Report No. 22/26
Audit & Corporate Services Review Committee

Report Of Head of Finance & Fundraising

Subject:

Draft Statement of Accounts for the Year Ended 31st March 2026

Background:
This report accompanies the Draft Statement of Accounts 2024-25. They are for information purposes only and Members are requested to note the contents.

Regulation 10(1) of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires Pembrokeshire Coast National Park Authority's Responsible Finance Officer to sign and date the draft statement of accounts and certify that it presents a true and fair view of the financial position of the body at the end of the financial year to which it relates, and of that body's income and expenditure for that year. The Regulations require this to be completed by 31st May 2026, extended to 30th June 2026.

As required by Regulation 10(4) of the Accounts and Audit (Wales) Regulations 2014 (as amended), the Responsible Finance Officer declares that the statement of accounts for 25-26 will not be signed and certified by the due date. The delay is due to changes in valuations policy as well as resources issues.

Within the expectations of Welsh Government, we aim to sign the draft 2025-6 statement of accounts by 31 July 2026 and Audit Wales certification by a date yet to be agreed

RECOMMENDATION: **To note the Draft Statement of Accounts for the year ended 31 March 2026 which will be made available for external audit.**

Background documents
Draft Statement of Accounts 31-3-2026

(For further information, please contact Catrin Evans at catrine@pembrokeshirecoast.org.uk)

ANNUAL NARRATIVE REPORT AND UNAUDITED STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2026

Contents

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 22 to 70 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 2026.
- 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 Annual Governance Statement, which is published alongside the accounts, details the Authority's governance framework, reviews its effectiveness, identifies any significant governance issues & weaknesses and sets out actions to address those.

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:

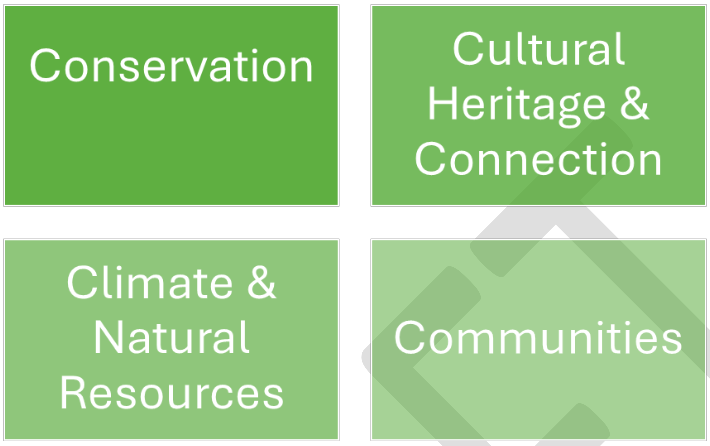
- to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park, and
- to promote opportunities for public enjoyment and understanding of its special qualities.

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.

The Authority's strategic direction is set out in the Partnership Plan 2025–2029, which identifies the actions and responsibilities required to deliver the National Park's statutory purposes of conservation, enjoyment and understanding. Developed in collaboration with a wide range of partners and stakeholders, the Plan provides the framework through which the

Authority seeks to protect and enhance the special qualities of the National Park while supporting opportunities for people to enjoy and learn about the area.

Delivery of the Partnership Plan is monitored through the Authority's performance management framework and is centred on four interrelated strategic themes that guide the Authority's work and investment decisions over the planning period:



One of the Authority's principal statutory responsibilities is to act as the Local Planning Authority for the National Park area, managing development in a way that protects the Park's special landscape, environmental and cultural qualities. In addition to its planning functions, the Authority delivers a broad range of services including conservation and biodiversity management, recreation and access, sustainable transport initiatives, public engagement and interpretation, ranger and volunteer services, strategic planning and policy development, and community-focused projects that support the social, economic and environmental wellbeing of the National Park.

Business performance and operational model

The Authority's 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. A partnership forum helps guide and monitor the Plan. 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

The Authority has in place a Corporate and Resources Plan and associated Delivery Plans that were revised in 2025 in response to the updated Partnership Plan. The Corporate Plan sets out the Authority's Well-being Objectives and its priority actions that support delivery of the wider Partnership Plan. 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 produces a Risk Assurance Performance Report as part of second line assurance with information on key risk indicators and control metrics provided to Members as part of its wider risk register report. The Authority's Management Team also undertakes deep dive reviews of its risk register with outcome of these reviews shared at Audit and Corporate Services Committee. The Authority is also required to submit 6 monthly and annual performance reports to Welsh Government linked to priorities within the Strategic Grant Letter.

Overall Service and Financial Performance

The Revenue Budget and Capital programme for 25-26 were approved by the Authority in March 2026. A summary of the results, illustrating net service costs, are noted below, categorized by service area.

The Authority is reporting a net surplus of £688k in 2025-26, exceeding the budgeted deficit of £567k by £1.255m. Whilst net service costs was £557k above budget, principally caused by an impairment property charge of £785k, this was more than offset by higher-than-anticipated income, including additional project funding and strong performance from income-generating activities.

New grant funded programmes, including Ffermio Bro & Brilliant Basics, made a significant contribution to the year-end position through the attraction of additional external funding. The Authority also continued to perform strongly in generating local income and securing grant support for priority projects.

The year-end position represents a substantial improvement on the £117k surplus achieved in 2024-25. Additional revenue funding of £723k (2025: £1.4m) and £1m of capital funding from Welsh Government has contributed significantly to the positive financial outcome. The results highlight the Authority's continued success in securing external funding, delivering projects, and maximising locally generated income streams.

Net Service Costs:	2025-26 Net Expenditure Actual	2025-26 Budget	Variance	2024-25 Actual
	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	620	543	77	325
Conservation of the Cultural Heritage	70	66	4	147
Development Control	623	540	83	506
Forward Planning & Communities	291	304	(13)	293
Promoting Understanding	1,192	1,229	(37)	1,203
Recreation & Transport	(325)	(198)	(127)	(262)
Rangers, Estates & Volunteers	1,033	1,104	(71)	1,427
Democratic Representation & Management	707	689	18	757
Support Service Costs	2,364	1,741	623	2,042
Cost of Services	**6,575**	**6,018**	**557**	**6,438**
Financing & Investment Income & Expenditure	(948)	(902)	(46)	(771)
Other Operating Expenditure	24	-	24	20
Taxation & Non -specific Grant Income	(5,272)	(4,549)	(723)	(5,798)
Capital grants	(1,067)	-	(1,067)	(6)
(Surplus)/Deficit on Provision of Services	**(688)**	**567**	**(1,255)**	**(117)**
Other items allocated from Authority reserves	308	-	308	(382)
(Increase)/Decrease in Total Comprehensive Income and Expenditure	**(380)**	**567**	**(947)**	**(499)**

A summary of total gross income and expenditure by category is illustrated below:

	2026		2025	
TOTAL INCOME	**£'000**	**%**	**£'000**	**%**
National Park Grant - Welsh Government	4,135	35%	4,715	43%
National Park Levy - Pembrokeshire County Council	1,137	10%	1,083	10%
Authority Generated Income	2,823	24%	2,738	25%
Service/Project Specific Revenue Grants	2,530	22%	2,390	22%
Capital grants	1,067	9%	6	0%
Total funding	***11,692***	***100%***	***10,932***	***100%***

The Welsh Government determines the level of core funding for National Park Authorities each year through the National Park Grant. For 2025-26, the Authority received a 2% increase in core funding, equivalent to £68k, following several years of flat-cash settlements. During the year, the

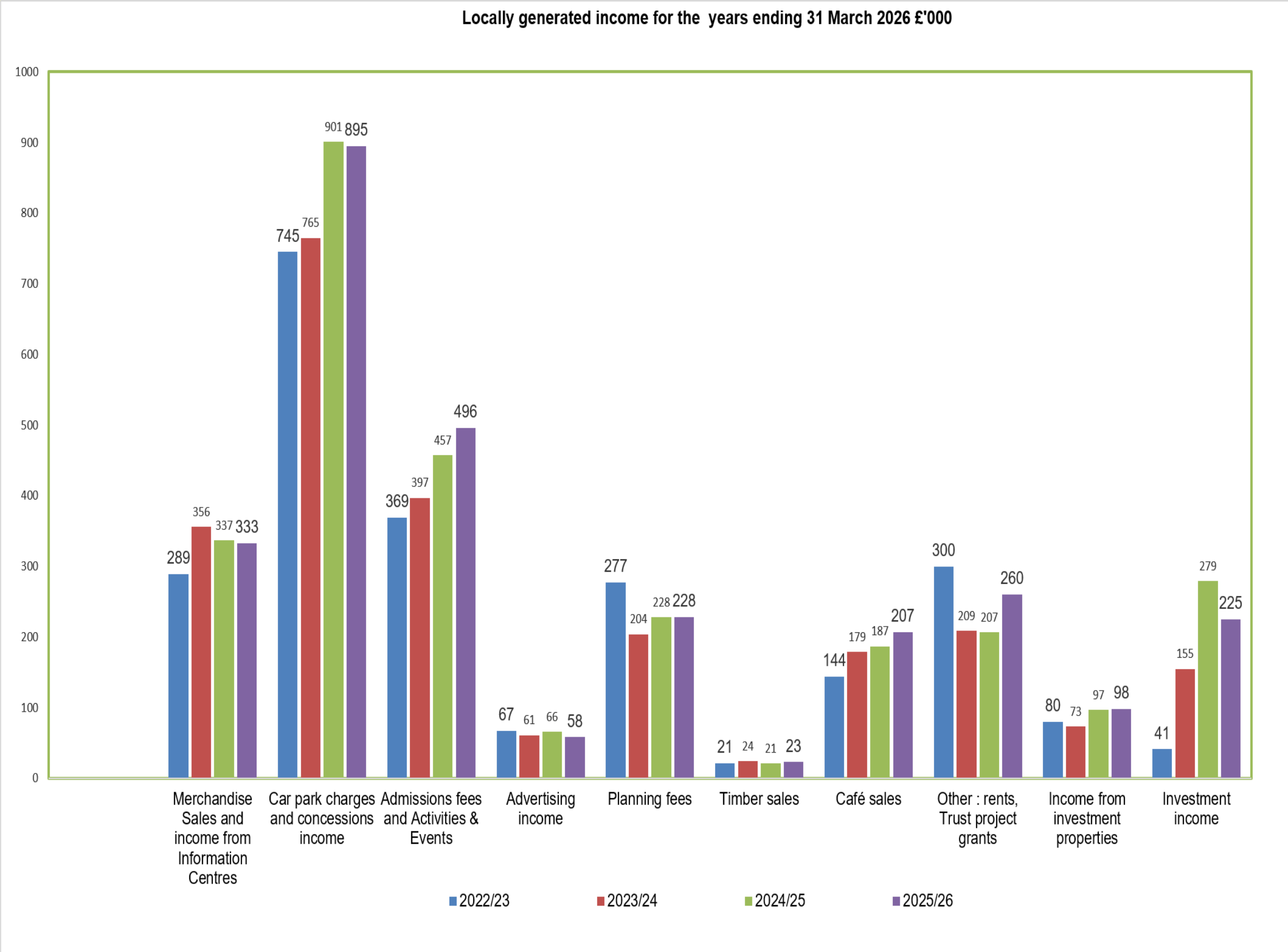
Authority also received an additional revenue grant allocation of £723k (2024-25: £1.4m) and £1.0m of capital funding from the Welsh Government. This additional funding was instrumental in preventing the budgeted deficit and supporting the delivery of the Authority's priorities.

In setting the National Park Grant, the Welsh Government also determines, under statutory powers, the minimum Levy that may be raised from Pembrokeshire County Council. The National Park Grant accounts for approximately 79% of the Authority's core funding, with the Levy contributing a further 21%.

In addition to its core funding, the Authority continues to generate a significant proportion of its income locally. In 2025-26, 24% of total income (2024-25: 25%) was generated through activities such as car park charges, planning fees and commercial operations. A further 22% of income (2024-25: 21%) was derived from project-specific and service-related grants, including funding for activities such as the maintenance of the Pembrokeshire Coast Path National Trail.

Any annual surplus or deficit is managed through the Authority's revenue reserves, providing flexibility to manage financial risks, support future investment and maintain financial resilience.

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



Total locally generated gross income has increased steadily over the period, rising from £2.333m in 2022-23 to £2.823m in 2025-26, representing growth of £490k (21%) over four years. Growth accelerated particularly in 2024-25, driven by strong performance in visitor-related activities and significantly higher investment income.

Key income streams continue to be car park charges and concessions, which remain the Authority's largest source of locally generated income. Income increased from £745k in 2022-23 to £895k in 2025-26, an increase of 20%, although there is a slight reduction in 2025-26 compared with the previous year.

Admissions fees and Activities & Events have shown consistent year-on-year growth, increasing from £369k to £496k over the period (34% growth). This is one of the strongest-performing operational income streams and indicates continued visitor demand and engagement with Authority activities but principally driven by year-on-year inflationary price increases.

Café sales have also grown steadily from £144k to £207k (44% increase), reflecting increased spend per visitor. Merchandise and Information Centre income peaked in 2023-24 at £356k before declining slightly but remaining above 2022-23 levels.

Investment income has risen significantly, increasing from £41k in 2022-23 to £225k in 2025-26, reflecting improved returns on cash balances and investment portfolios. Although income reduces slightly in 2025-26 from the 2024-25 peak, it remains substantially above historic levels.

Income from investment properties has also strengthened, rising from £80k to £98k, while planning fee income declined sharply in 2023-24 before partially recovering and stabilising at £228k, reflecting continued pressures within the planning sector, wider economic challenges & cost of living impact, compared with earlier years. Planning fees, determined by Welsh Government, have remained static since 2020 but increases are planned in 26-27.

The most volatile income category is other income (rents and Trust project grants), which reduced from £300k in 2022-23 to £207k in 2024-25 before recovering to £260k in 2025-26. This reflects the non-recurring nature of certain income sources and variability of project specific grant income.

Overall, the income profile demonstrates a positive and increasingly diversified revenue base, with growth driven primarily by visitor-related income streams, investment returns and commercial activities. While some traditional income sources such as planning fees and advertising income have remained stagnant or declined, these reductions have been offset by strong growth in admissions, car parking, café operations and investment income.

A summary of gross costs for the year is detailed below:

	2026		2025	
TOTAL REVENUE EXPENDITURE	**£'000**	**%**	**£'000**	**%**
Employees	6,145	56%	6,007	56%
Premises related	1,206	11%	1,162	11%
Transport & Travel	220	2%	209	2%
Supplies, Services and Grants	2,550	23%	2,679	25%
Depreciation, amortisation & revaluations	644	6%	704	7%
Other operating expenditure	239	3%	54	0%
Total revenue expenditure	***11,004***	***100%***	***10,815***	***100%***

Employee costs continue to represent the Authority's largest area of expenditure and have grown substantially since 2023, increasing from £4.695m in 2023 to £6.145m in 2026. This is an increase of £1.450m (31%), with the proportion of total expenditure rising from 46% in 2023 to 56%. The increase reflects continued investment in staffing, pay awards and inflationary pressures, making employee costs the primary driver of overall expenditure growth.

Premises-related expenditure has risen from £975k in 2023 to £1.206m in 2026, an increase of 24%. Although the proportion of the budget devoted to premises costs has remained relatively stable at around 11–13%, the increase reflects ongoing property maintenance, utility and operational cost pressures.

Transport and travel costs have remained comparatively low and stable throughout the period, ranging between £205k and £220k, accounting for only 2% of total expenditure each year.

Expenditure on Supplies, Services and Grants remains the second largest category of spend. While costs fluctuated over the period, peaking at £2.678m in 2025, they reduced slightly to £2.550m in 2026. As a proportion of total expenditure, this category has fallen from 27% in 2023 to 25% in 2026, indicating that expenditure growth has been more heavily concentrated in staffing costs as well as the variability of grant funded projects which impact on costs.

- Total expenditure has increased by 10% since 2023, largely driven by rising employee costs.
- Employee expenditure now accounts for almost three-fifths (56%) of all revenue spending, highlighting the Authority's labour-intensive operating model.
- Premises costs have increased steadily but remain broadly consistent as a proportion of total expenditure.
- Supplies, Services and Grants continue to represent a significant area of spend, although their share of the overall budget has reduced slightly.
- The 2026 budget reflects a stable financial position, with expenditure remaining broadly in line with the prior year.

Cash flows were managed effectively throughout 2025-26 within existing resources, and there was no requirement for temporary borrowing during the year. Both revenue and capital budgets were subject to regular monitoring and reforecasting to ensure resources remained aligned with operational and strategic priorities. The Authority continued to maintain a strong liquidity position, generating investment income of £224k during the year (2024-25: £279k). No cash flow pressures are anticipated within the current planning horizon, supported by a healthy level of cash-backed reserves held in readily accessible deposits.

Overall, the Authority's net assets increased by £380k during 2025-26 (2024-25: £499k), principally reflecting the surplus reported in the Comprehensive Income and Expenditure Statement, net of movements in reserves. Usable reserves increased by £258k during the year (2024-25: £334k), reflecting the increase in the General Fund and the Capital Grants Unapplied Reserve. The Capital Grants Unapplied Reserve has been earmarked to support future capital investment commitments, while the increase in the General Fund will assist in managing forecast funding pressures and budget deficits identified within the Authority's medium-term financial plans. The General Fund balance increased to £2.0m at 31 March 2026 (2024-25: £1.6m), exceeding the target level within the Authority's Medium-Term Financial Strategy.

The Authority held no material provisions at 31 March 2026 and there were no significant debt write-offs during the year. In addition, there were no material events occurring after the reporting date requiring disclosure.

In accordance with accounting requirements, a further £2.0m adjustment (2024-25: £3.6m) was made in relation to the Authority's Local Government Pension Scheme. Although the defined benefit pension fund reported a net surplus of approximately £13m, accounting standards (IAS 19 and IFRIC 14) require the surplus to be restricted and therefore no pension asset is recognised on the Balance Sheet. Consequently, only the unfunded pension liability of £31k is recognised as a negative reserve and included within long-term liabilities. The pension position is assessed independently by the Authority's actuaries and impacts only unusable reserves, with no immediate effect on the Authority's cash resources.

Investment and cash balances decreased by £337k during the year, largely due to the timing of grant receipts, with several grant claims remaining outstanding at the year-end and payable in arrears.

Capital expenditure in 2025-26 totalled £1.299m (2024-25: £505k). Further details are provided in Notes 17 to 21 of the Statement of Accounts. The programme was financed through £776k of unapplied capital grants brought forward from 2024-25, £257k of capital grant funding received during the year, and £266k from earmarked reserves. Significant schemes delivered during the year included the completion of the new meeting room at Llanion Park, construction of a storage facility at Castell Henllys, the commencement of improvement and beach access works at the Newport Sands/Traeth Mawr car park, and investment in replacement machinery and information technology infrastructure.

Any unspent capital budgets will be carried forward and incorporated into a revised capital programme for 2026-27. The Authority has sufficient capital resources and earmarked reserves available to complete the approved programme. In addition, further external grant funding has been secured for 2026-27 to support completion of the Newport Sands/Traeth Mawr beach access and visitor facility improvements. A summary of the movement in the capital investment programme is noted below:

Capital Programme 2025-26	Original Approved Budget	Revised Working Budget	Total Actual Expenditure 31-03-2026	Overspend/(Underspend)	Budget remaining
		£	£	£	£
Plant & Equipment	40,000	-	67,362	-	-
Carew Causeway Repairs	32,000	32,000	-	-	32,000
Castell Henllys Improvement Programme	48,250	78,032	54,937	-	23,095
Green Room Redevelopment Project	847,305	773,726	671,825	-	101,901
Traeth Mawr, Newport Development	425,240	425,240	436,292	11,052	-
Decarbonisation / Net Zero feasibility for our Buildings	148,864	150,000	-	-	150,000
Carew Castle Enhancement & Interpretation	39,716	39,716	7,290	-	32,426
Carew Castle Visitor Access improvements	32,000	32,000	-	-	32,000
OYP security	20,000	20,000	-	-	20,000
IT systems	0	80,000	60,862	-	19,138
Llanion Park H&S	40,000	40,000	-	-	40,000
Porthgain Hoppers	5,000	5,000	-	-	5,000
TOTAL	**1,678,375**	**1,675,714**	**1,298,568**	**11,052**	**388,198**

The capital programme was not fully delivered during the year due to a combination of resource and delivery challenges. Staff capacity remained constrained, with increasing operational demands reducing the resources available to progress capital projects. In addition, many schemes involved complex works requiring extensive heritage, environmental and technical consultation, resulting in longer development and approval timescales. Project delivery was further affected by continued inflationary pressures on construction costs and difficulties in securing suitably qualified contractors through the procurement and tendering process. Consequently, several projects have been re-profiled and will be carried forward for completion as part of the Authority's future capital programme.

Governance

The Authority's governance arrangements are set out in the Annual Governance Statement 2025-26. During the year, there were no significant changes to the Authority's governance framework, and the existing arrangements continued to support effective decision-making, accountability and oversight. Any areas identified as requiring further development or improvement are addressed through the Authority's Annual Governance Action Plan, which sets out the actions, responsibilities and timescales for implementation.

Risks and opportunities

The Authority maintains a comprehensive risk management framework to support informed decision-making and the achievement of its strategic objectives. Key strategic and operational risks are recorded within the Corporate Risk Register, which is subject to regular review and is considered annually by the Audit and Corporate Services Review Committee.

The Annual Governance Statement for 2025-26 includes an assessment of the principal risks and governance challenges facing the Authority, together with an evaluation of the effectiveness of existing controls. Where weaknesses or opportunities for improvement have been identified, appropriate actions have been agreed and incorporated into work programmes to further strengthen governance, risk management and organisational resilience.

Basis of preparation

The financial statements have been prepared in accordance with the disclosure requirements of the 2025-26 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The statements and accompanying notes have been presented in a sequence that is intended to provide a clear and logical understanding of the Authority's financial performance and position, reflecting the relative significance of the principal statements and supporting disclosures. The accounting policies applied in the preparation of the accounts are set out on pages 27 to 35.

A significant change introduced by the Code for 2025-26 has had a material impact on the Authority's accounts. The Authority operates a five-year rolling programme of property revaluations. However, from 1 April 2025, the Code requires authorities to apply annual indexation adjustments in the four intervening years between formal valuations. While CIPFA/LASAAC does not prescribe a specific valuation index, authorities are required to exercise professional judgement in selecting indices that provide a reasonable estimate of movements in asset values since the previous valuation. The Authority has therefore adopted indices considered appropriate to its property portfolio and valuation profile. The application of the new indexation requirements resulted in an increase of £208k in the carrying value of property assets as reported in the Balance Sheet (Note 17).

The accounts have been prepared on a going concern basis, reflecting the view that the Authority will continue to operate for the foreseeable future. This assessment is supported by the Medium-Term Financial Strategy and Revenue Budget for 2026/27, approved by the Authority in March 2026. Although the Strategy identified a projected budget deficit of £544k, the Authority holds sufficient reserves to manage this position and maintain financial stability. Robust financial management arrangements, including regular budget monitoring and periodic review of the Medium-Term Financial Strategy, will continue to ensure that emerging financial pressures are identified at an early stage and that corrective action can be taken where necessary.

In accordance with the Authority's capital accounting policy, expenditure on assets with a value exceeding £10,000 and an expected useful life of more than one year is capitalised. Expenditure below this threshold is charged directly to revenue in the year incurred.

The Statement of Accounts has been prepared using figures rounded to the nearest £1,000. As a result, minor rounding differences may occur throughout the accounts, although these have no material impact on the presentation of the Authority's financial performance or financial position.

Strategy and resource allocation

The Authority's financial planning framework is set out in its Medium-Term Financial Strategy (MTFS), which provides a structured approach to managing both revenue and capital resources in the context of current and anticipated financial challenges. The MTFS sets out projected budgets and funding assumptions over a five-year period, enabling the Authority to assess the likely availability of resources required to deliver its statutory duties and strategic objectives. The full MTFS, together with the Park Management Plan, is available on the Authority's website.

The Authority's Partnership Plan 2025–2029 establishes the key priorities, objectives and actions for the five-year period. The Revenue Budget and Capital Programme are developed to support the delivery of these priorities and ensure that resources are directed towards the Authority's strategic outcomes.

Outlook & Future Financial Position

The Authority's financial outlook remains challenging. Although the Welsh Government's National Park Grant settlement for 2026-27 includes a 4% increase in core funding, this is insufficient to fully offset the significant cost increases experienced in recent years.

Over the past five years, higher levels of inflation have resulted in pay awards and contract costs exceeding previous assumptions. These additional pressures, combined with several years of flat-cash funding settlements from both the Welsh Government and Levy funding, have created ongoing structural budget challenges for the Authority.

As a result, future budgets will require a combination of careful financial management, efficiency measures and income growth initiatives to maintain financial sustainability. The Authority is therefore actively considering a range of options to mitigate financial risk and reduce the impact of funding pressures, including reviewing the scale and delivery of services, increasing income generation opportunities and securing additional grant funding.

The overarching objective is to develop greater organisational agility and resilience, enabling the Authority to respond effectively to economic uncertainty and changes in the funding environment while continuing to deliver its statutory purposes.

Budget Strategy for 2026-27

The development of the 2026-27 Revenue Budget and Capital Programme took place against a backdrop of continued financial pressure across the public sector. Core funding through the National Park Grant and Levy remains constrained, reflecting wider pressures on public finances. Previous budget reports have highlighted that the Authority's medium-term financial position will continue to be challenging due to the cumulative effect of historic real-terms reductions in funding and sustained increases in operating costs.

To address these challenges, the Authority has adopted a financial strategy based on the following key principles:

- Maintaining a balanced and sustainable budget position.

- Strong financial management through regular monitoring and timely corrective action.
- Protecting and maintaining key operational and income-generating assets through the capital programme.
- Maximising the use of physical assets, digital technology and staff resources.
- Delivering value for money by ensuring expenditure is aligned with strategic priorities and measurable outcomes.
- Growing and diversifying income streams while managing associated financial risks.

Managing Financial Sustainability

The Authority's reserve position provides a degree of short-term resilience and flexibility to manage forecast deficits. However, reserves are a finite resource and cannot provide a long-term solution to recurring budget pressures.

Accordingly, the Authority will continue to manage its financial position through a combination of:

- Reviewing and, where appropriate, discontinuing lower-priority activities.
- Delivering efficiencies and service improvements.
- Identifying opportunities for cost reduction.
- Increasing locally generated income and commercial revenue.
- Maximising external grant funding opportunities.
- Prioritising expenditure towards core statutory and strategic objectives.

Through these measures, the Authority aims to maintain financial stability, safeguard priority services and strengthen its long-term financial resilience in an increasingly challenging funding environment.

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.

Chair..**Dr. Madeleine Havard**

Date...................................

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 31st March 2026 and its expenditure and income for the year ended 31st March 2026.

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

Date …………………

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

Opinion on the financial statements

I have audited the financial statements of Pembrokeshire Coast National Park Authority for the year ended 31 March 2026 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 2026 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

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.

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

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. 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.

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.

…………………………

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

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.

Comprehensive Income and Expenditure Statement

	Notes	2026 Gross expenditure £'000	2026 Gross Income £'000	2026 Net expenditure £'000	2025 Gross expenditure £'000	2025 Gross Income £'000	2025 Net expenditure £'000
Conservation of the Natural Environment		2,021	(1,401)	**620**	1,475	(1,150)	**325**
Conservation of the Cultural Heritage		78	(8)	**70**	153	(6)	**147**
Development Control		854	(231)	**623**	747	(241)	**506**
Forward Planning & Communities		292	(1)	**291**	393	(100)	**293**
Promoting Understanding		2,651	(1,459)	**1,192**	2,866	(1,663)	**1,203**
Recreation & Transport		887	(1,212)	**(325)**	924	(1,186)	**(262)**
Rangers, Estates & Volunteers		1,121	(88)	**1,033**	1,544	(117)	**1,427**
Democratic Representation & Management		723	(16)	**707**	1,017	(260)	**757**
Support Service Costs		2,978	(614)	**2,364**	2,071	(29)	**2,042**
Cost of Services	**6**	**11,605**	**(5,030)**	**6,575**	**11,190**	**(4,752)**	**6,438**
Financing & Investment Income & Expenditure	**9**			(948)			(771)
Other Operating Expenditure	**10**			24			20
Taxation & Non -specific Grant Income	**11/12**			(6,339)			(5,804)
(Surplus)/Deficit on Provision of Services				**(688)**			**(117)**
(Surplus)/deficit on revaluation of fixed assets	**17**			(480)			(440)
Actuarial (gains)/losses on pension assets/liabilities	**32**			561			58
Other Comprehensive Income and Expenditure				**81**			**(382)**
Total Comprehensive Income and Expenditure	**4/5**			**(607)**			**(499)**

Balance Sheet

		2026		2025	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Fixed Assets					
Property, Plant & equipment	**17**	16,500		16,120	
Heritage Assets	**18**	646		646	
Investment property	**19**	1,293		1,326	
Long term assets			18,439		18,092
Current assets					
Investments	**22**	4,960		4,822	
Inventories	**23**	206		197	
Debtors	**24**	1,320		415	
Cash & cash equivalents	**25**	3,141		3,615	
			9,626		9,049
Current liabilities					
Creditors due within one year	**26**		(1,082)		(763)
			26,983		26,379
Creditors due after more than one year	**27**		(122)		(123)
Net assets			**26,861**		**26,255**
Reserves					
Useable reserves	**28**	8,663		8,405	
Unusable reserves	**29**	18,198		17,850	
Total reserves			**26,861**		**26,255**

Movement in Reserves Statement for the year ending 31 March 2026

	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
Balance as at 1 April 2025		**1,623**	**5,910**	**257**	**615**	**8,405**	**6,873**	**11,129**	**(31)**	**(121)**	**17,850**	**26,255**
Total Comprehensive Income and Expenditure		688	-	-	-	**688**	480	-	(561)	-	**(81)**	**607**
Adjustments between accounting basis & funding basis under regulations	7	(308)	(412)	-	290	**(430)**	96	(210)	561	(17)	**430**	**-**
Increase/(Decrease)		380	(412)	-	290	**258**	576	(210)	-	(17)	349	**607**
Balance as at 31 March 2026	**28/29**	**2,003**	**5,498**	**257**	**905**	**8,663**	**7,449**	**10,919**	**(31)**	**(139)**	**18,199**	**26,861**

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
Balance as at 1 April 2024		**1,216**	**5,575**	**328**	**952**	**8,071**	**6,521**	**11,237**	**-**	**(73)**	**17,685**	**25,756**
Total Comprehensive Income and Expenditure		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)**	**-**
Increase/(Decrease)		407	335	(71)	(337)	**334**	352	(108)	(31)	(48)	165	**499**
Balance as at 31 March 2025	28/29	**1,623**	**5,910**	**257**	**615**	**8,405**	**6,873**	**11,129**	**(31)**	**(121)**	**17,850**	**26,255**

Cashflow Statement

	Notes	2026 £'000	2025 £'000
Net (surplus)/deficit on the provision of services		(688)	(117)
Net cash flows from operating activities			
Adjust net (surplus)/deficit on the provision of services for non-cash movements	**30**	513	(841)
Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	**19**	99	97
Net cash flows from investment activities		(76)	(861)
Investing Activities	**31**	551	689
Net (increase)/decrease in cash and cash equivalents		475	(172)
Cash and cash equivalents at the beginning of the reporting period		(3,615)	(3,443)
Cash and cash equivalents at the end of the reporting period	**25**	**(3,141)**	**(3,615)**

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 12th 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.

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, 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 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. The leases are typically for fixed periods more than 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
- 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) <u>Employee Benefits</u>

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 because 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 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 are analysed into its component parts.

k) <u>Provisions</u>

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.

l) <u>Reserves</u>

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 more than 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 revalued on a rolling 5-year revaluation programme, with annual indexation in intervening years, 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 and Carmarthenshire County Council where relevant. Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model. The indices chosen for revaluation (detailed in note 17) are considered by the Authority to be the most appropriate to support a prudent and balanced valuation approach. In rare circumstances where an index is not available, the Authority shall revalue the given asset using a quinquennial revaluation, supplemented by a desktop revaluation in year three.

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.
- 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.

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:

Asset:	**Depreciation rate:**
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	4-10 years
IT equipment	3-4 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 is 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.

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) <u>Capital Charges and Revenue Expenditure Funded From Capital Under Statute</u>

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 31st March 2026. 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) <u>Interest Charges and Receipts</u>

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

q) <u>Value Added Tax</u>

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

r) <u>Investment Properties</u>.

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:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024

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 2026, there is the assumption the authority will be able to conduct its primary functions post 2026 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 based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering 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 2026, there is a risk of material adjustment in the forthcoming financial year in the size of the pension liability. Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of 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 £13m (2025: £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 which 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 a contract contains a lease
    - establishing whether it is reasonably certain that an extension option will be exercised
    - considering whether it is reasonably certain that a termination option will not be exercised
    - determining whether 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 an 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 because of a need to reduce levels of service provision.
- From 1 April 2025, the Code of Practice on Local Authority Accounting in the UK changed its requirements for revaluing property, plant and equipment. Under the Authority's accounting policy for Property, Plant and Equipment, assets held at current value in the Balance Sheet are revalued regularly to ensure their carrying value is not materially different from their current value at year end, and at least every five years. The Authority applies a five-year rolling revaluation programme for property assets and, from 1 April 2025, applies annual indexation in the four intervening years. CIPFA/LASAAC do not mandate the use of any index, and the Code sets out that the choice of index is a matter of judgement that should be made in the context of providing a reasonable estimate of the movement in the value of an asset from the prior year. The Authority has therefore selected indices that it considers appropriate for its asset base to support a prudent and balanced valuation approach.

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-26			**31-Mar-25**		
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Conservation of the Natural Environment	500	120	620	252	73	325
Conservation of the Cultural Heritage	65	5	70	141	6	147
Development Control	620	3	623	470	36	506
Forward Planning & Communities	276	15	291	275	18	293
Promoting Understanding	1,018	174	1,192	923	280	1,203
Recreation & Transport	(520)	195	(325)	(447)	185	(262)
Rangers, Estates & Volunteers	962	71	1,033	1,247	181	1,428
Democratic Representation & Management	701	6	707	739	17	756
Support Service Costs	2,262	102	2,364	1,785	257	2,042
Past Service Gain / Pension Curtailment	-	-	-	-	-	-
Net Cost of Services	**5,884**	**691**	**6,575**	**5,386**	**1,053**	**6,438**
Other Income & Expenditure	(6,264)	(918)	(7,182)	(5,793)	(1,144)	(6,937)
(Surplus)/Deficit for year	(380)	(227)	(607)	(407)	(91)	(499)
Opening balance of General Reserve	(1,623)			(1,216)		
Closing Balance of General Reserve	**(2,003)**			**(1,623)**		

5. Adjustments between the funding and accounting basis

	Capital	Other	Pension	Total	Capital	Other	Pension	Total
	31-Mar-26				31-Mar-25			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Conservation of the Natural Environment	95	13	12	120	16	31	26	73
Conservation of the Cultural Heritage	4	-	1	5	-	(1)	7	6
Development Control	-	-	3	3	-	4	32	36
Forward Planning & Communities	-	6	9	15	-	2	16	18
Promoting Understanding	158	(5)	21	174	156	26	98	280
Recreation & Transport	190	3	2	195	188	(14)	11	185
Rangers, Estates & Volunteers	64	(6)	13	71	125	(14)	70	181
Democratic Representation & Management	-	3	3	6	-	(1)	18	17
Support Service Costs	84	3	15	102	179	15	63	257
Past Service Gain / Pension Curtailment	-	-	-	-	-	-	-	-
Net Cost of Services	**595**	**17**	**79**	**691**	**664**	**48**	**341**	**1,053**
Other Income & Expenditure	(447)	(392)	(79)	(918)	(454)	(377)	(313)	(1,144)
(Surplus)/Deficit for year	**148**	**(375)**	**-**	**(227)**	**210**	**(329)**	**28**	**(91)**

6. Expenditure and income analysed by activity

	2026 £'000	2025 £'000
Expenditure		
Employee benefits	6,145	6,034
Other services	4,215	4,077
Depreciation, amortisation & revaluations	644	704
Total expenditure	**11,004**	**10,815**
Income		
Fees, charges & specific services grant income	(5,030)	(4,752)
Interest & investment income	(323)	(376)
Credited to taxation & non-specific grant income	(6,339)	(5,804)
Total Income	**(11,692)**	**(10,932)**
(Surplus)/Deficit on provision of services	**(688)**	**(117)**

7. Adjustments between the funding and accounting basis under Regulation

	2026 £'000	2025 £'000
Adjustments primarily involving the capital adjustment account:		
Reversal of items debited or credited to the comprehensive income and expenditure statement:		
Charges for depreciation & impairment of non-current assets	595	664
Losses on revaluation of property, plant & equipment	-	54
Movement in fair value of investment properties	33	(14)
Financing capital MRP	(2)	(2)
Capital expenditure funded receipts	(1,033)	(374)
Non current assets written out	786	-
Insertion of items not debited or credited to the comprehensive income and expenditure statement:		
Capital expenditure charged against the General Fund	(265)	(41)
Adjustment primarily involving the capital receipts reserve:		
Capital receipts used	-	(91)
Adjustments primarily involving the pension reserve:		
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(52)	440
Employers Pension contributions and direct payments to pensioners payable in the year.	(509)	(467)
Adjustment primarily involving the accumulated absences account:		
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	17	48
Total adjustments between accounting basis & funding basis under regulation	**(430)**	**217**

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 2025	Transfers to revenue	Transfers from revenue	Balance as at 31 March 2026
	£'000	**£'000**	**£'000**	**£'000**
Receipts In Advance*	(3,481)	443	(253)	(3,291)
Ringfenced project funds	(251)	161	(8)	(98)
Asset management & replacement fund	(178)	5	(350)	(523)
Planning (LDP) fund	(99)	-	-	(99)
National Park Wales	(28)	-	-	(28)
Gate refurbishment fund	(37)	-	(5)	(42)
Sustainable development fund	(250)	200	-	(50)
Planning Enforcement fund	(147)	-	(1)	(148)
Invasive Species fund	(22)	4	-	(18)
Carew Causeway maintenance fund	(207)	1		(206)
Digital transformation & IT infrastructure fund	(348)	50		(298)
Property redevelopment fund	(450)	450	(200)	(200)
Job regrading review fund	(20)	20		-
Decarbonisation fund	(249)			(249)
Ffermio Bro project funds	-	-	(19)	(19)
Legacy funds	-	-	(86)	(86)
Investment & delivery fund	(143)	-	-	(143)
Total	**(5,910)**	**1,334**	**(922)**	**(5,498)**

*Contains grants for specific projects funded in advance of expenditure

9. Financing and investment income

	2026 £'000 £	2025 £'000 £
(Gain)/Deficit in fair value of investment properties	33	(14)
Interest payable & similar charges	5	5
Income from Investment properties	(99)	(97)
Pensions Net Interest Cost	(663)	(386)
Interest receivable and similar income	(224)	(279)
	(948)	**(771)**

10. Other operating expenditure

	2026 £'000 £	2025 £'000 £
Movement on Bad Debt Provision	-	2
Pension Administration Expenses	24	18
	24	**20**

11. Taxation and non-specific grant income

	2026 £'000 £	2025 £'000 £
National Park Revenue Grant - Welsh Government	(4,135)	(4,715)
Levy on Pembrokeshire County Council	(1,137)	(1,083)
Capital grants and contributions	(1,067)	(6)
	(6,339)	**(5,804)**

12. Grant income analysis

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

	2026 £'000 £	2025 £'000 £
Credited to Taxation and Non-Specific Grant Income:		
National Park Revenue Grant - Welsh Government	(4,135)	(4,715)
Levy on Pembrokeshire County Council	(1,137)	(1,083)
Capital grants - Welsh Government	(1,027)	(6)
Capital grants - other	(40)	-
	(6,339)	(5,804)
Credited to Services:		
Welsh Government: Sustainable Landscapes Sustainable Places projects, Invasive Species, Designated landscapes projects	(1,621)	(1,397)
Natural Resources Wales: National Trail/Coast Path; Woodland schemes, National Parks Wales, Castlemartin Ranger	(245)	(239)
Pembrokeshire Coast National Park Trust projects	(77)	(68)
Pembrokeshire County Council: Local Places for Nature/ Biodiversity grants/Shared Prosperity Fund	(117)	(374)
Welsh Government Access Improvement Grant	(60)	(59)
Ministry of Defence - Castlemartin Ranger.	(24)	(21)
Community Fund Roots to Recovery	(105)	(60)
National Lottery Heritage Fund	(272)	(153)
Other grants	(9)	(19)
	(2,530)	**(2,390)**
Total grants	**(8,869)**	**(8,194)**

13. Senior officer remuneration

Senior officers with remuneration more than £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*	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Pay	95	93	75	76	75	75	19	19	16	7
P11D values	1	1	1	1	1	1	-	-	-	-
Employer Pension Contributions	10	10	8	8	8	8	2	2	2	1
Total	**106**	**104**	**84**	**85**	**84**	**84**	**21**	**21**	**18**	**8**

* 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 £28,598 (2025: £27,711) with the ratio of the Chief Executive Officer to the median remuneration of 3.32:1 (2025: 3.32).

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	
	2026	2025
£60,000 to £65,000	2	3

14. Members allowances and expenses

Total members' allowances paid during the year amounted to £115,220 (2025: £113,302) plus, reimbursement of travelling, subsistence and other expense payments amounting to £1,459, (2025: £3,065).

15. Termination benefits

There were no compulsory redundancies in 2025-26, (2025: 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
2025-26	2	-		5
2024-25	5	-	-	24

During the year, the Authority paid £5k in termination benefits, (2024: £24k).

16. Audit fees

	2026 £'000 £	2025 £'000 £
Financial audit services	34	32
Performance audit services	17	17
	51	**49**

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.

2025-26 Fixed asset schedule	**Operational L&B**	**Non operational assets**	**Right of Use Assets**	**Plant & Equipment**	**TOTAL**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost/Valuation					
Opening balance 1-4-25	15,198	175	100	4,021	19,494
Impairment	(786)	-	-	-	(786)
Additions	-	1,147	-	152	1,299
Disposals	-	(9)	-	(241)	(251)
Revaluations	416	-	-	-	416
Transfers	808	(823)	-	15	0
Balance @ 31-3-26	**15,636**	**489**	**100**	**3,947**	**20,172**
Accumulated depreciation					
Opening balance 1-4-25	926	-	3	2,444	3,374
Charge for year	262	-	3	330	595
Release on disposal	-	-	-	(241)	(241)
Assets derecognised	-	-	-	-	-
Revaluations	(56)	-	-	-	(56)
Balance @ 31-3-26	**1,132**	-	**6**	**2,533**	**3,672**
Net book value @ 31-3-26	**14,503**	**489**	**94**	**1,414**	**16,500**
Net book value @ 31-3-25	**14,272**	**175**	**97**	**1,577**	**16,120**

2024-25 Fixed asset schedule	**Operational L&B**	**Non operational assets**	**Right of Use Assets**	**Plant & Equipment**	**TOTAL**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost/Valuation					
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
Balance @ 31-3-25	**15,198**	**175**	**100**	**4,021**	**19,494**
Accumulated depreciation					
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)
Balance @ 31-3-25	**926**	-	**3**	**2,444**	**3,374**
Net book value @ 31-3-25	**14,272**	**175**	**97**	**1,577**	**16,120**
Net book value @ 31-3-24	**14,146**	**62**	**-**	**1,580**	**15,788**

Assets to the value of £823k were made operational during the year and transferred to operational buildings, plant & machinery, (2025: £3).

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

	2026	**2025**
	£'000	**£'000**
	£	**£**
Meeting 'Green' room redevelopment	-	116
Traeth Mawr/ Newport Sands beach access redevelopment	473	38
Carew causeway & other castle improvements	-	12
PV installations	13	6
Castell Henllys improvements	3	3
	489	**175**

Revaluations and impairment

Land and buildings are revalued on a five-year rolling programme, with indexation in intervening years, in accordance with the accounting policy. Assets revalued during the year were:

Castell Henllys - Roundhouses
Moylegrove Car Park
Freshwater East Car Park
Freshwater East End Car Park
Llanion Park Offices South Block
Carew Village Car Park

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
2025-26	472	-	472
2024-25	513	-	513
2023-24	549	-	549
2022-23	1,417		1,417
2021-22	1,074	-	1,074

	2026 £'000 £	2025 £'000 £
Revaluation of fixed assets included in (surplus)/deficit on the provision of services	(8)	(54)
Upward/(Downward) revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	480	440
Sub total	472	386
Revaluation and Impairment of investment properties	(33)	14
Total	**439**	**400**

The impact of indexation is noted below:

	2026 £'000 £	2025 £'000 £
Assets revalued through full valuations	208	n/a
Assets revalued through indexation:		
Based on MSCI year to date data all properties at 0.81%	64	n/a
Specialist assets (Depreciated replacement cost basis) - BCIS All-in Tender Price Index at 2.8%	144	
Rural land assets (existing use value) at 0%	-	n/a
Net increase in valuations	**416**	**-**

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

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 (2025: £646k).

19. 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:

	2026 £'000 £	2025 £'000 £
Rental income from investment property	99	97

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:

	2026 £'000 £	2025 £'000 £
Balance as at 1 April	1,326	1,317
Transfer to operational land & buildings	-	(5)
Net (loss)/gain from fair value adjustments	(33)	14
Balance as at 31 March	**1,293**	**1,326**

20. Capital expenditure and commitments.

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

	2026 £'000 £	2025 £'000 £
Promoting Understanding & Enjoyment:		
- Castell Henllys	55	3
- St.Davids Visitor Centre	-	13
- Carew enhancements	7	3
Recreation & Park Management:		
- Newport Sands development	437	35
Conservation of Natural Environment	67	203
Corporate & Support Services:		
- Vehicles & Equipment	-	98
- Green Room Development	672	76
- IT equipment	61	74
Total capital spend in year	**1,299**	**505**

Financing of fixed assets and intangibles

The net cash additions to fixed assets and intangibles of £1,299k (2025: £505k) (additions less transfers from non-operational assets) were financed as follows:

	2026 £'000 £	2025 £'000 £
Capital receipts	776	418
Capital and other grants	257	47
Earmarked reserves	266	40
	1,299	**505**

Capital commitments.

As at 31st March 2026, the Authority had £407k of capital commitments, (2025: £710k) and held no assets for resale (2025: £Nil).

21. Leases and lease type arrangements

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles. The Authority adopted IFRS16 from 1 April 2024 to recognise material right of use assets. As at 31 March 2026, the value of right of use assets held under leases is noted below:

	2026			2025		
Right of use assets	**Land & buildings**	**Vehicles & equipment**	**Total**	**Land & buildings**	**Vehicles & equipment**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April	**97**	-	**97**	-	-	-
Recognition of right to use assets	-	-	-	100	-	100
Additions during the year	-	-	-	-	-	-
Depreciation & amortisation for year	(3)	-	(3)	(3)	-	(3)
Balance at 31 March 2025	**94**	**-**	**94**	**97**	**-**	**97**

Leases recognised as rights of use assets include Carew Castle & Tidal Mill and the Authority's Foreshore lease. 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.

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

	2026 £'000 £	2025 £'000 £
Comprehensive income & expenditure statement:		
Interest expense on lease liabilites	5	5
Expense relating to short-term leases	34	31
Expense relating to exempt leases of low value	25	23

Maturity analysis of lease liabilities:

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

	2026			2025		
	Land & buildings	Vehicles & equipment	Total	Land & buildings	Vehicles & equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Falling due within one year	18	7	25	19	13	32
Between one year and five years	69	-	69	73	4	77
After five years	304	-	304	339	-	339
	391	**7**	**398**	**431**	**17**	**448**

Lease liabilities for right of use assets:

	2026			2025		
Right of use assets	Land & buildings	Vehicles & equipment	Total	Land & buildings	Vehicles & equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Falling due within one year	6	-	6	6	-	6
Between one year and five years	25	-	25	25	-	25
After five years	177	-	177	183	-	183
	208	**-**	**208**	**214**	**-**	**214**

Finance Leases

The Authority had no finance leases as at 31st March 2026, (2025: £Nil).

Authority as lessor:

The Authority acts as Lessor for twenty-four properties, generating an income of £98,951 (2025: £97,350). 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:

	2026 £'000 £	2025 £'000 £
Falling due within one year	113	122
Between one year and five years	376	432
After five years	2,237	2,352
	2,726	**2,906**

22. Investments

	2026 £'000 £	2025 £'000 £
Bank deposits accessible after 90 days	4,960	4,822
	4,960	**4,822**

23. Inventories

	2026 £'000 £	2025 £'000 £
Balance as at 1 April 2025	197	157
Purchases	227	267
Recognised as an expense in the year	(218)	(228)
Written off	-	1
Balance as at 31 March 2026	**206**	**197**

24. Debtors

	2026 £'000 £	2025 £'000 £
Trade receivables	2	22
Prepayments	395	108
Grants receivable	733	178
Other debtors	190	107
	1,320	**415**

25. Cash and cash equivalents

	2026 £'000 £	2025 £'000 £
Bank accounts & deposits	3,138	3,612
Cash	3	3
	3,141	**3,615**

26. Creditors: amounts due within one year

	2026 £'000 £	2025 £'000 £
Trade payables	587	282
Receipts in advance	88	130
Lease liabilties	6	6
Other creditors	401	344
	1,082	**763**

27. Creditors due after more than one year

	2026 £'000 £	2025 £'000 £
Pension fund	31	31
Lease liabilities	91	92
	122	**123**

The lease liabilites are secured by the related underlying assets.

28. Useable Reserves

	2026 £'000 £	2025 £'000 £
General fund	2,003	1,623
Earmarked reserves	5,498	5,910
Capital receipts	257	257
Capital grants unapplied	905	615
	8,663	**8,405**

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

29. Unusable reserves

	2026 £'000 £	2025 £'000 £
Revaluation reserve	7,449	6,873
Capital Adjustment Account	10,919	11,129
Pensions reserve	(31)	(31)
Accumulated absences account	(139)	(121)
	18,198	**17,850**

These are analysed below:

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.

	2026		2025	
	£'000	£'000	£'000	£'000
	£	£	£	£
Balance as at 1 April		6,873		6,521
Upward revaluation of assets	480		567	
Downward revaluation of assets & impairment losses not charged to the (surplus)/deficit on the provision of services	8		(127)	
Surplus or deficit on revaluation of non-current assets not posted to the surplus/deficit on the provision of servcies		488		440
Difference between fair value depreciation and historical cost depreciation		88		(88)
Balance as at 31 March		**7,449**		**6,873**

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.

	2026		2025	
	£'000	£'000	£'000	£'000
	£	£	£	£
Balance as at 1 April		11,129		11,237
Reversal of items relating to capital expenditure debited/credited to the CIES:				
Charges for depreciation & impairment of non-current assets	(595)		(664)	
Revaluation losses on property, plant & equipment	(8)		(54)	
Amounts of non-current assets written off on diposal or sale as part of the gain/loss on disposal to the CIES/Impairment losses	(786)		-	
		(1,389)		(718)
Adjusting amounts written out of the revaluation reserve		(88)		89
Net written out amount of the cost of non-current assets consumed in the year		9,652		10,608
Capital financing applied in the year:				
Minimum lease payments	2		2	
Use of the capital receipts reserve to finance new capital expenditure	-		91	
Capital grants & contributions credited to the CIES that have been applied to capital financing	257		47	
Application of grants to capital financing from the capital grants unapplied account	776		327	
Capital expenditure charged against the general fund	265		41	
		1,300		507
Movements in the market value of investment properties debited/credited to the CIES		(33)		14
Balance at 31 March		**10,919**		**11,129**

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.

	2025 £'000 £	2025 £'000 £
Balance at 1 April	(31)	-
Actuarial gains or losses on pensions assets and liabilities	1,329	3,475
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	76	(422)
Employer's pensions contributions and direct payments to pensioners payable in the year	509	467
Interest on surplus above asset ceiling	(648)	(375)
Administration Expenses	(24)	(18)
Effect of IAS 19/ IFRIC 14	(1,242)	(3,158)
Balance at 31 March	**(31)**	**(31)**

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.

	2026 £'000 £	2025 £'000 £
Balance at 1 April	(121)	(73)
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	(18)	(48)
Amounts accrued as at 31 March	**(139)**	**(121)**

30. Cashflow statement – net cashflows from operating activities

	2026 £'000	2025 £'000
Depreciation & amortisation	(595)	(664)
Losses on revaluation of property, plant & equipment	(16)	(54)
Revaluations & impairments of investment properties	(33)	14
Increase/(Decrease) in inventories	9	40
Increase/(Decrease) in debtors	905	(257)
(Increase)/Decrease in creditors	(317)	22
Provision of services costs for post-employment benefits	561	27
Other non cash items charged to the CIES	-	31
	513	**(841)**

31. Cashflow statement – net cashflows from investing activities

	2026 £'000	2025 £'000
Purchase of property, plant and equipment, investment property and intangible assets	1,299	505
Impairment of property	(786)	-
Increase in investments	138	181
Right of use assets	-	100
Other receipts from investing activities	(99)	(97)
Net cash flows from investing activities	**551**	**689**

32. 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 31st March 2025, 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.

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 1st 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:

Total post-employment benefit charged to Comprehensive Income and Expenditure Statement	2026 £'000	2026 £'000	2025 £'000
Service Costs:			
Current service cost		587	808
Financing & Investment Income & Expenditure:			
Interest cost on Liabilities	1,574		
Interest on Plan Assets	(2,237)		
Interest on surplus above asset ceiling	648		
Net Interest On Pension		**(15)**	**(11)**
Other Operating Income & Expenditure			
Administration Costs		24	18
Total Post-Employment Benefits charged to Surplus/Deficit on Provision of Services		**596**	**815**
Other Post Employment Benefits charged to Comprehensive Income & Expenditure:			
Return on plan assets (excluding the amount included in the net interest expense)		(1,396)	956
Actuary Experience (gain)/loss		811	3
Actuary (Gain) / Loss on financial assumptions		(402)	(4,360)
Actuary (Gain) / Loss on demographic assumptions		(342)	(74)
Interest on surplus above asset ceiling		648	375
Effect of IAS 19/ IFRIC 14		1,242	3,158
Total Post-employment Benefits charged / (credited) to the Comprehensive Income and Expenditure Statement		**561**	**58**
Reversal of charges made to surplus/deficit on provision of services in the Movement in Reserves Statement			
Current service cost		(587)	(808)
Interest cost on Liabilities		(1,574)	(1,478)
Interest on Plan Assets		2,237	1,864
Administration Costs		(24)	(18)
Actual Amount charged against General Fund		**52**	**(440)**
Employer Contributions		**509**	**467**

	Funded liabilities: Local Government 2026 £'000	2025 £'000
Benefit Obligations at beginning of Year	27,666	30,510
Current Service Cost	587	808
Interest On Pension Liabilities	1,574	1,478
Member Contributions	308	279
Remeasurement of Liabilities:		
Experience (gain)/loss	811	3
(Gain) / Loss on financial assumptions	(402)	(4,360)
(Gain) / Loss on demographic assumptions	(342)	(74)
Curtailments	-	-
Benefits Paid	(1,318)	(978)
Benefit Obligations at End of Year	**28,884**	**27,666**

Reconciliation of Present value Scheme Assets:

	Local Government Pension Scheme 2026 £'000	2025 £'000
Fair Value at beginning of Year	38,816	38,159
Interest on / Expected Return on Plan Assets	2,237	1,864
Remeasurement / Actuarial Gains/(Losses) on Assets	1,396	(956)
Administration Expenses	(24)	(18)
Employer Contributions	509	467
Member Contributions	308	279
Benefits/transfers paid	(1,318)	(978)
Rounding	-	(1)
Fair Value at End of Year	**41,924**	**38,816**
Net Surplus	**(13,040)**	**(11,150)**

	2026 £'000	2025 £'000	2024 £'000
Actuarial (Gains)/Losses recognised in the Movement in Reserve Statement	561	58	4,817

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 31st March 2025. *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 31st March 2026 are as follows:

	2026
	£'000
Present Value of Funded Benefits Obligations	28,853
Present Value of Unfunded benefit obligations	31
Total present value of Benefit Obligations	28,884
Fair Value of Plan Assets	(41,924)
Effect of IAS 19/ IFRIC 14	13,071
Deficit/(Surplus)	31

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.

Prior year scheme values:

Scheme Year	Present value Scheme Liabilities £000	Present value Scheme Liabilities £000	Fair Value of Scheme Assets £000	Surplus/(Deficit) in the scheme
31st March 2026	28,884	-	41,924	13,040
31st March 2025	27,666	-	38,816	11,150
31st March 2024	30,510	-	38,159	7,649
31st March 2023	30,062	30,062	34,984	4,922
31st March 2022	43,275	43,275	36,265	(7,010)

	2026		2025	
	Beginning of period	**End of period**	**Beginning of period**	**End of period**
Financial assumptions:				
Rate of CPI inflation / CARE benefits	2.60%	2.90%	2.70%	2.60%
Rate of increase in salaries	4.10%	4.40%	4.20%	4.10%
Rate of increase in pensions in payment / deferment	2.70%	3.00%	2.80%	2.70%
Discount rate	5.80%	6.20%	4.90%	5.80%

Mortality assumptions:	**Beginning of period**	**End of period**	**Beginning of period**	**End of period**
Longevity at 65 for current pensioners:				
Men	22.9	22.4	22.9	22.9
Women	25.7	25.3	25.6	25.7
Longevity at 65 for retired pensioners:				
Men	21.5	21.2	21.5	21.5
Women	23.9	23.6	23.8	23.9

Post retirement mortality assumptions (normal health)

	2026	2025
Non-retired members M/F:		
- Mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
- Improvements	CMI 24 1.5% / CMI 24 1.5%	CMI 23 1.5% / CMI 23 1.5%
- Weightings	115% / 104%	103% / 97%
- Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	S=7, A=0, W20=W21=0, W22=W23=15%
Retired members M/F:		
- Mortality table	SAPS 4 / SAPS 4 middle	SAPS 4 / SAPS 4 middle
- Improvements	CMI 24 1.5% / CMI 24 1.5%	CMI 23 1.5% / CMI 23 1.5%
- Weightings	109% / 103%	100% / 97%
- Additional parameters	S=7, A=0, W20=W21=0, W22=W23=15%	S=7, A=0, W20=W21=0, W22=W23=15%

Sensitivity analysis as at 31 March 2026

Disclosure item		+ 0.5% p.a.discount	+ 0.25% p.a. inflation	+ 0.25% p.a.pay growth	1 year increase in life expectancy	+/-1% change in 2025-26 investment returns	
	£000s	£000s	£000s	£000s	£000s	£000s	
						1%	-1%
Liabilities	27,666	25,838	28,628	27,892	28,221	27,666	27,666
Assets	(38,816)	(38,816)	(38,816)	(38,816)	(38,816)	(39,203)	(38,429)
Deficit/(Surplus) (exc ceiling impact)	(11,150)	(12,978)	(10,188)	(10,924)	(10,595)	(11,537)	(10,763)
Projected Service Cost for next year	615	537	657	615	629	615	615
Projected Net Interest Cost for next year (exc ceiling impact)	(661)	(832)	(604)	(647)	(627)	(683)	(638)

The figures above exclude the impact of the asset ceiling.

Scheme assets are analysed as follows:

		2026 £'000	2025 £'000
Equities:	UK quoted	5,218	4,375
	Global quoted	20,246	19,451
	Japan	-	1,514
	Emerging Markets	2,977	2,267
	European ex UK	562	520
Bonds:	UK Government indexed	-	-
	WPP Global Fund	3,990	3,563
Property:	Property Funds	5,445	4,052
Alternatives	Black Rock UK SAIF	1,299	1,432
	Infrastruture WPP GCM Grosvenor	712	536
	Infrastructure WPP Capital Dynamics	75	39
	WPP Global Private Credit	914	718
	Gresham House Forestry	228	-
Cash:	Cash accounts	258	349
Total		**41,924**	**38,816**

The end of year figures for the market value of the assets and the split between investments categories have been calculated as at 28/2/26. The corresponding split of assets at the start of the year has been calculated as at 31/3/25. The actuarial assumptions used in the calculation of the end of year balance sheet liabilities are based on the 2025 actuarial valuation assumptions, other than the financial assumptions which are shown above. A deduction of £24k (2025: £18k) in respect of expenses was made for the year.
The forecasted employer's contribution for 2026-27 is £509k; implied service cost including net interest cost £548k and administration cost of £24k.

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

The Virgin Media judgment raised questions regarding the validity of certain historic benefit amendments in contracted-out defined benefit pension schemes. Subsequent legislation has provided a mechanism for retrospective actuarial confirmation of affected amendments. Based on advice received from the scheme actuary, the Authority is not aware of any material impact on the valuation of its LGPS liabilities and the scheme actuary has not made any allowance for this judgement.

33. Financial Instruments

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

34. 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 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 note 12 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:

Organisation	Income £'000	Expenditure £'000	31-Mar-26 Creditor £'000	31-Mar-26 Debtor £'000
Welsh Government	6,843	-	-	-
Pembrokeshire County Council	1,268	494	-	-

During the year the Authority contributed £3k (2025: £10k) 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 seven (2025: eight) trustees, two of whom are members of the National Park Authority.

The Authority also paid a subscription of £10k (2025: £10k) to the National Park Partnership, a limited liability partnership between the 15 U.K. National Park Authorities.

35. Provisions, contingent liabilities and assets

In line with current guidelines, the Authority has not recognised the pensions asset of £13,071k (2025: £11,181k). The pension asset has therefore been discounted to zero, except 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 25-26, 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 2026, 2025: £Nil).

36. Statement reporting review of internal controls.

The Authority has published its Annual Governance Statement for 2025-26 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'.

37. 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. (2025: None).

38. 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.