

AM 729/26

**NEW FOREST NATIONAL PARK AUTHORITY
AUTHORITY MEETING – 29 JANUARY 2026**

FINANCIAL REPORT AND EXTERNAL AUDIT REPORTS 2024/25

Report by: Nigel Stone, Chief Finance Officer and Simon Mathers - Ernst & Young LLP, External Auditors to the Authority

1 Summary

- 1.1 This report sets out the latest position on our 2024/25 Accounts, required to be completed by end of February, and also contains two reports from our external auditors Ernst & Young LLP – they will be attending the meeting to discuss these reports directly.

2 Financial Report 2024/25

- 2.1 **Annex 1** contains the latest versions of the key 2024/25 financial statements. A few amendments have been made since these were presented in October, but none have changed the 'bottom line' outturn for the financial year. A link is provided to the full Accounts document on our website. Any further updates since publication of the Authority papers will be orally discussed with Members at the meeting.
- 2.2 These Accounts have been delivered by our small finance team, working at full capacity to firstly publish these documents and accompanying audit file on time, delivered early in fact, and then to undertake responses to all the varied audit questions and queries.
- 2.3 As a result of the accounting changes around the introduction of IFRS16 Leases, bringing Right of Use assets onto the Balance Sheet, the Authority is required to have a Minimum Revenue Provision (MRP) Policy. The suggested short policy to approve is set out at the end of Annex 1.
- 2.4 Members will also need to approve the draft Letter of Representation as set out in Appendix F (p44-48) of Annex 2.

3 External Audit Reports

- 3.1 **Annex 2** contains the Audit Results Report 2024/25 from our external auditors Ernst & Young LLP.

This document is an updated version of that shared with Members of the Authority in October 2025; however, it should be noted that the audit is still yet to be finalised.

- 3.2 **Annex 3** contains the Annual Report from our external auditors Ernst & Young LLP.

An earlier draft version of this document was shared with the Chair and Chief Finance Officer of the Authority in November 2025.

- 3.3 Ernst & Young will be attending the Authority meeting to provide the latest updates on these documents and/or the ongoing audit process.

4 Recommendations

It is recommended that:

1 – that the Financial Report 2024/25, MRP Policy and Letter of Representation 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

2 – the two audit reports be accepted.

Papers:

AM 729/26 – Financial Report and External Audit Reports 2024/25 Cover Paper

AM 729/26 – Annex 1, Key Financial Documents and MRP Policy

AM 729/26 – Annex 2, Audit Results Report 2024/25

AM 729/26 – Annex 3, Auditors Annual Report 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)

Tel: 01590 646655

Email: nigel.stone@newforestnpa.gov.uk

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	1,543	(1,375)	168
Conservation of Cultural Heritage	273	(40)	233
Recreation Management and Transport	734	(533)	201
Promoting Understanding	739	(235)	504
Rangers, Estates and Volunteers	220	(51)	169
Development Control	1,414	(512)	902
Forward Planning and Communities	454	0	454
Corporate and Democratic Core	592	(7)	585
Non-Service Items	5	(19)	(14)
Net Cost of Services	5,979	(2,772)	3,202
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			(1,229)
Re-measurement of the defined benefit liability / asset (Note 8)			0
Total Comprehensive Income and Expenditure			(1,229)

Nigel Stone, CPFA FCCA - Chief Finance Officer

13 January 2026

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	(5)	168
Conservation of Cultural Heritage	317	(84)	233
Recreation Management and Transport	273	(32)	201
Promoting Understanding	480	(16)	504
Rangers, Estates and Volunteers	180	(11)	169
Development Control	963	(61)	902
Forward Planning and Communities	455	(1)	454
Corporate and Democratic Core	606	(21)	585
Non-Service Items	(14)	0	(14)
Net Cost of Services	3,433	(231)	3,202
Other Income and Expenditure	(3,924)	(507)	(4,431)
(Surplus)/Deficit on Provision of Services	(491)	(738)	(1,229)
Transfer to/(from) Other Earmarked Reserves	466		
(Surplus)/Deficit in Year	(25)		
Opening Revenue Support Reserve Balance	(63)		
(Surplus)/Deficit in Year	(25)		
Closing Revenue Support Reserve Balance at 31 March	(88)		

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	1,229	0	0	1,229	0	0	0	0	1,229
Other Comprehensive Income and Expenditure	0	0	0	0	0	0	0	0	0
Total Comprehensive Income and Expenditure	1,229	0	0	1,229	0	0	0	0	1,229
Adjustments between accounting basis & funding basis under regulations (Note 5)	(738)	0	507	(231)	236	0	(5)	231	0
Net Increase/(Decrease) before Transfers to Earmarked Reserves	491	0	507	998	236	0	(5)	231	1,229
Transfers to/(from) Reserves (Notes 16,17,18)	(491)	597	(106)	0	0	0	0	0	0
Increase/(Decrease) in 2024/25	0	597	401	998	236	0	(5)	231	1,229
Balance at 31 March 2025	350	2,500	1,602	4,452	858	0	(65)	793	5,245

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	302
Right of Use Assets (Note 10)	0	151
Assets Under Construction (Note 10)	0	82
Intangible assets		
Equipment - Software (Note 11)	64	49
Total Long-term Assets	623	1,012
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	6,488
Current liabilities		
Short-Term Creditors (Note 14)	(671)	(808)
Lease Liability	0	(96)
Total Current Liabilities	(671)	(904)
Long Term Liabilities		
Liability relating to Pension Scheme (Note 8)	0	0
Lease Liability	0	(59)
Developer Contributions (Note 15)	0	(280)
Total Long-Term Liabilities	0	(339)
Net Assets	4,016	5,245
Usable Reserves:		
General Fund Balance	350	350
Earmarked Reserves	1,903	2,500
Developers' Contributions Unapplied	1,201	1,602
	3,454	4,452
Unusable Reserves:		
Capital Adjustment Account	622	858
Pensions Reserve	0	0
Accumulated Absences Account	(60)	(65)
	562	793
Total Reserves	4,016	5,245

Nigel Stone, CPFA FCCA - Chief Finance Officer

13 January 2026

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)	(1,229)
Adjust net (surplus)/deficit on the Provision of Services for non-cash movements		
Depreciation / Amortisation / Impairments (Note 10/11)	(55)	(161)
(Increase)/Decrease in Creditors, Provisions & Liabilities	(137)	(417)
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
IFRS16 Lease Interest Payments	0	(13)
Adjustments for items which are Investing or Financing Activities		
Interest and Investment Income	132	186
IFRS16 Lease Payments	0	103
Net cash flows from Operating Activities	(910)	(1,033)
Investing Activities		
Interest and Investment Income	(132)	(169)
Acquisition of property, plant & equipment and intangible assets (Note 10/11)	4	307
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	1,638
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)

Minimum Revenue Provision Policy (2024/25 and 2025/26)

The Minimum Revenue Provision (MRP) represents the sum that Local Authorities, and similar bodies such as ours, must allocate annually from their revenue account to repay debt. This allocation is designed to facilitate the annual repayment of both the outstanding loan principal and interest charges. The overarching objective of this provision is to align the debt repayment period with the duration over which the capital expenditure yields benefits. In terms of leased right-of-use assets, the prudent charge to revenue can be regarded being equal to the element of the rent/charge that goes to write down the balance sheet liability.

With regards to the statutory guidance on MRP, the New Forest National Park Authority has implemented the Asset Life Method. This method calculates MRP based on the estimated lifespan of the underlying asset. The advantage of this approach is that it ties the budgetary provision for debt repayments to the lifespan of the assets acquired. This ensures the availability of funds for asset replacement when they reach the end of their useful life.

The actual computation of the MRP is grounded in the annuity option. As a result, the MRP escalates over the lifespan of the underlying asset supported by the debt. Conversely, the interest charge decreases, maintaining a constant debt repayment value. This method provides a balanced approach to debt management, ensuring financial stability for the Authority.

This MRP Policy will be kept under review through the year by the Chief Finance Officer who will make any minor amendments as necessary; any significant changes will be referred back to Members at an Authority meeting.

Actual and Estimates of Minimum Revenue Provision (MRP)

Note: For each of the financial years below, the Authority's projected temporary investments will be significantly higher than the MRP amount.

	As at 1 April 2024 £000	End 2024/25 £000	End 2025/26 £000	End 2026/27 £000	End 2027/28 £000	End 2028/29 £000
MRP	245	154	59	0	0	0