



Council for National Parks

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ending 31 March 2006

Registered Charity number 295336

Company number 2045556

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Details of the Charity, its Trustees, Officers and Advisers

Registered Charity number 295336

Company number 2045556, registered in England and Wales at 6-7 Barnard Mews,
London SW11 1QU

VAT registration number 629 5590 06

Our Mission

The Council for National Parks is the national Charity that works to protect and enhance the National Parks of England and Wales, and areas that merit National Park status, and promote understanding and quiet enjoyment of them for the benefit of all.

Our Charitable Objectives

- To promote the protection, conservation and enhancement of National Parks for public benefit
- To promote the quiet enjoyment of National Parks and the appreciation of their natural beauty by the public in an informed and understanding manner
- To advance public education in and understanding of National Parks, through the provision of educational material and by other means
- To promote and undertake research into issues affecting the conservation and enjoyment of National Parks and to make public the useful results of any such research

Our Aims

The following strategic aims for the period 2003 and 2008 guided our work during the year (taken from our strategic plan):

- A. To protect and enhance National Parks by promoting good practice, fighting threats and influencing policy
- B. To promote sustainability within the National Parks that is compatible with National Park purposes, for the benefit of society as a whole
- C. To secure new National Parks for the South Downs and New Forest and to research other areas as candidate National Parks
- D. To build support across all sections of the community for National Parks, and to improve the links between urban communities and National Parks
- E. To build the organisation to enable it to deliver its aims

Towards the end of 2005/6 the trustees and staff undertook a mid term review of our strategic plan and amended the strategic aims to the following (these will guide our work plans in 2006/7):

- To protect and enhance National Parks and to promote sustainability within the National Parks that is compatible with their purposes
- To secure a new National Park for the South Downs and extensions to existing National Park areas where they meet the criteria for designation
- To build support for National Parks among new audiences, especially communities in urban areas
- To strengthen the capacity of the National Parks movement as a whole

Our Vision

The Council for National Parks' vision of National Parks in 2040 is of beautiful landscapes where:

- Water, soil and air are pure
- Natural landforms are preserved
- Wildlife flourishes
- A range of distinctive cultures is expressed in the built heritage and the everyday lives of Parks residents
- Livelihoods derive from activities that the environment can sustain
- Erosion of the special qualities would not be contemplated unless society could find no other possible solution
- Everyone can find a source of spiritual renewal and opportunities for quiet enjoyment
- We can all gain a greater understanding of the whole environment and of National Park values

Head Office and Registered Office

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Mary Taylor (Vice Chairman Wales)

Arabella Amory

John Anfield

David Firth

Fabienne Poulet

Brian Powdrill (co-opted 1/12/05, resigned 15/2/06 due to ill health)

Emily Oliver

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Trustees' Report (incorporating the Director's Report)

The Trustees present their Report and Financial Statements for the Council for National Parks, for the year ending 31 March 2006. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities 2005, the Companies Acts 1985 and 1989, and all other applicable accounting and reporting standards.

The Council for National Parks is a Registered Charity (registered on 5 October 1986) and a Company Limited by Guarantee (incorporated on 11 August 1986). The members of the Council for National Parks are:

- Constituent Organisation members (local and national environmental and recreational organisations)
- Co-opted members (including representatives from the National Park Authorities, and individuals with particular skills and experience of National Park issues)
- Honorary members (the President and Vice Presidents)
- Observers

The members of the Council for National Parks pay an annual subscription based on their class of membership and size of organisation. This entitles them to receive meeting papers and other communications (including advice on National Park issues), attend meetings, vote (unless they are non-voting members), and, at the Annual General Meeting, to receive the annual accounts, receive the Trustees' report, accept the retirement of Trustees and elect new Trustees, appoint the auditors and appoint the President and Vice Presidents.

The Council for National Parks has no share capital and the liability of its members is limited to £1. The governing document is the New Memorandum and Articles of Association, adopted by Resolution passed on 29 September 1999.

The Trustees of the Charity are the Directors of the Company. The Trustees have no interest in the Company's deficit or assets and receive no remuneration.

Structure, Governance and Management

There are between seven and eleven Trustees, although for most of the year there has been one vacancy on the Board of Trustees.

At the Annual General Meeting each year, one third (or the number nearest one third) of the Trustees retire, those longest in office retiring first and the choice between any of equal service being made by drawing lots. Retiring Trustees are eligible for re-election. Election of the Trustees is at the Annual General Meeting, when each member of the Council for National Parks has one vote (except for Honorary members). There are about sixty five voting members. Voting is usually by postal ballot. All the Trustees must be members of the Council for National Parks. The Trustees may choose to co-opt individuals during the year to serve as additional Trustees; such co-opted Trustees must stand down at the next AGM but are eligible to stand for re-election. The Trustees elect the four Honorary Officers from among their number following the AGM each year.

The Trustees carry out regular reviews of their skills base to ensure a good balance of skills and experience. Any gaps identified are addressed by inviting other members of the Council for National Parks to stand for election, or by co-option. Trustees also receive formal or informal training as required.

The Trustees meet at least three times a year, and have additional meetings as required, either face to face or by electronic means. At least one meeting each year concentrates on strategic planning. A mid-term review of the five-year Strategic Plan was carried out in 2005/06, and this will inform a strategic review of the organisation in 2006/07.

The Trustees have created one sub-committee comprising the four Honorary Officers to consider all matters relating to the employment of staff, including remuneration, Terms and Conditions of Employment, Health and Safety and similar issues. This sub-committee meets annually and makes recommendations to the full Board of Trustees.

The policy direction of the Council for National Parks is determined by the Trustees. Members of the Council for National Parks meet three times a year to discuss and make recommendations on policy; the Trustees are guided by these discussions in their determinations, although the Trustees also make policy decisions at their own meetings.

On election, new Trustees receive an induction which involves written and oral explanations of their role as Trustees. All Trustees receive updates on legislation affecting charities and companies as appropriate.

The Chairman of the Trustees is in regular and frequent contact with the members of staff, and all Trustees receive weekly updates on staff activities. Trustees are encouraged to pair up with members of staff on issues such as equal opportunities or specific areas of policy.

The Council for National Parks also has two advisory groups which are not standing committees, but which meet as necessary to provide information and guidance to staff and trustees in their work; these are the Welsh Advisory Committee and the Fundraising Think Tank. Each group typically meets three times a year.

Monthly management accounts are produced by the staff and circulated to all the Trustees. A budget for the organisation is set annually before the start of the next financial year and reviewed half way through the year. The Trustees carry out annual reviews of their policies on investments and levels of reserves held.

CNP has a membership scheme for the public, the Friends of National Parks. CNP also acts as the secretariat for the Corporate Forum for National Parks, a group of companies that recognise the unique value of National Parks for conservation, recreation and sustainable development, and which agree to uphold these values in the development and application of their policies. Neither the Friends of National Parks nor the Corporate Forum for National Parks have a role in the governance of CNP.

Risk management

The Trustees have considered the risks to which the Council for National Parks is exposed, and have established systems for mitigating those risks. External risks have been minimised by the adoption of a five-year Strategic Plan, reviewed every year, which includes a strategy for securing funds from a wide range of sources. Internal risks are minimised by implementing procedures for authorising transactions, projects etc., and to ensure consistent quality of delivery for all operational aspects of the Council for National Parks. The Trustees review these procedures annually, and take any action needed in the light of the review. A written record is kept of the review and actions taken.

The Trustees have established the following policy in relation to risk management:

1. A risk register will be maintained which summarises the key risks facing the Council for National Parks, the controls in place to mitigate those risks and an assessment of whether the risk is acceptable or not.
2. If a net risk is deemed to be unacceptable, an action plan will be enforced to mitigate the risk to an acceptable level. This could involve the introduction of a new policy, enforcement of an existing policy or new action to be taken. It might involve action by staff, the Trustees, members of the Council for National Parks or other persons connected to the organisation.
3. It is the delegated responsibility of the Chief Executive to ensure that the risk register is maintained and up to date.
4. The Trustees will review the register annually and consider whether:
 - a) the actions recommended at the previous review have been implemented appropriately;
 - b) the assessment of existing risks is still correct;
 - c) there are any new risks that need to be added, or old risks that can be removed from the list;
 - d) any other alterations need to be made to the register; and
 - e) what action plans need to be implemented in the current year to address unacceptable risks.

The risk register was reviewed in October 2005.

Equal Opportunities and other policies

As responsible employers, the Trustees have approved a number of policies relating to equal opportunities, health and safety, and other matters affecting staff. All the policies are reviewed at least annually.

Management and staffing

The day-to-day operational running of the Council for National Parks is delegated to the Chief Executive Kathy Moore, who reports regularly to the Chairman and the other Trustees. The Chief Executive and all other staff members work within the policies set out by the Trustees in their annual work plan, which is part of the five year Strategic Plan.

The Chief Executive has delegated responsibility for personnel issues, finance matters, developing the strategic direction of the organisation, and implementing all decisions taken by the Trustees. She directly line manages four members of staff.

The Deputy Chief Executive Ruth Chambers is the head of policy for the organisation, and has line management responsibility for the policy staff (at the year end, two members of staff, but normally four).

The Head of Fundraising Jane Harris has responsibility for all aspects of fundraising – charitable trusts, companies, statutory agencies, other environmental organisations, the public etc. During the year she was line manager for one member of staff, but the Trustees took the decision to make that post redundant in December 2005.

The Mosaic Partnership project is managed by Stuart McLeod, who in turn has line management responsibilities for the two Project Officers, Junie Joseph and Jill White.

The other members of staff are Jim Bull (Finance and Office Manager), Donna O'Brien (Policy Officer) and Rachel Reeves (Senior Policy Officer).

During the year, three members of staff left the employment of the Council for National Parks: Senior Policy Officer Sylvia Davies (resigned in August 2005) Grants Fundraiser Chris Burton (made redundant in December 2005) and Ralph Underhill (Policy Researcher, end of short-term contract in July 2005).

Trustees' Responsibilities

Company law requires the Trustees (Directors) to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Charitable Company and its surplus or deficit for that year. In preparing these Financial Statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable Accounting Standards and Statements of Recommended Practice without any material departures; and
- prepared the Financial Statements on the going concern basis.

Main objectives for the year

Aim A: To protect and enhance National Parks by promoting good practice, fighting threats and influencing policy

Westminster / Whitehall / National Assembly for Wales

We aimed to maintain good links with key government departments and to meet and brief the new Minister for Rural Affairs at the Department for Environment, Food and Rural Affairs (Defra) and the new Head of the Sponsorship, Landscape and Recreation Division, as well as other key government Ministers. We were keen to strengthen links with officials from the Office of the Deputy Prime Minister and to hold a post election Parliamentary event in Westminster.

National Park Authorities, Association of National Park Authorities (ANPA) and Welsh ANPA

We planned to keep relationships with ANPA going through its devolution process, and with any new staff, input to new members induction course(s) and to corporate member training material, attend key meetings and events and keep a watching brief on ANPA Heads of Planning, sustainable development and transport working groups.

Corporate Forum for National Parks

Our main objective was to take forward the Corporate Forum business plan including briefing National Park Authorities on the work of the Forum, bilateral meetings with four members and publicising the Forum with member company staff and customers.

Planning

We planned to monitor and respond to key national, regional and local policy consultations and planning applications which meet CNP's criteria for involvement. Our main cases were planned to be the Bluestone holiday village development in the Pembrokeshire Coast and giving evidence at the Whinash wind energy development public inquiry. We aimed to develop a briefing paper on housing for the Council members' meeting in July 2005, and deliver a training seminar on the new planning framework.

NERC Bill

We planned to monitor progress of the Natural Environment and Rural Communities (NERC) Bill, especially clauses on National Parks, and to participate in Defra's stakeholder group and offer parliamentary briefings as appropriate.

Specific policy work

On minerals, we aimed to influence policy, especially Minerals Policy Statement 1 and policy annexes and to take forward work on some key old mineral permissions. On telecommunications, we planned a watching brief and to influence policy and practice e.g. through Ofcom. On energy, we planned to monitor and respond to applications and monitor consultations by Ofgem on national grid price control review and respond if appropriate. On transport, we expected our main casework to be on the proposed dualling of the A47 in the Broads and on a new bypass on the A628 in the Peak District. On military, we planned to monitor key sites and take forward a research project on military training in National Parks. On green lanes, we aimed to respond to key government consultations, update and publish CNP research on this issue and lobby for National Park Authorities to have more power to manage their network.

Aim B: To promote sustainability within the National Parks that is compatible with National Park purposes, for the benefit of society as a whole.

Much of the work in the other aims contributes to this aim. We aimed to monitor and disseminate information on agri-environment schemes, including via Link groups and other organisations such as the RSPB and facilitate action where appropriate. We planned to maintain a watching brief on the Commons Bill.

We planned to set up two major projects in 2006 (i) Transport project – "Tackling Traffic" and (ii) Research into the economic benefits of National Parks - "Prosperity and Protection".

Aim C: To secure new National Parks for the South Downs and New Forest and to research other areas as candidate National Parks

New Forest

Our main activities were planned to be: supporting the New Forest Association and helping them become part of the National Park Societies family; and involvement in development of the New Forest National Park Authority, influencing the Authority on planning and development control in particular.

South Downs

We planned to continue to work closely with the South Downs Campaign and liaise over opportunities for lobbying, responding to plans, and in the media. We also planned to analyse and respond to the decision on the designation of the South Downs as a National Park, should it be announced.

Aim D: To build support across all sections of the community for National Parks, and to improve the links between urban communities and National Parks

In the first full year of the Mosaic Partnership project, plans concentrated on recruiting team members, settling in the new project team, providing group leader visits to National Parks and training to those group leaders, establishing monitoring and evaluation systems, developing communications on the internet and in print, developing media contacts and securing coverage, agreeing targets for organisational change with all five partner organisations (and CNP).

Three editions of Viewpoint, the magazine for Friends of National Parks were planned, along with the Annual Report. We aimed to begin the planning for a major conference to celebrate CNP's 70th anniversary in 2006.

Three events for Friends of National Parks were planned. CNP has a small network of volunteer Speakers who give illustrated talks on National Parks to groups such as Women's Institutes, usually receiving a small donation which is passed on to CNP. It was aimed to maintain or increase the current level of Speakers' talks, to run two training days and focus on increasing Black and Minority Ethnic Speakers by linking with Mosaic Partnership.

CNP aimed to coordinate opening events for two exhibitions of paintings by landscape artist Rowan Huntley in August and September 2005 in Wales and to contribute to the design and delivery of the National Park Societies' seminar to be hosted by the Friends of Pembrokeshire National Park in October 2005.

Aim E: To build the organisation to enable it to deliver its aims

A major drive on securing charitable trust funding was planned, with monthly application targets and networking meetings to support new bids to charitable trusts. It was also planned to develop our networks of potential major donors. An appeal to Friends of National Parks was planned, commemorating our 70th anniversary.

We planned to undertake a mid term review of the strategic plan.

Principal achievements for the year

Overview

This year has seen continual change in the external environment facing National Parks and the conclusion of some major campaigns for CNP, with both successes and disappointments. The financial challenges facing CNP have continued unabated and have led, towards the latter part of the year, to some difficult decisions and reflection about how best to sustain the organisation in the future. Meanwhile CNP continues to develop and deliver important initiatives such as the Mosaic Partnership and Prosperity and Protection projects, both of which have wide cross-sectoral support and have made huge strides this year.

Legislation and government

The Natural Environment and Rural Communities (NERC) Bill has continued its passage into law, with CNP bringing its influence to bear at every stage. Provisions in the Bill affect National Parks in England and Wales. Early on in the year CNP's well publicised research into recreational four wheel drive vehicle usage in National Parks was used to secure cross party support for the Bill to increase the powers of National Park Authorities in controlling damaging use of such vehicles on "green lanes". This measure was appreciated by the National Park Authorities (NPAs) and by other environmental groups.

During the later stages of the legislative process for the NERC Bill, CNP worked closely with its Vice Presidents in the House of Lords to influence parliamentary debates around securing the proportion of nationally appointed members to NPAs, and the interpretation of the criteria for National Park designation, following a controversial High Court decision regarding the New Forest National Park boundary.

Related to the NERC Bill's passage, CNP supported Defra in its response to the New Forest High Court decision, which excluded an estate from the National Park largely due to it being insufficiently "natural". CNP provided evidence and briefing on the interpretation of "natural beauty" which has underpinned the National Park movement over the last 60 years and which the High Court decision brought into question. The court's decision, whilst not directly related to the designation process in the South Downs, raised a number of questions about the designation and the definition of a National Park. This caused an unexpected hiatus in the South Downs designation process, which has been a huge disappointment to all those working towards National Park status for that area and who, like CNP, had been hoping for a positive decision from the government this year.

CNP has further developed its contacts and support across government in Westminster and Cardiff this year, in particular strengthening relationships with the Office of the Deputy Prime Minister, and beginning to rebuild relationships with ministers and officials at the National Assembly for Wales following the conclusion of the Bluestone court action. This included a useful meeting with Carwyn Jones AM, Minister for Environment, Planning and Countryside. CNP also established good relationships with the new Rural Affairs, Landscape and Biodiversity Minister, Jim Knight MP, including several useful meetings. The minister lent his support to CNP at the successful parliamentary reception held at the House of Lords in November 2005, where he was guest speaker.

Welsh issues

In Wales the consultation on the draft policy statement (arising from the Review of Welsh National Park Authorities) prompted a lively discussion at CNP's Council members' meeting in July 2005, informed by the views of CNP's newly redefined Welsh Advisory Committee (WAC).

The WAC has also provided CNP with valuable guidance on rebuilding support in Wales following the Bluestone action, and advice on CNP's future work and presence in Wales, where we hope to appoint a new officer shortly to replace Sylvia Davies, who left CNP in autumn 2005. The absence of an officer in Wales has placed additional pressures on CNP, but the staff and trustees have responded magnificently. CNP continues to participate in the key activities related to National Parks in Wales, including the WANPA seminar in November 2005, the National Park Societies' seminar which was hosted by the Friends of Pembrokeshire this year (and for which CNP secured sponsorship from Corporate Forum member National Grid), the Countryside Council for Wales' consultation seminar on "natural beauty", and key meetings at the National Assembly for Wales which have involved both core CNP staff and trustees, and members of the Mosaic Partnership project team. CNP also gave evidence at the public inquiry into the Brecon Beacons Unitary Development Plan, a contribution that was appreciated by the Brecon Beacons Park Society and other local groups.

Major developments

The two major cases of the year were Bluestone and Whinash. Following a two year campaign and court action, CNP finally lost its battle to protect part of the Pembrokeshire Coast National Park from the Bluestone tourism development when the House of Lords declined to hear the appeal. Although it was a huge disappointment to everyone involved, CNP was buoyed by the letters of support from people across Wales and in England who felt that the organisation had acted correctly in taking a courageous stand against the decision to approve the development. We now look forward to resuming closer and more positive working relationships with the Pembrokeshire Coast NPA and have begun discussions with WANPA to explore how to rebuild relationships where they have been strained by the controversy surrounding Bluestone.

The decision by the government not to approve the application for a large wind energy development at Whinash in Cumbria was heralded as a landmark decision by CNP, which had been part of a local coalition, the Friends of Bretherdale, which had presented evidence at the public inquiry earlier in the year. CNP was quick to congratulate the government on its stance and to applaud the value given to landscape in the decision. While conscious of the need to address as a priority issues of climate change and energy usage, CNP continues to promote a sensible mix of renewable energy technologies which takes full account of siting and scale.

Projects

This year was the first full year of the Mosaic Partnership project, with the appointment of the project team, the identification of the first group of "Community Champions" for National Parks from across England and in South Wales, successful group leader visits in the four participating National Parks and significant media coverage, both nationally and regionally. All the participating organisations were assessed to provide baseline

information related to the involvement of people from Black and Minority Ethnic communities in their work, and this began to inform the development of mentoring and work shadowing schemes which will be launched at the beginning of the project's second year. The project continues to generate interest by government in Westminster and in Cardiff as a model of good practice.

Another major project began this year, to demonstrate the economic benefits of National Park designation. The project, entitled Prosperity and Protection, is due to last for eighteen months and has a wide range of funders and partners including the John Paul Getty Jr. Foundation, Yorkshire Forward, three NPAs, voluntary and corporate bodies, Defra and the Countryside Agency. The aim is to dispel the myth that National Park designation stifles the local (or regional) economy through rigorous research and analysis in one English region, Yorkshire and the Humber. CNP has been delighted by the levels of interest shown in this work, which should be timely and hugely valuable.

CNP has therefore chosen the theme "Prosperity and Protection" for its 70th anniversary in 2006. A special extended edition of Viewpoint was produced in the autumn and plans are underway for a major conference to be held in Buxton in June/July 2006 to celebrate the 70th anniversary and to explore the theme.

Towards the end of the year CNP finally secured the necessary funding to begin its sustainable transport project, "Tackling Traffic". This work will compare policy and practice across the National Parks, and analyse NPAs' aspirations and performance in relation to sustainable transport. It will also develop a case for the government to establish a Sustainable Transport Fund (comparable to the Sustainable Development Funds, which have been highly successful in encouraging innovation and action by communities in England and Wales).

Corporate Forum for National Parks

The Corporate Forum has been very active this year, with three meetings including an "out and about" in the Peak District in the summer and guest speakers from Defra, NPAs and National Park Societies. A project to encourage volunteering by employees of member companies yielded increased interest in this as a way of contributing to National Parks, and CNP hopes to bring together National Grid staff and the Brecon Beacons National Park Authority to undertake a volunteer project once discussions about the proposed pipeline in the area have been concluded. Corporate Forum members have been generous sponsors and project partners this year. The Outdoor Group provided significant help in kind to stage Rowan Huntley's exhibition of paintings of the Welsh National Parks over the summer (in aid of CNP); National Grid sponsored the National Park Societies' seminar in Tenby in October and Nationwide Building Society sponsored the parliamentary reception in November. Meanwhile, Nationwide continues to support the Mosaic Partnership project and has taken an active interest in CNP's Prosperity and Protection project.

CNP's development

For the staff and trustees of CNP it has been a challenging year, most particularly regarding the organisation's finances. A detailed fundraising plan was developed at the start of the year, with targets for all major income streams. Alongside our usual fundraising activities the first half of the year saw the fundraising team, other staff and trustees working concertedly to secure the necessary charitable trust income, with huge

support from CNP's Vice Presidents. Despite some notable successes it became clear half way through the year that the income from trusts would not be adequate and that a more radical re-think of CNP's work in the future was needed. With huge sadness it was decided to make our grants fundraiser post redundant in December, and not to replace a policy officer who indicated plans to leave CNP in spring 2006.

After nearly three years of an increasingly competitive and disappointing record of charitable trust income everyone at CNP agreed that we needed to consider how and what CNP does in the future, with a view to being more financially secure. CNP began its scheduled mid term review of the current five year strategic plan with this in mind and used the opportunity to consider more radical ideas during two away days in December and January. The task now is to research and analyse a number of options for changing how CNP operates in order to secure its long term viability, and this crucial work will begin in earnest in early 2006/7.

Summary of Funding Sources

CNP is fortunate to receive funding and support from a wide range of organisations and individuals. During 2005/6 we received support from:

Trusts and Foundations

The Ardwick Trust, The Worshipful Company of Carpenters, Dennis Curry Charitable Trust, The Esmée Fairbairn Foundation, The John Ellerman Foundation, The John Paul Getty Jr. Charitable Trust, Langdale Trust, The Lord Leverhulme Trust, The Lloyds/TSB Foundation for England and Wales, Michael and Anna Wix Charitable Trust, Oakdale Trust, RM 1956 Burton Charitable Trust, The Rothschild's Foundation, Ryklow Charitable Trust, Woodruffe Benton Charitable Trust.

It was the first full year of our largest grant award, from the Heritage Lottery Fund, to support the Mosaic Partnership.

Constituent Organisations

The Caravan Club, Friends of the Lake District, Friends of the Peak District, Ramblers' Association.

The individual Friends of National Parks contributed £44,084. This figure includes subscriptions, donations, legacies and Gift Aid payments. Our volunteer Speaker Service raised £5,503.

CNP also received subscription income from its member organisations.

The YHA and Peak District, Brecon Beacons, North York Moors and Yorkshire Dales National Park Authorities continued to provide financial support for the Mosaic Partnership.

Statutory Organisations

The Countryside Agency (which offered additional support towards the year end for project work and towards the 2006 conference, The Countryside Council for Wales, Defra, Yorkshire Forward

Corporate Forum for National Parks members:

BT, Burlington Slate, CE Electric UK, Hanson plc, RWE npower, National Grid, Nationwide Building Society, The Outdoor Group, Tarmac and United Utilities.

Valuing Volunteers

CNP is fortunate to receive support from volunteers in many capacities, and although the exact time given to the organisation is hard to measure, our estimate for 2005/6 would include as a minimum:

Council members (largely for meetings):	160 days
Trustees	60 days
Speakers	110 days
Other Volunteers	10 days
Mosaic Partnership community champions	90 days

Plans for 2006/07 and beyond

The CNP work plan for 2006/7 is based on a reduced capacity (with fewer full time staff in London) but assumes the appointment of a part time officer in Wales early on in the 2006/7 financial year (this appointment being subject to securing adequate funding).

In addition to the Mosaic Partnership, which runs until summer 2008, three funded projects will form part of CNP's portfolio in 2006/7: Prosperity and Protection - the economic benefits of National Parks (due to complete in March 2007); Tackling Traffic (due to complete in May 2006); and the 70th anniversary conference in June/July 2006.

Our work plans for the year are based on our amended strategic aims, as detailed on page 4.

Aim A: To protect and enhance National Parks and to promote sustainability within the National Parks that is compatible with their purposes

Work to further this strategic aim includes Ministerial and officials' meetings, ongoing lobbying and briefing with several government departments and monitoring parliamentary debates and briefing Peers, MPs and Members of the Welsh Assembly Government. Links with the Welsh Assembly Government will be consolidated.

Relationships with National Park Authorities and ANPA remain of crucial importance and these will be maintained and enhanced through meetings, general contact and information sharing.

The Corporate Forum for National Parks is a key focus for our work with businesses and the main activities for the year will be a review of the Forum's business plan, to produce a new three year plan for the Forum, bilateral meetings with six members, securing and inducting a new chairman, recruiting new members and publishing members' declarations of commitment to National Parks.

Engagement in the planning system both on planning policy and development control will remain an important way of delivering strategic aim A and the main activities are planned to be: participation in a public inquiry on the South East Plan; monitoring and responding to key national, regional and local policy consultations, with a focus on Regional Spatial Strategies and Local Development Frameworks/Plans; and monitoring and responding to planning applications which meet CNP's criteria for involvement.

2006 brings the establishment of Natural England and the Commission for Rural Communities and CNP plans to build relationships with key personnel in both agencies.

In addition, specific policy work will be taken forward on the following areas: minerals, energy, transport and military training, with activity expected to focus on the public inquiry into proposals for a new bypass on the A628 in the Peak District and work on the conflicts of military training with National Park purposes on Dartmoor. A watching brief will be maintained on agriculture.

Aim B: To secure a new National Park for the South Downs and extensions to existing National Park areas where they meet the criteria for designation

Due to the ongoing uncertainty about the designation process, CNP will need to monitor and respond as appropriate to the changing situation. Work is likely to include maintaining key relationships with the South Downs Campaign and South Downs Society and maintaining the pressure at government level for a timely and positive designation decision. It is also expected that a response will be made to the Designation Orders for extension of the Lake District and Yorkshire Dales National Parks.

Aim C: To build support for National Parks among new audiences, especially communities in urban areas

The Mosaic Partnership has an exciting range of activities planned for 2006/7, including community group leader visits in four National Parks and beginning the process of organisational change in the six partner organisations based on the experience of the community champions. The work shadowing and mentoring schemes will be launched along with innovative monitoring and evaluation activities such as the regional feedback fora in each participating National Park.

CNP has undertaken a communications audit and the recommendations will be considered further by staff and trustees in 2006; actions will include a complete revamp of the web site as well as continuing to publish the magazine Viewpoint.

As part of the plans to celebrate CNP's 70th anniversary in 2006 there will be three Friends' events in the National Parks, with at least one involving Brian Blessed, and with the aim of securing increased positive press coverage of CNP.

CNP's volunteer Speaker Service intends to maintain the current level of talks, to run a training day for new speakers and to focus on increasing Black and Minority Ethnic speakers by linking with the Mosaic Partnership project.

The 70th anniversary also provides an opportunity to try to increase the numbers of Friends recruited and there is a target to increase total numbers by one hundred.

Aim D: To strengthen the capacity of the National Parks movement as a whole

CNP plans to contribute to the design and delivery of the National Park Societies' seminar in the Yorkshire Dales and to run one workshop attached to a Council meeting. The conference to celebrate CNP's 70th anniversary on the theme of "Prosperity and Protection" also provides a major opportunity for capacity building.

Delivering the Aims

It is an increasing challenge for CNP to meet the organisation's core funding needs and we recognise that we cannot rely on any significant growth in income from Charitable Trusts and Foundations. The strategic review of CNP launched late in 2005/6 will consider possible future business models for the organisation and will have a strong influence on future fundraising activity. Our overall aim is to become less reliant on our existing funding base, to develop our capacity to earn income and to ensure an accurate reflection of core costs is encapsulated in all of our project work.

CNP plans to secure new income from statutory agencies Natural England and the Countryside Council for Wales, as well as nurturing previous donors to encourage continued support. Efforts will also be made to identify potential major donors. Fewer resources will be spent on applications to Trusts and Foundations.

CNP's Chief Executive will be on maternity leave for much of the year and the maternity cover arrangements will be monitored to ensure that they are proving effective. A new officer will be appointed to lead on CNP's work in Wales, and two policy posts will also be filled (Policy Researcher and Policy Officer), one of which is tied to the maternity cover period.

The longer term

The work to consider future business models for CNP will be completed in 2006/7 and is likely to include consultation with Council members and others. An implementation plan to move to a new model will be agreed by trustees, and it is possible that additional funding will be sought from existing supporters to assist CNP through a transition period. A review of CNP's name is planned to begin in 2006/7 with the work on a new strategic plan due in the following year.

Review of the Financial Position

2005-06 proved to be another challenging year for CNP financially, as the ambitious fundraising targets that we had set ourselves proved difficult to achieve. As a result the overall performance for the year was a net deficit of £27k.

Income was higher than last year at £492k, compared to £445k, with restricted income for the Mosaic project helping to boost the total. Higher income from Council members (Constituent Organisations) helped to partly off-set decreases in other areas of core income such as Friends of National Parks.

Our core income as a whole, however, has not met our ambitious targets for some time, which meant that we had to make some difficult decisions during the year, resulting in a reduction in CNP's staffing levels. This has been followed by a review of CNP's business model which will continue into the new financial year, looking at the best way to maximise CNP's income so that its vital work will be financially sustainable into the future.

Reserves Policy

CNP's reserves policy is that unrestricted funds not committed or invested in tangible fixed assets should be maintained at a level equivalent to 6 months' expenditure (excluding expenditure from restricted funds). This would enable the charity to continue its activities during a period of reduced income due to changes in fundraising success or other factors.

At the end of March 2006, CNP's reserves were £179k. Expenditure on core activities is budgeted to be £320k for 2006-07, so the reserve level of £179k represents 56% of annual expenditure, equivalent to just fewer than 7 months' costs.

We are therefore now back in line with our policy, as a result of reducing our core costs by reducing the staffing levels.

Investment policy

CNP's investment policy is that between 1 and 2 months' expenditure should be held in directly accessible cash. Money owned above this amount should be invested in low risk instruments in order to maximise our income. We operated within this policy throughout the year, with reserves invested in a fixed interest unit trust.

Tangible Fixed Assets

The movements in CNP's fixed assets are set out in the notes to the Financial Statements.

Appointment of Auditors

Michael Harwood & Co. have expressed their willingness to continue in office, and a resolution to re-appoint them will be submitted at the next Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

Approved and signed by the Trustees on 1 June 2006

Kate Ashbrook
Chairman

Richard Carling
Honorary Treasurer

Independent Auditors' Report to the members of the Council for National Parks

We have audited the Financial Statements of the Council for National Parks for the year ended 31 March 2006, which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These Financial Statements have been prepared under the historical cost convention and on the basis of the accounting policies set out herein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As described on page 9, the Trustees (who are also Directors of the Company the Council for National Parks for the purposes of company law) are responsible for responsible for the preparation of the Trustees' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the Financial Statements, if the Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Charity's affairs at 31 March 2006 and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

**Michael Harwood & Co
Chartered Accountants and Registered Auditors
Greville House
10 Jury Street
Warwick
CV34 4EW**

1 June 2006

Statement of Financial Activities for the year ended 31 March 2006
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted funds 31/03/06 £	Restricted funds 31/3/06 £	Total funds 31/3/06 £	Prior year Total Funds 31/3/05 £
Incoming Resources					
Incoming resources from generated funds					
<u>Voluntary income</u>					
Charitable Trusts		54,400	5,000	59,400	24,034
Legacies and donations		19,948	417	20,365	32,297
Corporate Forum		49,468	12,750	62,218	56,223
Constituent organisations		34,672	15,250	49,922	43,422
Friends of National Parks		34,131	9,853	43,984	49,218
Countryside Agency grants		29,529	16,000	45,529	59,900
Countryside Council for Wales grants		31,605	-	31,605	38,218
<u>Investment income</u>		7,913	-	7,913	12,949
		261,666	59,270	320,936	316,261
Incoming resources from charitable activities					
Service delivery grants		-	162,079	162,079	122,142
Sales and speakers service		8,819	-	8,819	7,060
		8,819	162,079	170,898	129,202
Total incoming resources		270,485	221,349	491,834	445,463
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income		60,493	-	60,493	88,468
Charitable activities					
National Park Protection		132,401	86,197	218,598	235,333
Raising Awareness		80,056	144,522	224,578	169,405
Governance costs		16,056	-	16,056	7,208
Total resources expended		289,006	230,719	519,725	500,414
Net incoming/(outgoing) resources before transfers		(18,521)	(9,370)	(27,891)	(54,951)
Net incoming resources before other recognised gains and losses		(18,521)	(9,370)	(27,891)	(54,951)
Other recognised gains/(losses)					
Gains/(losses) on investment assets		1,127	-	1,127	(2,780)
Net movement in funds		(17,394)	(9,370)	(26,764)	(57,731)
Reconciliation of funds					
Total funds brought forward 1 April 2005		196,244	30,553	226,797	284,528
Total funds carried forward 31 March 2006		178,850	21,183	200,033	226,797

Balance Sheet

As at 31 March 2006

	Notes	Total Funds 31/03/2006		Prior year Funds 31/03/2005	
		£	£	£	£
Fixed assets					
Tangible assets			1,393		1,551
Investments			<u>177,323</u>		<u>171,198</u>
			178,716		172,749
Current assets					
Debtors and prepayments		52,125		50,324	
Cash at bank and in hand		<u>31,727</u>		<u>37,236</u>	
		83,852		87,560	
Liabilities					
Creditors					
Amounts falling due within one year		62,535		33,512	
Net current assets or liabilities			21,317		54,048
Total assets less current liabilities			200,033		226,797
The funds of the Charity					
Restricted funds			21,183		30,553
General funds			178,850		196,244
Total Charity funds			200,033		226,797

The Financial Statements for the year ended 31 March 2006 were approved by the Trustees on 1 June 2006.

Kate Ashbrook

Chairman

Richard Carling

Honorary
Treasurer

The notes on the following pages form part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 March 2006

1 Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Financial Statements.

(a) Basis of preparation of accounts

The Financial Statements have been prepared under the historical cost convention and comply with the Companies Act 1985. The Financial Statements have also been prepared in accordance with SORP 2005 (Accounting and Reporting by Charities: Statement of Recommended Practice [revised 2005]) and all other applicable accounting standards.

(b) Fund accounting

Unrestricted funds are available for the use at the discretion of the Trustees in furtherance of the charitable objectives of CNP.

Restricted funds are funds subject to specific restrictions imposed by donors. The purpose and use of the restricted funds is set out in note 17 to the Financial Statements.

(c) Incoming Resources

Income from all sources is accounted for as soon as CNP has received the income.

Income received during one financial year which relates to activities to be carried out in the following financial year is treated as a debtor.

Gifts in kind represent services or goods provided free of charge and are included in income at an estimated cost where appropriate.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs directly attributable to that activity. Where costs (including overheads) cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources and the time spent on those activities.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the areas of activity.

Governance costs are those incurred with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with generating funds or charitable activities. In the case of the Council for National Parks, governance costs are the costs of the audit of the Financial Statements, the costs of meetings of the Trustees, the costs of preparation of the statutory Financial Statements and any costs associated with constitutional and statutory requirements.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are included at cost. Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis as follows:

Computer equipment	50% on cost (from 1 April 2002, new equipment is not capitalised).
Furniture and equipment	25% on cost.

(f) Pension costs

The Charity has no occupational pension scheme, but makes monthly contributions of 5% of gross salary to the pension schemes of those employees who make at least 2.5% of gross salary contributions to their schemes. The Charity has selected a Stakeholder pension scheme for those employees who wish to take advantage of it. Pension costs are charged to the income and expenditure account as they become due.

(g) Operating leases

Operating lease rentals are charged to the income and expenditure account as they become due.

(h) Expenditure categories

Expenditure is allocated to one of three functional categories:

- (i) Costs of generating funds
 - Costs of generating voluntary income (fundraising, administration of the Friends of National Parks, production of newsletters for the Friends of National Parks, production of the Annual Review, costs of acting as the secretariat for the Corporate Forum for National Parks)
- (ii) Charitable activities
 - National Park Protection
 - Policy, research and campaigning
 - Raising Awareness
 - Information service, media work, the Mosaic Partnership
- (iii) Governance costs
 - Costs of running the Charity in line with constitutional and statutory requirements

2 Resources Expended

	Staff costs	Support costs	Other direct costs	2006 Total	2005 Total
	£	£	£	£	£
National Park Protection	126,075	28,112	64,411	218,598	235,333
Raising Awareness	136,741	30,411	57,426	224,578	169,405
Costs of generating voluntary income	28,999	6,210	25,284	60,493	88,468
Governance	8,702	2,820	4,534	16,056	7,208
	300,517	67,553	151,655	519,725	500,414

3 Analysis of support costs

Support costs	National Park Protection	Raising Awareness	Costs of generating voluntary income	Governance	Total 2006	Total 2005
	£	£	£	£	£	£
Office costs	17,624	19,065	3,893	1,768	42,350	42,577
Travel and subsistence	328	355	73	33	789	1,426
Printing and photography	235	255	52	24	566	-
Computer costs	1,936	2,093	427	194	4,650	6,880
Fundraising	209	226	46	21	502	31
Miscellaneous	3,264	3,531	721	327	7,843	10,692
Irrecoverable VAT	4,516	4,886	998	453	10,853	12,603
	28,112	30,411	6,210	2,820	67,553	74,209

4 Analysis of governance costs

Governance costs	2005-06	2004-05
	£	£
Audit fee	1,650	2,325
Trustees expenses	2,850	1,282
Staff time for meetings	8,702	853
Registration fees	34	50
Apportionment of support costs	2,820	2,698
	16,056	7,208

The adoption of SORP 2005 from this year and its different requirements has meant the 2004/05 figures for governance costs above are not comparable.

5 Net incoming (outgoing) resources

These are stated after charging:

	2006	2005
	£	£
Auditors' remuneration	2,450	2,325
Depreciation	158	1,684
Operating leases	25,906	23,225
Donation to South Downs Campaign Officer post	-	3,717
	<u>28,514</u>	<u>30,951</u>

6 Trustee and employee information

(a) Trustee information

No Trustees received any remuneration (none in 2004/05).

During the year, four Trustees received reimbursement of travelling expenses (seven in 2004/05). The total of these reimbursements was £945 (£1,282 in 2004/05).

(b) Employee information

Employee costs during the year (excluding training and recruitment) were:

	2006	2005
	£	£
Salaries	266,128	256,866
Social security costs	27,570	26,435
Pension costs	6,819	7,205
	<u>300,517</u>	<u>290,506</u>

No employees received emoluments above £50,000 (none in 2004/05)

	2006	2005
Average number of staff during the year	9	11

7 Tangible fixed assets

	Computer equipment £	Furniture & equipment £	Total £
Cost			
At 1 April 2005	11,420	11,671	23,091
Additions			-
Disposals			-
At 31 March 2006	11,420	11,671	23,091
Depreciation			
At 1 April 2005	10,218	11,322	21,540
Charge for period	30	128	158
Disposals			-
At 31 March 2006	10,248	11,450	21,698
Net book values			
At 31 March 2006	1,172	221	1,393
At 31 March 2005	1,202	349	1,551

All assets are used in direct furtherance of the Charity's objectives.

8 Debtors and prepayments

	2006 £	2005 £
Grants receivable	39,801	38,450
Other debtors and prepayments	12,324	11,874
	52,125	50,324

9 Creditors

Amounts falling due within one year.

	2006 £	2005 £
Accruals	3,200	34,425
Other creditors	59,335	(913)
	62,535	33,512

10 Operating lease commitments

	2006 £	2005 £
Annual commitments under operating leases expiring:		
Within one year	710	-
In the second to fifth years	-	3,003
After five years	22,307	22,307

11 Total funds

	Opening balance	Net incoming resources	Charitable expenditure	Gains on Investment Assets	Closing balance
	£	£	£	£	£
Unrestricted funds	196,244	270,485	(289,006)	1,127	178,850
Restricted funds	30,553	221,349	(230,719)	-	21,183
	<u>226,797</u>	<u>491,834</u>	<u>(519,725)</u>	<u>1,127</u>	<u>200,033</u>

12 Analysis of movements between funds

(a) Restricted funds

	Balance at 1 April 2005	Income in period	Expenditure in period	Net surplus / (deficit)	Unrealised gains / (losses) on investments	Balance at 31 March 2006
	£	£	£	£	£	£
The Mosaic Partnership	9,000	120,497	140,615	(20,118)	-	(11,118)
Aggregates Levy Sustainability Fund	911	-	-	-	-	911
New National Parks	-	41,582	33,104	8,478	-	8,478
Bluestone	17,489	13,520	26,794	(13,274)	-	4,215
Strengthening National Park Societies	3,153	-	1,533	(1,533)	-	1,620
NP Societies Seminar	-	12,750	12,640	110	-	110
2006 Conference	-	-	3,907	(3,907)	-	(3,907)
Tackling Traffic	-	21,000	4,271	16,729	-	16,729
Prosperity & Protection	-	12,000	7,855	4,145	-	4,145
	<u>30,553</u>	<u>221,349</u>	<u>230,719</u>	<u>(9,370)</u>	<u>-</u>	<u>21,183</u>

(b) Unrestricted funds

General fund	196,244	257,985	276,506	(18,521)	1,127	178,850
John Ellerman Foundation Fund	-	12,500	12,500	-	-	-
Totals	<u>226,797</u>	<u>491,834</u>	<u>519,725</u>	<u>(27,891)</u>	<u>1,127</u>	<u>200,033</u>

The negative balance at 31 March 2006 on the 'Mosaic' fund has arisen as a result of timing differences, with the grant claim for expenditure incurred in March 2006 not being made until after end of the year. The negative balance on the '2006 conference' fund arises from staff time and apportioned costs in the year.

No transfer from unrestricted funds has been made as income in the 2006/7 financial year will offset these deficits.

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fixed assets	1,393	-	1,393
Debtors	20,975	31,150	52,125
Deposits and cash at bank	191,504	17,546	209,050
Creditors	(35,022)	(27,513)	(62,535)
	<u>178,850</u>	<u>21,183</u>	<u>200,033</u>

14 Capital commitments

At 31 March 2006 there were no capital commitments (none in 2004/05).

15 Related party transactions

There were no related party transaction during the year (none in 2004/05).

16 Taxation

No corporation tax has been allowed for in these Financial Statements because income of the Company, a registered Charity, is within the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1988. The Charity has borne tax on its expenditure where appropriate.

17 Restricted funds

Restricted funds have conditions imposed on them by the donors.

The Mosaic Partnership

To promote participation by ethnic minorities in National Parks.

Aggregates Levy Sustainability Fund

To address the legacy of old mineral permissions in National Parks.

New National Parks

To research and present the case for lowland National Parks, in particular the South Downs.

Bluestone

To present the case for protecting National Park purposes by opposing a tourist development in the Pembrokeshire Coast National Park.

Strengthening National Park Societies

To work with National Park Societies to build their capacity.

John Ellerman Foundation Fund

To support the policy staff of the Charity.

2006 Conference

To host a conference marking the Charity's 70th anniversary.

Tackling Traffic

To research traffic management in National Parks.

Prosperity & Protection

To research the economic benefits of National Park designation.