

AM 722/25

NEW FOREST NATIONAL PARK AUTHORITY

AUTHORITY MEETING – 16 OCTOBER 2025

DRAFT FINANCIAL REPORT 2024/25 (Including the Annual Governance Statement)

Report by: Nigel Stone, Head of Resources (Chief Finance Officer)

Purpose:

- 1 To present the draft Financial Report 2024/25, including the Annual Governance Statement, Accounting Policies and Letter of Management Representation.

Financial Report 2024/25

- 2.1 This report details the latest draft of the Authority's Financial Report for the 2024/25 financial year – key statements have been provided in **Annex 1**, with a link to the full draft document on our website. Any further updates since publication of the Authority papers will be orally discussed with Members at the meeting.
- 2.2 The core financial results, draft Accounting Policies and draft Annual Governance Statement were considered and recommended for approval by the Resources, Audit and Performance Committee on 2 June 2025.
- 2.3 Members will also need to approve the draft Letter of Representation as set out in **Annex 2**.

Recommendation:

That the Financial Report 2024/25 as set out in this report be approved, subject to any further minor changes required, for which delegation is given for these to be mutually agreed by the Chief Finance Officer, Chief Executive and Chair of the Authority.

Papers:

AM 722/25 Cover paper

AM 722/25 Annex 1 Draft Financial Report 2024/25

AM 722/25 Annex 2 Draft Letter of Representation 2024/25

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report.

Contact:

Nigel Stone
Head of Resources (Chief Finance Officer)
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Annex 1 – Draft Financial Report 2024/25

Link to full document:

[Finance - New Forest National Park Authority](#)

(NFNPA Website, About Us, Finances, Financial Report)

Key Financial Statements:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

Activity	Gross Expenditure, £000	Income, £000	Net Expenditure, £000
Conservation of the Natural Environment	1,544	(1,375)	169
Conservation of Cultural Heritage	282	(40)	242
Recreation Management and Transport	736	(533)	203
Promoting Understanding	739	(235)	504
Rangers, Estates and Volunteers	221	(51)	170
Development Control	1,479	(512)	967
Forward Planning and Communities	454	0	454
Corporate and Democratic Core	595	(7)	588
Non-Service Items	5	(19)	(14)
Net Cost of Services	6,055	(2,772)	3,283
Financing and Investment Income and Expenditure			
Interest and Investment Income			(186)
Interest Charge			13
Net interest on the defined benefit liability / asset (Note 8)			0
Total Financing and Investment Income and Expenditure			(173)
Taxation and Non-Specific Grant Income			
Capital Grants and Contributions (Note 15/17)			(757)
National Park Revenue Grant (Note 7)			(3,501)
(Surplus)/Deficit on the Provision of Services			(1,148)
Re-measurement of the defined benefit liability / asset (Note 8)			0
Total Comprehensive Income and Expenditure			(1,148)

Nigel Stone, CPFA FCCA - Chief Finance Officer

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EXPENDITURE AND FUNDING ANALYSIS FOR YEAR ENDED 31 MARCH 2025

Supports the Comprehensive Income and Expenditure Statement.

Activity	Expenditure chargeable to General Fund Balance, £000	Adjustment between funding and accounting basis, £000	Net expenditure in the Comprehensive Income and Expenditure Statement, £000
Conservation of the Natural Environment	173	(4)	169
Conservation of Cultural Heritage	317	(75)	242
Recreation Management and Transport	273	(30)	243
Promoting Understanding	479	(15)	464
Rangers, Estates and Volunteers	180	(10)	170
Development Control	963	4	967
Forward Planning and Communities	455	(1)	454
Corporate and Democratic Core	606	(18)	588
Non-Service Items	(14)	0	(14)
Net Cost of Services	3,432	(149)	3,283
Other Income and Expenditure	(3,924)	(507)	(4,431)
(Surplus)/Deficit on Provision of Services	(492)	(656)	(1,148)
Transfer to/(from) Other Earmarked Reserves	466		
(Surplus)/Deficit in Year	(26)		
Opening Revenue Support Reserve Balance	(63)		
(Surplus)/Deficit in Year	(26)		
Closing Revenue Support Reserve Balance at 31 March	(89)		

MOVEMENT IN RESERVES STATEMENT

All figures in £000's.

Activity	General Fund Balance	Earmarked Reserves	Developers' Contributions Unapplied	Total Usable Reserves	Capital Adjustment Account	Pension Reserve	Accumulated Absences Account	Total Unusable Reserves	Total Authority Reserves
Balance as at 31 March 2024	350	1,903	1,201	3,454	622	0	(60)	562	4,016
Movement in reserves during 2024/25									
Surplus or (deficit) on the provision of services	1,148	0	0	1,148	0	0	0	0	1,148
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	1,148	0	0	1,148	0	0	0	0	1,148
Adjustments between accounting basis & funding basis under regulations (Note 5)	(656)	0	507	(149)	154	0	(5)	149	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves	492	0	507	999	154	0	(5)	149	1,148
Transfers to/(from) Reserves (Notes 16, 17, 18)	(492)	598	(106)	0	0	0	0	0	0
Increase/(Decrease) in 2024/25	0	598	401	999	154	0	(5)	149	1,148
Balance at 31 March 2025	350	2,501	1,602	4,453	776	0	(65)	711	5,164

BALANCE SHEET AS AT 31 MARCH 2025

Balance Sheet	2023/24 £000	2024/25 £000
Long-term Assets		
Property, Plant & Equipment		
Community Assets (Note 10)	432	428
Vehicles, Plant & Equipment (Note 10)	127	303
Right of Use Assets (Note 10)	0	151
Intangible assets		
Equipment - Software (Note 11)	64	49
Total Long-term Assets	623	931
Current Assets		
Short-Term Investments (Note 19)	2,001	3,520
Short-Term Debtors (Note 12)	286	784
Cash and Cash Equivalents (Note 13)	1,777	1,172
Total Current Assets	4,064	5,476
Total Assets	4,687	6,407
Current liabilities		
Short-Term Creditors (Note 14)	(671)	(808)
Right of Use Liability	0	(96)
Total Current Liabilities	(671)	(904)
Long Term Liabilities		
Liability relating to Pension Scheme (Note 8)	0	0
Right of Use Liability	0	(59)
Developer Contributions (Note 15)	0	(280)
Total Long-Term Liabilities	0	(339)
Net Assets	4,016	5,164
Usable Reserves:		
General Fund Balance	350	350
Earmarked Reserves	1,903	2,501
Developers' Contributions Unapplied	1,201	1,602
	3,454	4,453
Unusable Reserves:		
Capital Adjustment Account	622	776
Pensions Reserve	0	0
Accumulated Absences Account	(60)	(65)
	562	711
Total Reserves	4,016	5,164

Nigel Stone, CPFA FCCA - Chief Finance Officer

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

Activity	2023/24 £000	2024/25 £000
Net (Surplus)/Deficit on the Provision of Services	(136)	(1,148)
Adjust net (surplus)/deficit on the Provision of Services for non-cash movements		
Depreciation / Amortisation / Impairments (Note 10/11)	(55)	(68)
(Increase)/Decrease in Creditors, Provisions & Liabilities	(137)	(572)
Increase/(Decrease) in Debtors	(657)	498
Pensions – Reverse charges made for retirement benefits in profit and loss (Note 8)	(485)	(489)
Pensions – Employers Contribution (Note 8)	428	489
Adjustments for items which are Investing or Financing Activities		
Interest and Investment Income	132	186
Net cash flows from Operating Activities	(910)	(1,104)
Investing Activities		
Interest and Investment Income	(132)	(167)
Acquisition of property, plant & equipment and intangible assets (Note 10/11)	4	376
Purchase of short-term and long-term investments	15,500	21,250
Proceeds from short-term and long-term investments	(15,000)	(19,750)
Net cash flows from Investing Activities	372	1,709
Net (Increase)/Decrease in Cash and Cash Equivalents	(538)	605
Cash and Cash Equivalents b/f (Note 13)	1,239	1,777
Cash and Cash Equivalents c/f (Note 13)	1,777	1,172
Movement in Cash and Cash Equivalents	538	(605)

Annex 2 – Draft Letter of Representation

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young
Grosvenor House,
Grosvenor Square,
Southampton,
SO15 2BE
United Kingdom

This letter of representations is provided in connection with your audit of the financial statements of New Forest National Park Authority (“the Authority”) for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position of New Forest National Park Authority as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.

4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.

5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].

6. We confirm the Authority does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial improprieties;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or

- in relation to any allegations of fraud, suspected fraud or other noncompliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have made available to you all minutes of the meetings of the Authority and its committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the 2024/25 financial year to the most recent meeting on the following date: [list date].

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the 2024/25 financial year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have

occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 27 to the financial statements all guarantees that we have given to third parties.
4. No claims in connection with litigation have been or are expected to be received.

E. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet(s).
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. We have no other line of credit arrangements.

F. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the pension liability and asset valuation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with

respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

G. Estimates

1. We confirm that the significant judgments made in making the pension liability and asset valuation have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the pension liability and asset valuation.
3. We confirm that the significant assumptions used in making the pension liability and asset valuation appropriately reflect our intent and ability to carry out our purposes and duty on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the pension liability and asset valuation.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

H. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

I. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).

2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, except as follows:

(1) Matters of routine, normal, recurring nature (e.g., examinations by bank and insurance examiners, examinations by taxing authorities), none of which involves any allegations of noncompliance with laws or regulations that should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

(2) Matters referred to in the letters dated [date] issued to you by the Authority's Monitoring Officer.

K. Going Concern

1. Note 30 to the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

L. Subsequent Events

1. Other than those events described in Note 29 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

M. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and Annual Governance Statement.

2. We confirm that the content contained within the other information is consistent with the financial statements.

3. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2023/24 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

N. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

(Chief Financial Officer)

(Chair of the Authority)