



NEW FOREST NATIONAL PARK

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED
31 MARCH 2007

NEW FOREST NATIONAL PARK AUTHORITY

STATEMENT OF ACCOUNTS - YEAR ENDED 31ST MARCH 2007

CHAIRMAN OF THE AUTHORITY

Clive Chatters

CHIEF EXECUTIVE Lindsay Cornish

CHIEF FINANCIAL OFFICER Patricia Higgins

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RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

1. The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

2. The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this statement of accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.
- taken measures to ensure that risk is appropriately managed.

RESPONSIBILITY FOR THE STATEMENT OF ACCOUNTS

3. The Chief Financial Officer's Certificate

I certify that the statement of accounts presents fairly the financial position of New Forest National Park Authority at 31 March 2007 and the income and expenditure for that year ended.

Patricia Higgins – Chief Financial Officer

Date

4. Approval of the Accounts by the Authority

I confirm that these accounts were approved by Members of the Authority at the meeting held on the 28 June 2007.

Clive Chatters – Chairman of the Authority

Date

EXPLANATORY FOREWORD

1. INFORMATION ON FINANCIAL STATEMENTS

The purpose of this foreword is to provide a clear and understandable guide to the most significant matters reported in the financial statements.

Responsibility for the Statement of Accounts

This sets out the respective responsibilities of the Authority and the Chief Financial Officer for the accounts.

Statement of Accounting Policies

Discloses the accounting policies used by the National Park Authority in compiling the financial statements.

Income and Expenditure Account

Discloses the revenue expenditure and income by service for the year ended 31 March 2007.

Balance Sheet

Discloses the financial position of the Authority as at 31 March 2007.

Cash Flow Statement

Discloses the inflows and outflows of cash arising from the activities of the Authority for the year ended 31 March 2007.

Statement of Total Recognised Gains and Losses

This statement brings together gains and losses of the Authority for 2006/2007 and identifies those which are not reported through the Income and Expenditure Account.

Notes to the Accounts

Disclose more detailed information on the figures provided in the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and Statement of Total Recognised Gains and Losses.

EXPLANATORY FOREWORD

2. FINANCIAL PERFORMANCE DURING THE YEAR

- Income and Expenditure Account

The 2006/07 revenue budget of £4.627m was underspent by £1.204m. This will largely be utilised to fund future years' expenditure.

- Capital Expenditure

During 2006/07 the Authority incurred capital expenditure of £70,321, which was all funded by a contribution from the General Fund. Expenditure was incurred as follows:

	2005/06	2006/07
	£	£
Office Accommodation	386,680	13,459
Computer Hardware	71,769	24,512
Computer Software	169,219	23,251
Other Equipment	0	9,099
	627,668	70,321

STATEMENT OF ACCOUNTING POLICIES

1. General

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2006: A Statement of Recommended Practice, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The guidance notes issued by CIPFA on the application of accounting standards have also been followed unless otherwise stated.

2. Fixed Assets

Expenditure on fixed assets is capitalised in the accounts on an accruals basis. Only expenditure that benefits the Authority for a period of more than one year is capitalised. This excludes spending on routine repairs and maintenance of fixed assets, which is charged directly to service revenue accounts.

A de minimis level is set for operational assets below which expenditure is not capitalised.

Category of asset	De minimis level
Land and Buildings	£10,000
Infrastructure Assets	£10,000
Community Assets	£10,000
Vehicles, Plant, Fittings & Equipment	£1,000

Fixed assets are valued on the basis recommended by the Statement of Recommended Practice issued by CIPFA, which is based on FRS11 issued by the Accounting Standards Board, and in accordance with the Statements of Asset Valuation Principles and guidance notes issued by the Royal Institute of Chartered Surveyors (RICS):

- Operational, non-specialised properties are valued at existing use value
- Operational, specialised properties are valued at depreciated replacement cost.
- Non-operational assets, including investment properties and assets that are surplus to requirements, are included in the balance sheet at open market value.
- Assets, such as vehicles, plant and equipment, including intangible assets, are valued at historic cost.

Any surplus or deficits arising from revaluations will be recorded in the fixed asset restatement account. Income from the disposal of fixed assets will be accounted for on an accruals basis. All receipts will be included in the Balance Sheet as Usable Capital Receipts until they are utilised for funding future capital expenditure.

STATEMENT OF ACCOUNTING POLICIES

3. Depreciation

Depreciation charges are accounted for in accordance with the Statement of Recommended Practice issued by CIPFA, which is based on FRS15, issued by the Accounting Standards Board.

Depreciation is provided on operational assets with a finite useful life. All depreciation is charged over the life of the asset, using the straight-line method and is applied from the date the asset is acquired.

The following table indicates the estimated remaining useful life of each type of asset owned by the Authority.

Type of Asset	Remaining Useful Asset Life at 31.03.07
Tangible Fixed Assets	
Equipment - ICT Hardware	Up to 4 years
- Other Equipment	10 years
Premises (temporary building)	3 years
Intangible Assets	
Equipment - ICT Software	Up to 5 Years

The premises will have a longer remaining useful life than 3 years but this period has been used in the accounts as the Authority's accommodation may change after this time. The premises will have a residual value after 3 years but it may not be retained by the Authority.

4 Investments

The Authority's investments are recorded in the Balance Sheet at original cost which is the same as the current book value.

5. Interest

Interest income on external lending is accrued and accounted for in the accounts of the period to which it relates.

STATEMENT OF ACCOUNTING POLICIES

6. VAT

All of the amounts in the statement of accounts are shown net of VAT.

7. Foreign Currency Transactions

Any income and expenditure arising from transactions made in foreign currency has been translated into pounds sterling at the exchange rate in operation on the day of the transaction.

8. Pension costs

The Authority's salaried employees and members have their pensions administered through Hampshire County Council's superannuation fund. Detailed regulations govern rates of contribution and scales of benefits, the latter normally being in the form of a lump sum and annual pension.

The pension scheme is detailed in note 8 to the financial statements.

9. Reserves

The Authority maintains a General Fund Reserve to meet general needs. Other reserves are either statutory or are held to meet specific future expenditure.

10. Debtors and Creditors

The accounts of the Authority are maintained on an accruals basis, in accordance with FRS18 Accounting Policies, i.e. sums due to or from the Authority are included whether or not the cash has actually been received or paid in the year.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

This account summarises the resources that have been generated and consumed in providing services and managing the Authority during the year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

2005/06			2006/07		
Net Expenditure £		Note	Gross Expenditure £	Income £	Net Expenditure £
58,915	Conservation of the Natural Environment		283,128	(1,640)	281,488
0	Conservation of Cultural Heritage		405,697	(2,196)	403,501
0	Recreation Management		160,547	0	160,547
213,156	Promoting Understanding – Information, Interpretation and Education		424,931	0	424,931
0	Traffic and Transport		99,460	0	99,460
0	Ranger Services		3,650	0	3,650
226,020	Development Control		963,202	(258,308)	704,894
82,064	Forward Planning		333,555	0	333,555
2,004,175	Corporate Management and Administration		1,202,907	0	1,202,907
29,676	Training and Staff Development		18,822	0	18,822
2,614,006	Net Cost of Services		3,895,899	(262,144)	3,633,755
(57,431)	Interest and Investment Income	4			(123,783)
	Pensions Interest Cost and Expected	8			2,000
3,000	Return on Pension Assets				
2,559,575	Net Operating Expenditure				3,511,972
(3,517,297)	National Park Grant	9			(5,022,764)
(957,722)	(Surplus)/Deficit for the year				(1,510,792)

P Higgins – Chief Financial Officer

Date

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE

The Income and Expenditure Account shows the Authority's performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Authority is required to apply its National Park Grant on a different accounting basis, the main differences being:

- Capital investment is accounted for as it is financed, rather than when fixed assets are consumed.
- Retirement benefits are charged as amounts become payable to the pension fund, rather than as future benefits are earned.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the General Fund Balance.

2005/06		2006/07	
£		£	£
(957,722)	Surplus for the year on the Income and Expenditure Account		(1,510,792)
	Amounts included in the Income and Expenditure Account but required by statute to be excluded when determining the movement on the General Fund balance for the year		
(11,100)	Depreciation	(84,060)	
(56,000)	Net charges made for retirement benefits in accordance with FRS17	(305,000)	(389,060)
(1,024,822)	Amounts not included in the Income and Expenditure Account but required by statute to be included when determining the movement on the General Fund balance for the year		(1,899,852)
627,668	Capital expenditure charged in year to the General Fund	70,321	
40,000	Employers' contributions payable to the HCC Pension Fund	230,000	300,321
(357,154)	Transfers to or from the General Fund balance that are required to be taken into account when determining the movement on the General Fund balance for the year		(1,599,531)
135	Net transfer to or from(-) earmarked revenue reserves		223,273
(357,019)	Increase in General Fund balance for the year		(1,376,258)
0	General Fund balance brought forward		(357,019)
(357,019)	General Fund balance carried forward		(1,733,277)

BALANCE SHEET AS AT 31 MARCH 2007

2005/06		Notes	2006/07	
£			£	£
		Tangible fixed assets		
160,692		Land and Buildings	128,000	
66,721	227,413	Equipment (Hardware)	77,889	205,889
		Intangible fixed assets		
	167,474	Equipment (Software)		154,955
	394,887	Total fixed assets		360,844
		Current assets		
2,265,000		Investments	2,950,000	
177,508		Debtors	227,023	
0	2,442,508	Cash in Hand	126	3,177,149
	2,837,395	Total assets		3,537,993
		Current liabilities		
(1,871,516)		Creditors	(1,174,462)	
(213,837)	(2,085,353)	Bank Overdraft	(29,219)	(1,203,681)
	752,042	Total assets less current liabilities		2,334,312
		Long -term liabilities		
(197,000)		Pension Liabilities	(264,000)	
0	(197,000)	Contributions Deferred	(16,783)	(280,783)
	555,042	Total assets less liabilities		2,053,529
		Financed by:		
616,568		Capital Financing Account		602,829
(221,680)		Fixed Asset Restatement Account		(241,985)
(197,000)		Pensions Reserve		(264,000)
	135	Earmarked Reserves		223,408
357,019		General Fund Balance		1,733,277
	555,042	Total net worth		2,053,529

P Higgins – Chief Financial Officer

Date

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

2005/06		Notes	2006/07	
£	£		£	£
		REVENUE ACTIVITIES		
		Cash Outflows		
362,407		Cash paid to and on behalf of employees	1,191,098	
1,570,388	1,932,795	Other operating costs	2,280,534	3,471,632
		Cash Inflows		
(4,552,444)		National Park Grant	(4,002,617)	
(2,302)	(4,554,746)	Cash received for goods and services	(282,504)	(4,285,121)
	(2,621,951)			(813,489)
		RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
		Cash Outflows		
0		Interest paid	0	
		Cash Inflows		
(56,880)	(56,880)	Interest received	(109,793)	(109,793)
		CAPITAL ACTIVITIES		
		Cash Outflows		
627,668		Purchase of fixed assets	70,321	
		Cash Inflows		
0	627,668	Developers' Contributions received	(16,783)	53,538
	(2,051,163)	Net cash (inflow)/outflow before financing		(869,744)
		MANAGEMENT OF LIQUID RESOURCES		
	2,265,000	Net increase/(decrease) in liquid resources		685,000
		FINANCING		
		Cash Outflows		
0		Repayments of amounts borrowed	0	
		Cash Inflows		
0	0	New short term loans	0	0
	213,837	Net (increase)/decrease in cash		(184,744)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The following statement brings together all the recognised gains and losses of the Authority for the year and shows the aggregate increase in its net worth.

2005/06		2006/07
£		£
(957,722)	Surplus for the year on the Income and Expenditure Account	(1,510,792)
221,680	(Surplus)/Deficit arising from the revaluation of fixed assets	20,305
181,000	* Actuarial (gains)/losses on pension fund assets and liabilities	(8,000)
555,042	Total Recognised Gains for the Year	1,498,487

* The figure for 2005/06 includes an opening liability of £146,000 in respect of transferred staff at the inception of the Authority. The in year actuarial loss was £35,000.

NOTES TO THE FINANCIAL STATEMENTS

1. Best Value Accounting Code of Practice (BVACOP)

The Income and Expenditure Account analyses the expenditure and income of the Authority on a functional strategy basis as set out in the National Park Authorities, England, Grant Memorandum (Revised) 2007.

The analysis adopted does not fully comply with the BVACOP. The departure is justified because BVACOP does not match the operational and reporting requirements of National Park Authorities as laid down in the Grant Memorandum. However, the National Park Authorities, CIPFA, Audit Commission and Defra are currently consulting on a new and specific service expenditure analysis for National Parks which will be included in the BVACOP for 2007/08.

2. Publicity and Advertising

Section 5(1) of the Local Government Act 1986 requires the National Park Authority to declare the amount of money spent on publicity. Publicity and promotions includes leaflets promoting attractions to visit the Park, the visitor newspaper and public relations costs.

	2005/06	2006/07
	£	£
Advertising staff vacancies	109,393	21,476
Other advertising	7,630	3,650
Publicity and promotions	111,695	37,664
	228,718	62,790

3. Employee Remuneration

The number of employees whose remuneration, excluding pension contributions, fell in each £10,000 band over £50,000 was:

Remuneration Band	Number of Employees 2005/06	Number of Employees 2006/07
£80,000 - £89,999	0	1
£70,000 - £79,999	0	0
£60,000 - £69,999	0	2
£50,000 - £59,999	1	0

In 2005/06 and 2006/07 employees whose annual remuneration would have fallen within the above bandings only commenced employment part way through the year and therefore actual remuneration received in that year is reflected in a lower banding.

NOTES TO THE FINANCIAL STATEMENTS

4. Interest and Investment Income

This item represents the gross interest receivable on all investments and banking transactions.

5. Members' Allowances

During 2006/07, payments to Members of the National Park amounted to £43,111. This sum includes all allowances plus travel and subsistence payments.

6. Audit Costs

In 2006/07 New Forest National Park Authority incurred the following fees relating to external audit:

	2005/06	2006/07
	£	£
Fees payable to the Audit Commission with regard to external audit services carried out by the appointed auditor	12,661	21,524
Fees payable to the Audit Commission for the certification of grant claims	0	4,679
Fees payable in respect of other services provided by the appointed auditor	3,526	0
	16,187	26,203

7. Related Party Transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to limit another party's ability to bargain freely with the Authority.

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. Details of transactions with government departments are set out in this document.

There were no material transactions with any chief officers, Members or any other related parties during the year.

NOTES TO THE FINANCIAL STATEMENTS

8. Pensions

a) Transactions relating to Retirement Benefits

As part of the terms and conditions of employment the Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The authority participates in the Hampshire County Council Pension Fund. This is a funded scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with the investment assets.

The Authority recognises the cost of retirement benefits in the Net Cost of Services when employees earn them, rather than when the benefits are eventually paid out as pensions. However the charge required to be made against the General Fund is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Income and Expenditure Account within the Statement of Movement on the General Fund balance. The following transactions have been made in the General Fund during the year:

Transactions	2005/06	2006/07
	£	£
Net Cost of Service		
Current service cost	53,000	303,000
Net Operating Expenditure		
Interest Cost	16,000	52,000
Expected return on assets in the scheme	(13,000)	(50,000)
Amounts to be met from Government Grants		
Movement on pensions reserve	(16,000)	(75,000)
Actual amount charged against the General Fund		
Employers' contributions payable to the scheme	(40,000)	(230,000)

The Authority's standard contribution rate in 2006/07 was 275% of members' contributions. The contribution rate also certified at the 31 March 2005 valuation for April 2007 to March 2008 is 295% of members' contributions.

In 2006/2007 the Authority paid an employer's contribution of £230,000 into the Hampshire County Council Pension Fund.

NOTES TO THE FINANCIAL STATEMENTS

b) Assets and Liabilities in relation to Retirement Benefits

The underlying assets and liabilities for retirement benefits attributable to the Authority at 31 March are as follows:

Assets and Liabilities	31 March 2006	31 March 2007
	£	£
Estimated liabilities in scheme	(718,000)	(1,472,000)
Estimated assets in scheme	521,000	1,208,000
Net asset/(liability)	(197,000)	(264,000)

The liabilities show the underlying commitments that the authority has in the long-run to pay retirement benefits. The total liability of £264,000 has a substantial impact on the net worth of the authority as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the authority remains healthy as the deficit on the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary.

c) Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The liabilities have been assessed by Hewitt, Bacon and Woodrow, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 1 April 2005.

The main assumptions used in their calculations have been:

Financial Assumptions	2005/06	2006/07
	%	%
Rate of inflation	3.0	3.2
Rate of increase in salaries	4.5	4.7
Rate of increase in pensions	3.0	3.2
Rate of increase in deferred pensions	3.0	3.2
Rate of discounting scheme liabilities	4.9	5.3

NOTES TO THE FINANCIAL STATEMENTS

March 2006			Assets	31 March 2007		
£	%	Long-Term Return %		£	%	Long-Term Return %
366,106	70	7.3	Equities	809,360	67	7.7
107,222	21	4.3	Government Bonds	253,680	21	4.7
0	0		Corporate Bonds	36,240	3	5.3
20,788	4	6.3	Property	48,320	4	6.7
26,884	5	4.6	Other Assets	60,400	5	5.6
		6.5	Average			6.9
521,000	100		Total	1,208,000	100	

Changes to the Pension Scheme permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. On the advice of our actuaries we have assumed that 50% of employees retiring after 6 April 2006 will take advantage of this change to the pension scheme. Our actuaries have advised that this will reduce the value of the Authority's pension liabilities by about 3%. We have accounted for this as a gain resulting from a change in assumptions and as a result the impact of this item is shown in the Statement of Total Movement in Reserves.

d) Movement in the Pensions Reserve

2005/06	Pensions Reserve	2006/07
£		£
(146,000)	Net Liability at 1 April	(197,000)
	Movement in year:	
	Operating Charge	
(53,000)	Current Service Costs	(303,000)
	Contributions	
40,000	Cash paid - Funded Liabilities	230,000
	Finance Income	
13,000	Expected Return on Assets	50,000
(16,000)	Interest on Liabilities	(52,000)
(35,000)	Actuarial Gain/(Loss)	8,000
(197,000)	Net Liability at 31 March	(264,000)

NOTES TO THE FINANCIAL STATEMENTS

9. Grant Income

The Authority received Parliament approved grant of £5,022,764 from the Department for the Environment, Food and Rural Affairs.

10. Fixed Assets

a) Valuation of Fixed Assets

The premises asset was initially valued on 31 March 2006 and was revalued on 31 March 2007. Both valuations were completed by the New Forest District Council's internal valuer, R Edwardes-Jones (FRICS). They were completed in accordance with the principles of the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual, as agreed with the Chartered Institute of Public Finance and Accountancy (CIPFA) in 1996. All information was obtained from site inspection.

Plant and equipment assets are valued at historic cost and are depreciated over the estimated lives of the individual items.

Each asset will be revalued at least once every 5 years according to a rolling programme of revaluation, other than assets that are valued at historic cost.

b) Valuation of assets carried at Current Value

The following statement shows the progress of the Authority's rolling programme for the revaluation of fixed assets. The basis for valuation is set out in the statement of accounting policies.

	Valued at Historic Cost	Valued at Current value in 2005/06	Valued at Current value in 2006/07	Total
	£	£	£	£
Land and Buildings	0	165,000	-37,000	128,000
Plant and Equipment	105,380	0	0	105,380
Intangible Assets	192,470	0	0	192,470
Total	297,850	165,000	-37,000	425,850

These valuations show the gross current value before depreciation is applied.

NOTES TO THE FINANCIAL STATEMENTS

c) Movements in Assets during the year

Movements in Fixed Assets	Land and Buildings	Plant and Equipment	Intangible Assets	Total
	£	£	£	£
Certified valuation at 31 March 2006	165,000	71,769	169,219	405,988
Accumulated depreciation & impairment	(4,308)	(5,048)	(1,745)	(11,101)
Net book value of assets at 31 March 2006	160,692	66,721	167,474	394,887
Movement in 2006/07				
Additions	13,459	33,611	23,251	70,321
Revaluations & Adjustments	(20,304)	0	0	(20,304)
Disposals	0	0	0	0
Depreciation	(25,847)	(22,443)	(35,770)	(84,060)
Net book value of assets at 31 March 2007	128,000	77,889	154,955	360,844

The revaluation and adjustments figure of £20,304 reflects capital expenditure of £13,459 on the premises asset that has not resulted in enhancement in value of the asset and the downwards revaluation of the asset at 31 March 2007 by £6,845.

d) Analysis of Assets

The following list shows the range and number of assets owned by the Authority.

	2005/06	2006/07
Administration Buildings	1	1
Plant	0	1
ICT Hardware	45	80
ICT Software	3	3

e) Intangible Assets

The intangible assets comprise wholly of computer software and software licences. These are recorded at historic cost and are depreciated over their lives (estimated at 5 years) on a straight line basis, commencing from date of acquisition. The depreciation charged for intangible assets in 2006/07 was £35,770.

NOTES TO THE FINANCIAL STATEMENTS

11. Capital Expenditure and Financing

Capital expenditure may be financed in various ways, including borrowing, the use of internal resources, the receipt of grants or contributions and directly from revenue income.

A requirement of capital accounting is that the Capital Financing Requirement (CFR) needs to be calculated. The CFR shows the overall indebtedness of the Authority. The Authority has no debt, as the Authority's capital expenditure has been fully financed from the revenue account.

This table sets out the transactions required for the financing of capital expenditure for 2006/07.

	2005/06	2006/07
	£	£
Opening Capital Financing Requirement	0	0
Capital Investment		
Tangible Assets	458,449	47,070
Intangible Assets	169,219	23,251
Sources of Finance		
Revenue Provision	(627,668)	(70,321)
Closing Capital Financing Requirement	0	0

12. Debtors and Payments in Advance

An analysis of the Authority's debtors and payments in advance as at 31 March is shown below. It relates to sums of money owed to the Authority for goods and services supplied during the year but not paid for by 31 March or where the Authority has paid for goods and services in advance of this date but where service provision is not receivable until the next financial year.

	2005/06	2006/07
	£	£
Revenue and Customs	176,957	168,731
Payments in Advance	0	43,751
Accrued Interest	551	14,541
	177,508	227,023

NOTES TO THE FINANCIAL STATEMENTS

13. Current Liabilities

An analysis of the Authority's current liabilities as of 31 March is shown below. It relates to sums of money owed by the Authority for goods and services received during the year but not paid for by 31 March or where the Authority has been paid for goods and services in advance of this date but where service provision is not due until the next financial year.

	2005/06	2006/07
	£	£
New Forest District Council	180,075	847,349
Government Departments (Defra) *	1,035,147	0
Other creditors and receipts in advance	656,294	327,113
Bank Overdraft	213,837	29,219
	2,085,353	1,203,861

* Relates to grant received from Defra in 2005/06 for use in 2006/07

14. Capital Financing Account

This account records the financing of capital expenditure from sources other than loan.

Capital Financing Account	2005/06	2006/07
	£	£
Balance 1 April	0	616,568
Financing of capital expenditure from revenue	627,668	70,321
Depreciation for the year	(11,100)	(84,060)
Balance 31 March	616,568	602,829

NOTES TO THE FINANCIAL STATEMENTS

15. Fixed Asset Restatement Account

This account records the change in the valuation of assets under capital accounting rules. The account will be written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future revaluations

Fixed Asset Restatement Account	2005/06	2006/07
	£	£
Balance 1 April	0	(221,680)
Asset Revaluations	0	(6,846)
Capital expenditure not enhancing asset value	(221,680)	(13,459)
Balance 31 March	(221,680)	(241,985)

16. Reconciliation of Surplus for the Year to Net Cash Inflow from Revenue Activities

This statement reconciles the net surplus or deficit on the Income and Expenditure Account to the Revenue Activities Net Cash Flow in the Cash Flow Statement.

	2005/06	2006/07
	£	£
Revenue Deficit/(Surplus) for the year	(357,019)	(1,376,258)
Non Cash Transactions		
Revenue Financing of Capital Expenditure	(627,668)	(70,321)
Accruals:		
Increase/(Decrease) in debtors	177,508	49,515
(Increase)/Decrease in creditors	(1,871,516)	697,053
(Increase)/Decrease in Reserves	(135)	(223,273)
Interest received	56,880	109,793
Rounding	(1)	2
Net cash inflow from revenue activities	(2,621,951)	(813,489)

NOTES TO THE FINANCIAL STATEMENTS

17. Movement of Cash

This table shows the movement in cash in hand and at the bank during the year.

	At 1st April 2006	Cash change in year	At 31st March 2007
	£	£	£
Cash in hand	0	126	126
Bank overdraft	(213,837)	184,618	(29,219)
	(213,837)	184,744	(29,093)

18. Contributions Deferred

This account reflects developers' contributions received that will be released to finance future years capital expenditure.

	2005/06	2006/07
	£	£
Balance 1 April	0	0
Contributions Received	0	(16,783)
Contributions Released	0	0
Balance 31 March	0	(16,783)

19. Financing and Management of Liquid Resources

This table shows the movement in temporary investments during the year.

	Balance at 1 Apr 06	Balance at 31 Mar 07	Movement
	£	£	£
Temporary Investments	2,265,000	2,950,000	685,000

NOTES TO THE FINANCIAL STATEMENTS

20. Movement in General Fund Reserve

The Authority retains a General Fund Reserve to cover contingencies and unforeseen expenditure. This table shows the movement in the year. The balance will largely be used to fund future years' expenditure.

	Balance 1 April 2006	Net Movement in year	Balance 31 March 2007
	£	£	£
General Fund	357,019	1,376,258	(1,733,277)
Total	357,019	1,376,258	(1,733,277)

21. Movement in Earmarked Reserves

The Authority has created a number of earmarked reserves to cover expenditure in future years. This table details those reserves and their movement during the year.

	Balance 1 April 2006	Net Movement in year	Balance 31 March 2007
	£	£	£
Sustainable Development	0	158,273	158,273
Local Development Framework	0	65,000	65,000
Donations	135	0	135
Total	135	223,273	223,408

22. Authorisation of Accounts for issue

Following the principles of FRS 21 Events after the Balance Sheet date, this Statement of Accounts is authorised for issue on 28 June 2007.