They have a combined net asset value of £1.3m with zero cumulative depreciation. There were no gains or losses as a lessor during the year.

**Maturity analysis of lease receivables:**

The lease receivables are due to be collected over the following time bands:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Falling due within one year	122	120
Between one year and five years	432	426
After five years	2,352	2,325
	<b>2,906</b>	<b>2,871</b>

**23. Investments**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Bank deposits accessible after 90 days	4,822	4,641
	<b>4,822</b>	<b>4,641</b>

**24. Inventories**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April 2024	157	154
Purchases	267	234
Recognised as an expense in the year	(228)	(234)
Written off	1	3
Balance as at 31 March 2025	<b>197</b>	<b>157</b>

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**25. Debtors**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Trade receivables	22	34
Prepayments	108	157
Grants receivable	178	427
Other debtors	107	54
	<b>415</b>	<b>672</b>

**26. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Bank accounts & deposits	3,612	3,439
Cash	3	4
	<b>3,615</b>	<b>3,443</b>

**27. Creditors: amounts due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
	<b>£</b>	<b>£</b>
Trade payables	282	313
Receipts in advance	130	144
Lease liabilities	6	n/a
Other creditors	344	451
	<b>763</b>	<b>908</b>

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**28. Creditors due after more than one year**

	<b>2025</b>	<b>2024</b>
	£'000	£'000
	£	£
Pension fund	31	-
Lease liabilities	92	n/a
	<b>123</b>	<b>-</b>

The lease liabilities are secured by the related underlying assets.

**29. Useable Reserves**

	<b>2025</b>	<b>2024</b>
	£'000	£'000
	£	£
General fund	1,623	1,216
Earmarked reserves	5,910	5,575
Capital receipts	257	328
Capital grants unapplied	615	952
	<b>8,405</b>	<b>8,071</b>

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

**30. Unusable reserves**

	<b>2025</b>	<b>2024</b>
	£'000	£'000
	£	£
Revaluation reserve	6,873	6,521
Capital Adjustment Account	11,129	11,237
Pensions reserve	(31)	-
Accumulated absences account	(121)	(73)
	<b>17,850</b>	<b>17,685</b>

These are analysed below:

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**a. Revaluation reserve**

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

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

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

	2025	2024
	£'000	£'000
	£	£
Balance as at 1 April		6,521
Upward revaluation of assets	567	849
Downward revaluation of assets & impairment losses not charged to the (surplus)/deficit on the provision of services	(127)	(13)
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of services	440	836
Difference between fair value depreciation and historical cost depreciation	(88)	(86)
Balance as at 31 March	<u><b>6,873</b></u>	<u><b>6,521</b></u>

**b. Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. The analysis below provides details of the source of all the transactions posted to the account, apart from those involving the Revaluation Reserve.

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	2025	2024
	£'000	£'000
	£	£
<b>Balance as at 1 April</b>	11,237	11,162
<b><i>Reversal of items relating to capital expenditure debited/credited to the CIES:</i></b>		
Charges for depreciation & impairment of non-current assets	(664)	(724)
Revaluation losses on property, plant & equipment	(54)	86
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-	(16)
	(718)	(654)
Adjusting amounts written out of the revaluation reserve	89	-
Net written out amount of the cost of non-current assets consumed in the year	10,608	10,508
<b><i>Capital financing applied in the year:</i></b>		
Minimum lease payments	2	-
Use of the capital receipts reserve to finance new capital expenditure	91	61
Capital grants & contributions credited to the CIES that have been applied to capital financing	47	129
Application of grants to capital financing from the capital grants unapplied account	327	319
Capital expenditure charged against the general fund	41	80
	507	589
Movements in the market value of investment properties debited/credited to the CIES	14	140
<b>Balance at 31 March</b>	<b><u>11,129</u></b>	<b><u>11,237</u></b>

**c. Pensions reserve.**

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

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	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Balance at 1 April	-	4,922
Actuarial gains or losses on pensions assets and liabilities	3,475	2,832
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(422)	(525)
Employer's pensions contributions and direct payments to pensioners payable in the year	467	436
Interest on surplus above asset ceiling	(375)	-
Administration Expenses	(18)	(16)
Effect of IAS 19/ IFRIC 14	<u>(3,158)</u>	<u>(7,649)</u>
Balance at 31 March	<u><u>(31)</u></u>	<u><u>-</u></u>

**d. Accumulated absences account.**

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

	<b>2025</b> £'000	<b>2024</b> £'000
	£	£
Balance at 1 April	(73)	(77)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	<u>(48)</u>	<u>4</u>
Amounts accrued as at 31 March	<u><u>(121)</u></u>	<u><u>(73)</u></u>

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**31. Cashflow statement – net cashflows from operating activities**

	<b>2025</b> £'000	<b>2024</b> £'000
Depreciation & amortisation	(664)	(724)
Losses on revaluation of property, plant & equipment	(54)	-
Revaluations & impairments of investment properties	14	152
Increase/(Decrease) in inventories	40	3
Increase/(Decrease) in debtors	(257)	139
(Increase)/Decrease in creditors	22	(150)
Provision of services costs for post-employment benefits	27	(105)
Other non cash items charged to the CIES	31	-
	<b>(841)</b>	<b>(685)</b>

**32. Cashflow statement – net cashflows from investing activities**

	<b>2025</b> £'000	<b>2024</b> £'000
Purchase of property, plant and equipment, investment property and intangible assets	505	528
Increase in investments	181	1,104
Right of use assets	100	-
Other receipts from investing activities	(97)	(74)
<b>Net cash flows from investing activities</b>	<b>689</b>	<b>1,558</b>

**33. Defined Benefit Pension**

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

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Local authorities are required to recognise the costs of retirement in the Net Cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, this conflicts with the charge the Authority is required to make in the

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

***Transactions Relating to Post-employment Benefits.***

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

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	2025		2024	
	£'000	£'000	£'000	£'000
<b>Total post-employment benefit charged to Comprehensive Income and Expenditure Service Costs:</b>				
Current service cost	808		771	
Effects of curtailment	-		-	
Past Service Cost*	-		-	
<b>Financing &amp; Investment Income &amp; Expenditure:</b>				
Interest cost on Liabilities	1,478		1,419	
Interest on Plan Assets	(1,864)		(1,665)	
Interest on surplus above asset ceiling	<u>375</u>		-	
<b>Net Interest On Pension</b>	<u>(11)</u>		<u>(246)</u>	
<b>Other Operating Income &amp; Expenditure</b>				
Administration Costs	<u>18</u>		<u>16</u>	
<b>Total Post-Employment Benefits charged to Surplus/Deficit on Provision of Services</b>	<b><u>815</u></b>		<b><u>541</u></b>	
<b>Other Post Employment Benefits charged to Comprehensive Income &amp; Expenditure:</b>				
Return on plan assets (excluding the amount included in the net interest expense)	956		(2,109)	
Actuary Experience (gain)/loss	3		148	
Actuary (Gain) / Loss on financial assumptions	(4,360)		(474)	
Actuary (Gain) / Loss on demographic assumptions	(74)		(397)	
Interest on surplus above asset ceiling	375		-	
Effect of IAS 19/ IFRIC 14	<u>3,158</u>		<u>7,649</u>	
<b>Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement</b>	<b><u>58</u></b>		<b><u>4,817</u></b>	
<b>Reversal of charges made to surplus/deficit on provision of services in the Movement in Reserves Statement</b>				
Current service cost	(808)		(771)	
Interest cost on Liabilities	(1,478)		(1,419)	
Interest on Plan Assets	1,864		1,665	
Administration Costs	<u>(18)</u>		<u>(16)</u>	
<b>Actual Amount charged against General Fund</b>	<b><u>(440)</u></b>		<b><u>(541)</u></b>	
<b>Employer Contributions</b>	<b><u>467</u></b>		<b><u>395</u></b>	

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	<b>Funded liabilities:</b>	
	<b>Local Government</b>	
	<b>Pension</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Benefit Obligations at beginning of Year	<b>30,510</b>	<b>30,062</b>
Current Service Cost	808	771
Interest On Pension Liabilities	1,478	1,419
Member Contributions	279	255
Remeasurement of Liabilities:		
Experience (gain)/loss	3	148
(Gain) / Loss on financial assumptions	(4,360)	(474)
(Gain) / Loss on demographic assumptions	(74)	(396)
Curtailments	-	-
Benefits Paid	(978)	(1,275)
Benefit Obligations at End of Year	<b>27,666</b>	<b>30,510</b>

**Reconciliation of Present value Scheme Assets:**

	<b>Local</b>	
	<b>Government</b>	
	<b>Pension Scheme</b>	
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair Value at beginning of Year</b>	<b>38,159</b>	<b>34,984</b>
Interest on / Expected Return on Plan Assets	1,864	1,665
Remeasurement / Actuarial Gains/(Losses) on Assets	(956)	2,109
Administration Expenses	(18)	(16)
Employer Contributions	467	436
Member Contributions	279	255
Benefits/transfers paid	(978)	(1,275)
Rounding	(1)	1
<b>Fair Value at End of Year</b>	<b>38,816</b>	<b>38,159</b>
 <b>Net Surplus</b>	 <b>(11,150)</b>	 <b>(7,649)</b>
  <b>Actuarial (Gains)/Losses recognised in the Movement in Reserve Statement</b>	  <b>2025</b>	  <b>2024</b>
	  <b>£'000</b>	  <b>£'000</b>
	  58	  4,817
	  <b>(13,200)</b>	  <b>(13,200)</b>

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The *current service costs* reflect the liabilities expected to arise from employee service in the current period. The *past service costs* reflect the increase in liabilities related to employee service in prior periods arising from the improvement of retirement benefits in the current period. The *curtailment/settlement costs* reflect changes in liabilities relating respectively to actions that relieve the employer of primary responsibility for a pension obligation (e.g. a group of employees being transferred to another scheme) or events that reduce the expected years of future service of employees or reduce the accrual of defined benefits over their future service for some employees (e.g. closing a business unit). The *return on assets* reflects the average rate of return expected on the actual assets held in the pension scheme. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. These assumptions are made by the Fund's actuaries, Mercer Ltd, and are based on the actuarial valuation report at 31<sup>st</sup> March 2022. *Interest on pension liabilities* reflects the expected increase during the year in the present value of liabilities because the benefits are one year closer to settlement. The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31<sup>st</sup> March 2025 are as follows:

	<b>2025</b>
	<b>£'000</b>
Present Value of Funded Benefits Obligations	27,635
Present Value of Unfunded benefit obligations	31
Total present value of Benefit Obligations	27,666
Fair Value of Plan Assets	(38,816)
Effect of IAS 19/ IFRIC 14	11,181
Unrecognised Past Service	-
<b>Deficit/(Surplus)</b>	<b>31</b>

The pension reserve balance reflects a surplus in the benefits earned by employees and the resources the Park has set aside to meet them, which has been limited by IAS 19 and IFRIC 14. The year end deficit represents the deficit on unfunded benefits which are not incorporated as part of the assets ceiling calculation in accordance with accounting convention.

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**Prior year scheme values:**

Scheme Year	Present value Scheme Liabilities £000	Fair Value of Assets in the £000	Surplus/ (Deficit) in the scheme
31st March 2024	30,510	38,159	7,649
31st March 2023	30,062	34,984	4,922
31st March 2022	43,275	36,265	(7,010)
31st March 2021	42,566	34,087	(8,479)
31st March 2020	35,690	27,117	(8,573)
31st March 2019	35,708	30,103	(5,605)

**Financial assumptions:**

	2025	2024		
	Beginning of period	End of period	Beginning of period	End of period
Rate of CPI inflation / CARE benefits	2.70%	2.60%	2.70%	2.70%
Rate of increase in salaries	4.20%	4.10%	4.20%	4.20%
Rate of increase in pensions in payment / deferment	2.80%	2.70%	2.80%	2.80%
Discount rate	4.90%	5.80%	4.80%	4.90%

**Mortality assumptions:**

	Beginning of period	End of period	Beginning of period	End of period
Longevity at 65 for current pensioners:				
Men	22.9	22.9	21.5	21.9
Women	25.6	25.7	23.8	24.1
Longevity at 65 for retired pensioners:				
Men	21.5	21.5	21.9	21.5
Women	23.8	23.9	24.1	23.8

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**Post retirement mortality assumptions (normal health)**

	<b>2025</b>	<b>2024</b>
<b>Non-retired members</b>		
<b>M/F:</b>		
- Mortality table	SAPS 4 / SAPS 4 middle	SAPS 3 / SAPS 3 middle
- Improvements	CMI 23 1.5% / CMI 23 1.5%	CMI 22 1.5% / CMI 22 1.5%
- Weightings	103% / 97%	105% / 97%
- Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	S=7, A=0, W20=W21=0, W22=25%
<b>Retired members M/F:</b>		
- Mortality table	SAPS 4 / SAPS 4 middle	SAPS 3 / SAPS 3 middle
- Improvements	CMI 23 1.5% / CMI 23 1.5%	CMI 22 1.5% / CMI 22 1.5%
- Weightings	100% / 97%	102% / 97%
- Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	S=7, A=0, W20=W21=0, W22=25%

**Sensitivity analysis as at 31 March 2025**

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Liabilities</b>						
<b>Assets</b>	27,666	25,838	28,628	27,892	28,221	27,666
<b>Deficit/(Surplus) (exc ceiling impact)</b>	(38,816)	(38,816)	(38,816)	(38,816)	(38,816)	(38,429)
<b>Projected Service Cost for next year</b>	(11,150)	(12,978)	(10,188)	(10,924)	(10,595)	(11,537)
<b>Projected Net Interest Cost for next year (exc ceiling impact)</b>	615	537	657	615	629	615
	(661)	(832)	(604)	(647)	(627)	(683)
						(638)

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**Scheme assets are analysed as follows:**

		<b>2025</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>
<b>Equities:</b>	UK quoted	4,375	4,678
	Global quoted	19,451	18,533
	Japan	1,514	1,530
	Emerging Markets	2,267	2,179
	European ex UK	520	842
<b>Bonds:</b>	UK Government indexed	-	-
	WPP Global Fund	3,563	3,590
<b>Property:</b>	Property Funds	4,052	4,700
<b>Alternatives</b>	Black Rock UK SAIF	1,432	1,458
	Infrastructure WPP GCM Grosvenor	536	265
	Infrastructure WPP Capital Dynamics	39	30
	WPP Global Private Credit	718	162
<b>Cash:</b>	Cash accounts	349	192
<b>Total</b>		<b>38,816</b>	<b>38,159</b>

The end of year figures for the market value of the assets and the split between investments categories have been calculated as at 28/2/25. The corresponding split of assets at the start of the year has been calculated as at 31/3/24. The actuarial assumptions used in the calculation of the end of year balance sheet liabilities are based on the 2024 actuarial valuation assumptions, other than the financial assumptions which are shown above. A deduction of £18k (2024: £16k) in respect of expenses was made for the year.

The forecasted employer's contribution for 2025/26 is £467k; implied service cost including net interest cost £603k and administration cost of £18k.

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

#### **34. Financial Instruments**

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

#### **35. Related party transactions**

The National Park Authority is made up of eighteen members, twelve appointed by Pembrokeshire County Council and six directly by the Welsh Government. Members of the Authority have direct control over the Authority's financial and operating policies. The Authority maintains registers of Members' Interests and Gifts and Hospitality, with register

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of Members' Interest available for inspection on the Authority's website. There are no issues to report arising from the entries in these registers, and the Authority's ability to control or influence another party as result of the recorded interests is considered highly unlikely.

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

<b>Organisation</b>			<b>31-Mar-25</b>	<b>31-Mar-25</b>
	<b>Income</b>	<b>Expenditure</b>	<b>Creditor</b>	<b>Debtor</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Welsh Government	6,177	-	-	-
Pembrokeshire County Council	1,457	-	-	43

During the year the Authority contributed £10k (2024: £6k) to support the running of Pembrokeshire Coast National Park Trust. The trust is registered with the charity commission with the status of a charitable incorporated organisation and the only voting members are the charity trustees. The Authority also provides other non-cash services to the Trust, including officer time, advice and office space. The Trust has eight current trustees, two of whom are members of the National Park Authority.

The Authority also paid a subscription of £10k (2024: £10k) to the National Park Partnership, a limited liability partnership between the 15 U.K. National Park Authorities.

## **36. Provisions, contingent liabilities and assets**

In line with current guidelines, the Authority has not recognised the pensions asset of £11,150k (2024: £7,649k). The pension asset has therefore been discounted to zero, excepted for unfunded benefits. Where a surplus is identified, paragraph 64 of IAS19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the 'asset ceiling'. Paragraph 8 of IAS19 defines the asset ceiling as '*the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan*'. For 24-25, this resulted in a deficit position, which is reflected in liabilities in the balance sheet.

The Authority had no other material contingent liabilities or assets as at 31 March 2025, 2024: £Nil).

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**37. Statement reporting review of internal controls.**

The Authority has published its Annual Governance Statement for 2024-25 in which it reviews its internal controls and documents its governance arrangements. The Statement includes a specific note confirming that the Authority's financial management arrangements conform to the governance requirements of the CIPFA/Solace code 'Delivering Good Governance in Local Government'.

**38. Events after the reporting period**

There were no events after the year end and the date of this report that require the financial statements to be adjusted or disclosed by way of note. (2024: None).

**39. Amounts reported for resource allocation decisions.**

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