



Council for National Parks

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ending 31 March 2007

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 (CNP) 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 the 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 the strategic plan and amended the strategic aims to the following:

- A. To protect and enhance National Parks and to promote sustainability within the National Parks that is compatible with their purposes
- 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
- C. To build support for National Parks among new audiences, especially communities in urban areas
- D. To strengthen the capacity of the National Parks movement as a whole

The Trustees undertook a strategic review of the organisation in 2006/07.

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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President

Brian Blessed

Trustees

Kate Ashbrook (Chairman)
Richard Carling (Honorary Treasurer)
Dot McGahan (Vice Chairman England)
Mary Taylor (Vice Chairman Wales)
Arabella Amory
John Anfield
David Firth
Iwan Huws (co-opted 21/6/06, elected 2/7/06)
Emily Oliver
Fabienne Poulet
Elizabeth Wild

Company Secretary

Jim Bull

Chief Executive

Kathy Moore

Deputy Chief Executive (Acting Chief Executive from 3 July 2006)

Ruth Chambers

Bankers

Barclays Bank plc
7 St John's Hill
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SW11 1TR

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22 Southampton Street
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Auditors

Michael Harwood & Co
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Honorary Solicitor

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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 2007. 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.

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, informing 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. The Corporate Forum for National Parks has no role in the governance of CNP; the Friends of National Parks have a co-opted representative on the Council.

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 is reviewed annually in March.

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. For most of the financial year the Chief Executive was on maternity leave.

The Deputy (Acting since 3 July 2006) 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, Oriel Price, Wales Policy Officer, David Murray, Policy Officer and Amy Peters, Policy Researcher).

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 latter part of the year she was also line manager for the Mosaic Partnership staff.

The Mosaic Partnership project was managed by Stuart McLeod until he left in February 2007.

The Mosaic Partnership staff members during the year were Junie Joseph (Project Officer, Community Champions), Shirley Allen-Jackson (Senior Project Officer, Organisational Development from December 2006) and Zahid Hamid (Senior Project Officer, Organisational Development from December 2006).

Jim Bull is Finance and Office Manager, and Company Secretary.

Donna O'Brien (Policy Officer) left in June 2006, Rachel Reeves (Senior Policy Officer) left in July 2006, and Jill White (Mosaic Partnership Project Officer, Organisational Development) left in September 2006.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Main objectives for the year

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

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

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

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

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

Westminster / Whitehall / National Assembly for Wales

We aimed to maintain good links with key government departments, particularly the Department for Environment, Food and Rural Affairs (Defra). We were keen to strengthen links with officials from the Welsh Assembly Government and to meet the Assembly's Environment Minister.

National Park Authorities, Association of National Park Authorities (ANPA) and the English (ENPAA) and Welsh (WANPA) Associations

We planned to build relationships with new and existing staff at ANPA, WANPA and ENPAA, input to new members induction course(s) and attend key meetings and events.

Corporate Forum for National Parks

Our main objective was to develop a new Corporate Forum business plan, hold bilateral meetings with six members and find a new Chairman for the Forum.

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, with a focus on regional planning in England.

Specific policy work

On minerals, we made progress on some key old mineral permissions, monitored the new national policy statement in England (MPS1), with key casework expected in the Yorkshire Dales. On energy, we planned to monitor and respond to applications and influence consultations by Ofgem on the transmission price control review. On transport, we

planned to publish new research on traffic management in the parks. Our main casework was expected to be on a new bypass on the A628 in the Peak District, and a watching brief would be maintained on the proposed widening of the A47 in the Broads. On military activity, we planned to monitor key sites and publish new research on military training in National Parks. We planned to finalise and publicise the findings of a project called Prosperity and Protection, which would examine the economic impacts of National Parks in the Yorkshire and the Humber region.

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, we planned to monitor and respond as appropriate to the changing situation, with work expected to include responses to the South East Plan, including by appearing at the Examination in Public, and maintaining pressure on the government for a timely and positive designation decision.

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

This aim would be taken forward principally through the Mosaic Partnership, with work expected to focus on community group leader visits, identifying and helping develop new community champions for National Parks, and beginning the process of organisational change in the six partner organisations based on the experience of the community champions.

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

Three editions of Viewpoint, the magazine for Friends of National Parks were planned, along with the Annual Review. We planned a major redesign of CNP's website and aimed to hold a major conference to celebrate CNP's 70th anniversary.

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 one training day and focus on increasing Black and Minority Ethnic Speakers by linking with the Mosaic Partnership.

We aimed to contribute to the design and delivery of the National Park Societies' seminar hosted by the Yorkshire Dales Society in autumn 2006.

Principal achievements for the year

Overview of policy and key relationships

The theme of 'Prosperity and Protection' underpinned much of CNP's 70th anniversary year with a successful summer conference and launch of the Prosperity and Protection project report.

Campaigning largely focused on military and transport. Research projects were completed in both these policy areas during the course of the year.

The South Downs designation process was on hold for much of the year due to legal uncertainties.

Work on the organisational review was completed and led to a number of proposals, including the development of a membership development strategy.

Good links were developed with Barry Gardiner MP, the new Defra Minister, and links in general with Defra remained strong. Climate change rose dramatically up the political agenda and is now seen by government as the policy imperative which drives all others. This raises new challenges for the Parks.

Relationships in Wales improved. While the party political manifestos in Wales were largely neutral towards the Parks, ongoing discussions about future environmental governance arrangements contributed to general uncertainty.

Westminster / Whitehall / National Assembly for Wales

CNP met two Defra Ministers, and Defra officials were regularly updated on CNP's work. We met the Welsh Assembly Government Environment Minister twice and strengthened relationships with officials in Wales. We responded to key policy consultations from the Labour and Conservative parties.

National Park Authorities, Association of National Park Authorities (ANPA) and the English (ENPAA) and Welsh (WANPA) Associations

Relationships were developed and regular contact maintained with the new ANPA co-ordinator and Director and staff of ENPAA and WANPA. We gave a presentation on CNP's work to the new members' induction course.

Planning

We monitored and responded to key national, regional and local policy consultations, with a focus on England, at the regional level. We participated in consultations on several National Park Management Plans and monitored and responded to planning applications which met CNP's criteria for involvement.

Specific policy work

Minerals

A new national policy statement (MPS1) was published in England with many of CNP's suggestions accepted. We gave a keynote speech at the annual conference of the Institute of Quarrying and responded to a government consultation on environmental impact assessment which proposed to close a legal loophole that had first been identified by CNP and the Friends of the Peak District.

We worked with local community councils in the Brecon Beacons to argue against the policy of safeguarding of sand and gravel resources in the National Park Authority's Unitary Development Plan. The Authority listened and decided not to include the policy, despite pressure from the Welsh Assembly Government.

Energy

We responded to consultations on the transmission price control review and met Ofgem to argue for National Parks to be considered fully in the review. We gave a keynote presentation at a seminar on renewable energy for staff from northern National Park Authorities, AONBs and the National Trust.

Transport

We held a National Parks and Transport seminar and met Department for Transport Minister Gillian Merron MP to press for a sustainable transport fund for National Parks. We maintained pressure on the Department for Transport and the Highways Agency to consider alternatives to damaging road building proposals on the A628 in the Peak District and we monitored proposals in relation to the A47 in the Broads.

Military

We met the Defence Minister to discuss military training in National Parks, published new research on training within the Parks and made a number of recommendations on how the impact of such training on the parks might be reduced. We called for an independent inquiry so that alternatives to military training within the Parks could be properly examined.

South Downs

The South Downs designation process was on hold for much of the year and pressure was maintained on the government for a timely and positive designation decision. We appeared at the Examination in Public of the South East Plan.

Communications

CNP communicated well with its statutory and voluntary sector partners and built a strong relationship with new staff within Natural England. Twenty one press releases were issued on a variety of topics, and attracted good coverage nationally (including on Radio 4, the national TV news in Wales and in The Guardian), regionally and locally. Several press releases were issued jointly with National Park Societies. The new website was launched, which included new design, content, updated links and images. Three editions of Viewpoint were published and widely disseminated.

Projects

The Mosaic Partnership, CNP's flagship initiative working with urban Black and Minority Ethnic groups to ensure that they have better representation within the National Park network, completed its second year. Turnover of project staff proved to be a challenge but has not unduly affected project outputs.

A full programme of training events was delivered in conjunction with the YHA across the four partner National Park Authorities (Brecon Beacons, North York Moors, Peak District and Yorkshire Dales).

The project received significant high profile media coverage with articles in Trail magazine, The Sunday Telegraph and a feature on Radio 4's You and Yours programme. There was also increasing anecdotal evidence of independent activity between the project's Community Champions and the partner organisations. Towards the end of the financial

year the project team began the process of meeting the project stakeholders to formulate an exit strategy for the final 18 months. This consultation process will continue in 2007/08.

Prosperity and Protection, CNP's major research project into the economic impacts of National Park designation in Yorkshire and Humber, was completed and its findings were launched at a well attended seminar in Harrogate in December 2006. The findings were welcomed by several government departments, Yorkshire Forward and local stakeholders, including the National Park Authorities.

Prosperity and Protection was the underpinning theme of CNP's 70th anniversary year and a major conference in Buxton at the beginning of July was held which explored the theme in detail. The conference was well attended and speakers included the Defra Minister, Barry Gardiner MP, and the former Home Secretary and Peak District MP David Blunkett.

In 2006/07, CNP also published research on sustainable transport across the National Parks and on military training in the National Parks. Both enjoyed significant media interest and are informing current and future campaigning plans.

Corporate Forum for National Parks

2006/07 was a busy year for the Corporate Forum, with more regular contact with member companies through bilateral meetings, a new business plan developed and a new Chairman found. It was disappointing that no new members were recruited.

Meetings were hosted by CE Electric UK, Tarmac and Nationwide Building Society. Representatives from BT and National Grid (also the principal sponsors) attended the 70th Anniversary conference in Buxton.

The Forum undertook a self-evaluation of its current business plan and formed a small sub-group to take forward the key lessons learned into the business plan for 2007-10. The emerging plan demonstrates a greater emphasis on communication and an improved schedule of bilateral meetings to provide companies with an opportunity to discuss issues on an individual basis.

Humphrey Temperley stood down as Chairman of the Corporate Forum for National Parks due to his increasing public office commitments. Sir Charles Nicholson, former sustainability advisor to BP, was engaged as the new Chairman of the Forum. Sir Charles is working with the membership to deliver a robust business plan with more tangible outcomes.

CNP's development

2006/07 saw much internal change. Receipt of core grants from Natural England, the Countryside Council for Wales and internal re-organisation meant that CNP was able to recruit a new policy team with two officers based in London and one in Wales.

With additional funding from the Esmée Fairbairn Foundation, CNP engaged external consultants to review the organisation's business model and communications function. This resulted in several changes and will help the organisation to function more efficiently in terms of planning, budgeting and income generation, including through the development of a strategy to increase individual membership. A significant increase in this income source will represent greater levels of unrestricted income for the charity. The development of the membership strategy will continue during 2007/08 with the intention of submitting a full funding proposal in late summer 2007.

The organisational review also resulted in the Chief Executive post being made part time, with a greater focus on strategic development, and the employment of a full time Policy Researcher to help increase capacity.

Summary of Funding Sources

CNP is fortunate to receive funding and support from a wide range of organisations and individuals. During 2006/07 we received support from:

Trusts and Foundations

Anthony Travis Charitable Trust, Ardwick Trust, Cairns Charitable Trust, Dennis Curry's Charitable Trust, D'Oyly Carte Charitable Trust, Esmée Fairbairn Foundation, Gatliff Trust, John Ellerman Foundation, John Paul Getty Jr. Charitable Trust, Lloyds/TSB Foundation for England and Wales, Madeline Mabey Charitable Trust, Marsh Christian Charitable Trust.

The Heritage Lottery Fund continued to support the Mosaic Partnership. The project also received grants from the four partner NPAs (Peak District, Brecon Beacons, North York Moors and Yorkshire Dales), the YHA, the Countryside Council for Wales and Natural England.

Constituent Organisations

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

The individual *Friends of National Parks* contributed £46,935. This figure includes subscriptions, donations, legacies and Gift Aid tax claims. Our volunteer *Speaker Service* raised £5,746.

CNP also received subscription income from its constituent organisations.

Statutory Organisations

Natural England (formerly the Countryside Agency) offered additional support towards the year end for project work and towards the 2006 conference, the Countryside Council for Wales helped support CNP's work in Wales, and Defra and Yorkshire Forward supported the Prosperity and Protection project.

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 2006/07 would include as a minimum:

Council members (largely for meetings):	160 days
Trustees	80 days
Speakers	120 days
Other Volunteers	15 days
Mosaic Partnership Community Champions	120 days

In line with SORP 2005, the contribution of volunteers has not been included in the Statement of Financial Activities, as the value of their contribution to the organisation cannot reasonably be quantified in financial terms.

Plans for 2007/08 and beyond

Our work plans for the year are based on our amended strategic aims, as listed 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 meetings with Ministers and officials, ongoing lobbying and briefing with several government departments and monitoring parliamentary debates, and briefing Peers, MPs and Members of the Welsh Assembly Government. There will be a greater focus on improving links with the Welsh Assembly Government following the 2007 election and new legislative programme.

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 the implementation of the Forum's business plan, bilateral meetings with six members, recruiting new members and marking the 15th anniversary of the Forum through a parliamentary reception.

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 expected to be: responding to the Planning White Paper and associated consultations; participation in a public inquiry on the East Midlands 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.

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 starting in June 2007 and work on the conflicts between military training and National Park purposes on Dartmoor. Work is also beginning to identify a policy niche for CNP on climate change.

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 will enter its final phase in this financial year. Despite this, the project will continue to deliver a full range of training and development events for the volunteer Community Champions. The project staff team will be working with all the project stakeholder groups to develop an exit strategy based around four key elements:

- Consolidating the Community Champions' Personal Development Plans
- Active dissemination of the project's lessons
- Facilitating a direct dialogue between the NPAs and Community Champions
- Developing a mechanism for recruiting Community Champions beyond the life of the project.

Also during this time, CNP will consider how future work on diversity within the National Park network can be taken forward.

CNP is developing a new strategy for individual membership retention and recruitment.

Brian Blessed will stand down as CNP's President at the AGM in July 2007 and a new President will be appointed.

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.

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 Snowdonia and to run one workshop attached to a meeting of Council members. A new strategic plan for the organisation will be developed.

Review of the Financial Position

2006/07 proved to be a good year for CNP financially, with an overall surplus of £25k.

This was based on strong income generation with income rising to £571k, compared to £492k last year (restricted income for the Mosaic project helped to boost the total). Higher income from Council members (constituent organisations) was much welcomed and helped to off-set decreases in other areas of core income such as Friends of National Parks.

The growth in income enabled expenditure to increase to £538k (up from £520k last year). Much of this was spent completing projects for which we had received restricted funding such as the Mosaic Partnership, Prosperity & Protection, Tackling Traffic and the 2006 Conference.

Costs of generating voluntary income were equivalent to 9% of voluntary income raised, which is a good ratio. The Head of Fundraising helped to cover the Chief Executive's role while she was on maternity leave, so to maintain income levels for this financial year was a great achievement.

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 2007, CNP's reserves were £225k. Expenditure on core activities is budgeted to be £341k for 2007-08, so the reserve level represents 66% of annual expenditure, equivalent to just under 8 months' costs. We are therefore in line with our reserves policy.

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.

Statement as to disclosure of information to auditors

So far as the Trustees (Directors) are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each Trustee (Director) has taken all the steps that he ought to have taken as a Trustee (Director) in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

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 14 June 2007

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 2007 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity'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

The Trustees' (who are also the directors of The Council for National Parks for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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 which 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

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

14 June 2007

Statement of Financial Activities for the year ended 31 March 2007
(Incorporating the Income and Expenditure Account)

	Notes	Unrestricted funds 31/03/07 £	Restricted funds 31/3/07 £	Total funds 31/3/07 £	Prior year Total Funds 31/3/06 £
Incoming Resources					
Incoming resources from generated funds	1c				
<u>Voluntary income</u>					
Charitable Trusts		22,119	20,015	42,134	59,400
Legacies and donations		15,289	3,000	18,289	20,365
Corporate Forum		52,930	10,500	63,430	62,218
Constituent organisations		53,819	4,000	57,819	49,922
Friends of National Parks		34,306	-	34,306	43,984
Natural England/Countryside Agency grants		18,000	25,692	43,692	45,529
Countryside Council for Wales grants		31,278	3,182	34,460	31,605
<u>Investment income</u>		9,296	-	9,296	7,913
		237,037	66,389	303,426	320,936
Incoming resources from charitable activities					
Performance related grants		-	248,018	248,018	162,079
Sales and speakers service		19,726	-	19,726	8,819
		19,726	248,018	267,744	170,898
Total incoming resources		256,763	314,407	571,170	491,834
Resources Expended					
Costs of generating funds	1d, 2				
Costs of generating voluntary income		26,223	-	26,223	60,493
Charitable activities					
National Park Protection		45,843	157,762	203,605	218,598
Raising Awareness		58,035	237,820	295,855	224,578
Governance costs	4	12,601	-	12,601	16,056
Total resources expended		142,702	395,582	538,284	519,725
Net incoming/(outgoing) resources before transfers	5	114,061	(81,175)	32,886	(27,891)
Transfers		(25,240)	25,240	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		88,821	(55,935)	32,886	(27,891)
Other recognised gains/(losses)					
(Losses) on investment assets		(8,056)	-	(8,056)	1,127
Net movement in funds		80,765	(55,935)	24,830	(26,764)
Reconciliation of funds					
Total funds brought forward 1 April 2006		178,850	21,183	200,033	226,797
Total funds carried forward 31 March 2007		259,615	(34,752)	224,863	200,033

Balance Sheet

As at 31 March 2007

	Notes	Total Funds 31/03/2007		Prior year Funds 31/03/2006	
		£	£	£	£
Fixed assets	1e				
Tangible assets	7		-		1,393
Investments			189,268		177,323
			189,268		178,716
Current assets					
Debtors and prepayments	8	47,912		54,403	
Cash at bank and in hand		33,230		31,727	
		81,142		86,130	
Liabilities					
Creditors	9				
Amounts falling due within one year		45,547		64,813	
Net current assets or liabilities			35,595		21,317
Total assets less current liabilities			224,863		200,033
The funds of the Charity					
Restricted funds			(34,752)		21,183
General funds			259,615		178,850
Total Charity funds	11		224,863		200,033

The Financial Statements for the year ended 31 March 2007 were approved by the Trustees on 14 June 2007.

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 2007

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 the Statement of Recommended Practice for Accounting and Reporting by Charities 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 it has been received.

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	2007 Total	2006 Total
	£	£	£	£	£
National Park Protection	92,495	33,195	77,915	203,605	218,598
Raising Awareness	151,932	29,897	114,026	295,855	224,578
Costs of generating voluntary income	14,072	5,050	7,101	26,223	60,493
Governance	3,701	4,928	3,972	12,601	16,056
	262,200	73,070	203,014	538,284	519,725

3 Analysis of support costs

Support costs	National Park Protection	Raising Awareness	Costs of generating voluntary income	Governance	Total 2007	Total 2006
	£	£	£	£	£	£
Office costs	16,996	15,326	2,576	686	35,584	42,350
Travel and subsistence	359	323	55	14	751	789
Printing and photography	913	821	139	36	1,909	566
Computer costs	4,490	4,039	686	178	9,393	4,650
Strategic review	-	-	-	3,599	3,599	
Miscellaneous	2,057	1,850	314	82	4,303	8,345
Irrecoverable VAT	8,380	7,538	1,280	333	17,531	10,853
	33,195	29,897	5,050	4,928	73,070	67,553

4 Analysis of governance costs

Governance costs	2006-07	2005-06
	£	£
Audit fee	1,960	1,650
Trustees expenses	1,951	2,850
Staff time for meetings	3,701	8,702
Registration fees	15	34
Apportionment of support costs	4,928	2,820
Other	46	-
	12,601	16,056

5 Net incoming (outgoing) resources

These are stated after charging:

	2007	2006
	£	£
Auditors' remuneration	1,960	2,450
Depreciation	1,393	158
Operating leases	8,714	25,906
	<u>12,067</u>	<u>28,514</u>

6 Trustee and employee information

(a) Trustee information

No Trustees received any remuneration (none in 2005/06).

During the year, four Trustees received reimbursement of travelling expenses (four in 2005/06). The total of these reimbursements was £1,444 (£945 in 2005/06).

(b) Employee information

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

	2007	2006
	£	£
Salaries	232,930	266,128
Social security costs	25,120	27,570
Pension costs	4,150	6,819
	<u>262,200</u>	<u>300,517</u>

No employees received emoluments above £50,000 (none in 2005/06)

	2007	2006
Average number of staff during the year (full time equivalent)	9	9

7 Tangible fixed assets

	Computer equipment £	Furniture & equipment £	Total £
Cost			
At 1 April 2006	11,420	11,671	23,091
Additions	-	-	-
Disposals	-	-	-
At 31 March 2007	11,420	11,671	23,091
Depreciation			
At 1 April 2006	10,248	11,450	21,698
Charge for period	1,172	221	1,393
Disposals	-	-	-
At 31 March 2007	11,420	11,671	23,091
Net book values			
At 31 March 2007	-	-	-
At 31 March 2006	1,172	221	1,393

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

8 Debtors and prepayments

	2007 £	2006 £
Grants receivable	41,904	39,801
Other debtors and prepayments	6,008	14,902
	47,912	54,403

9 Creditors

Amounts falling due within one year.

	2007 £	2006 £
Accruals	5,935	3,200
Other creditors	39,612	61,613
	45,547	64,813

10 Operating lease commitments

	2007 £	2006 £
Annual commitments under operating leases expiring:		
Within one year	1,550	710
In the second to fifth years	7,164	-
After five years	-	22,307
	8,714	23,017

11 Total funds

	Opening balance	Net incoming resources	Charitable expenditure	Gains on Investment Assets	Transfers	Closing balance
	£	£	£	£	£	£
Unrestricted funds	178,850	256,763	(142,702)	(8,056)	(25,240)	259,615
Restricted funds	21,183	314,407	(395,582)	-	25,240	(34,752)
	200,033	571,170	(538,284)	(8,056)	-	224,863

12 Analysis of movements between funds

(a) Restricted funds

	Balance at 1 April 2006	Income in period	Expenditure in period	Net surplus / (deficit)	Unrealised gains / (losses) on investments	Transfers	Balance at 31 March 2007
	£	£	£	£	£	£	£
The Mosaic Partnership	(11,118)	180,679	(204,313)	(23,634)	-	-	(34,752)
Aggregates Levy Sustainability Fund	911	-	(1,305)	(1,305)	-	394	-
New National Parks	8,478	20,013	(31,598)	(11,585)	-	3,107	-
Bluestone	4,215	-	(4,895)	(4,895)	-	680	-
Strengthening National Park Societies	1,620	-	(1,620)	(1,620)	-	-	-
NP Societies Seminar	110	-	(256)	(256)	-	146	-
2006 Conference	(3,907)	24,200	(33,508)	(9,308)	-	13,215	-
Tackling Traffic	16,729	-	(19,376)	(19,376)	-	2,647	-
Prosperity & Protection	4,145	64,515	(73,711)	(9,196)	-	5,051	-
John Ellerman Foundation Fund		25,000	(25,000)	-	-	-	-
	21,183	314,407	(395,582)	(81,175)	-	25,240	(34,752)

(b) Unrestricted funds

General fund	178,850	256,763	(142,702)	114,061	(8,056)	(25,240)	259,615
Totals	200,033	571,170	(538,284)	32,886	(8,056)	-	224,863

The deficit on The Mosaic Partnership fund arises from the timing of the receipt of further funds which will be recognised in the 2007/08 accounts.

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fixed assets	-	-	-
Debtors	47,912	-	47,912
Deposits and cash at bank	257,250	(34,752)	222,498
Creditors	(45,547)	-	(45,547)
	259,615	(34,752)	224,863

14 Capital commitments

At 31 March 2007 there were no capital commitments (none in 2005/06).

15 Related party transactions

There were no related party transactions during the year (none in 2005/06).

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 oppose a tourist development in the Pembrokeshire Coast National Park because of its impact on National Park purposes and its precedent-setting nature.

Strengthening National Park Societies

To work with National Park Societies to build their capacity.

John Ellerman Foundation Fund

To support the planning work 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.