NFNPA 528/17
ANNEX 1

NEW FOREST
NATIONAL PARK

FINANCIAL REPORT

FOR THE YEAR ENDED
31 MARCH 2017

NEW FOREST NATIONAL PARK AUTHORITY

FINANCIAL REPORT - YEAR ENDED 31 MARCH 2017

CHAIRMAN OF THE AUTHORITY
Oliver Crosthwaite-Eyre

CHIEF EXECUTIVE Alison Barnes

CHIEF FINANCE OFFICER Nigel Stone, FCCA

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NARRATIVE REPORT

Introduction

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

Financial Statements

The financial statements and their purpose are summarised as follows:

- **Comprehensive Income and Expenditure Statement (page 21)**
  This statement discloses the expenditure and income by service for the year ended 31 March 2017. The statement shows the true economic (accounting) cost of providing those services, prior to any statutory amounts required to be charged through the accounts (which are shown in the Expenditure and Funding Analysis and the Movement in Reserves Statement).

- **Expenditure and Funding Analysis (page 22)**
  This statement shows how annual expenditure is used and funded from resources by the Authority in comparison with those resources consumed or earned by Authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

- **Balance Sheet (page 23)**
  The Balance Sheet discloses the financial position of the Authority as at 31 March 2017. The net assets of the Authority (its assets less liabilities) are matched by reserves held by the Authority.

- **Movement in Reserves Statement (page 24-25)**
  This statement discloses the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'.

- **Cash Flow Statement (page 26)**
  The Cash Flow Statement discloses the inflows and outflows of cash arising from the activities of the Authority for the year ended 31 March 2017.

- **Notes to the Accounts (pages 28-74)**
  The Notes disclose more detailed information on the figures provided in the Comprehensive Income and Expenditure Account, Balance Sheet, Movement in Reserves Statement and Cash Flow Statement. Note 1 discloses the accounting policies used by the National Park Authority in compiling the financial statements.

Financial Context

2016/17 was the first year of the most recent Comprehensive Spending Review (CSR), published in November 2015, under which our main grant from the Department for Environment, Food and Rural Affairs (Defra) was ‘protected’. This protection was later confirmed as a 1.7% increase per year up until 2020 to counter the effects of inflationary pressures. Correspondingly the National Park Grant received in 2016/17 was £3.09m compared to £3.04m in 2015/16; however this is still not equivalent to the £4.23m received in 2010/11, prior to the previous CSR and the austerity measures.

Financial Performance and Year-End Position

The original 2016/17 expenditure budget was £5.40m and income was estimated at £5.07m (both figures include £1.37m for externally-funded projects). The budget would be balanced by taking £83,000 from the Revenue Support Reserve and £245,000 from other Earmarked Reserves.

The actual results for the year are shown in the table below and the variances are then explained further in the text below:

	Budgeted	Actual	Variance
	£000	£000	£000
Expenditure	5,403	4,822	(581)
Income	(5,075)	(4,700)	375
Amount required from Reserves	(328)	(122)	206
TOTAL	**0**	**0**	**0**

Of the expenditure variance, most relates to the externally-funded projects whereby funds do not have to be spent within a specific financial year but over the lifetime of the project, therefore the budgeted and actual amounts are less important. There was also a variance within the ICT budget whereby delivery of some capital works (staff computer replacement and new website software) has been delayed until 2017/18.

Of the income variance, almost all of it relates again to the externally-funded projects (as less was spent in the year then less was claimed from the various funding bodies).

The actual final movements on the reserves are shown in the table below and the variances are then explained further in the text below:

	Budgeted	Actual	Variance
	£000	**£000**	**£000**
Contribution to/(from) Revenue Support Reserve	(83)	(24)	59
Contribution to/(from) Other Earmarked Reserves	(245)	(98)	147
Total Earmarked Reserves Movement	**(328)**	**(122)**	**206**

The net 'saving' at year-end was £59,000 – this was achieved through some additional planning income (+£24,000 generated by a small rise in planning application numbers and a few particularly large applications) and the cumulative effect of small savings from across the budget lines. These savings reduced the need to call on the Revenue Support Reserve from £83,000 down to £24,000. The £59,000 final variance was comparable to the £40-50,000 saving which had been estimated in the budgetary control reports through the year.

A large proportion of the budgeted calls on Other Earmarked Reserves related to the Authority's ICT replacement programme as mentioned above. Although these projects were significantly progressed during the year, the actual expenditure is now due to commence in early 2017/18, meaning £119,000 will be taken from the Reserves in that year rather than as expected in 2016/17. Alongside some smaller variances, this reduced the overall call on these reserves from the budgeted £245,000 down to just £98,000 as shown in Note 18 to the financial statements.

Capital Expenditure

During 2016/17 the Authority incurred capital expenditure of £1,043,000 funded by capital grants, developers' contributions and the General Fund. Expenditure was incurred as follows:

	2015/16	2016/17
Expenditure:	**£000**	**£000**
Community Asset - Property	138	328
Computer Hardware	8	2
Computer Software	31	0
Other Equipment	15	18
Developer Contributions	166	437
Grants to External Body	1,307	258
	1,665	**1,043**
Financed by:		
Revenue Contributions to Capital	(54)	(20)
Developers Contributions	(166)	(437)
Capital Grants and Contributions	(1,445)	(585)
Rounding	0	(1)
	(1,665)	**(1,043)**

The majority of the Developer Contributions funding above was utilised to complete the two affordable homes in Bransgore on land gifted via a long-term lease to the Authority. A further £10,500 is contractually committed (as the retention amount) to be paid over in 2017/18.

Key Services / Outcomes

The Authority's purposes, vision and intended outcomes for residents, visitors and other stakeholders are identified in a range of policy documents. The overarching vision for the management of the Forest is set out in the Partnership Plan 2015 - 2020. The plan was developed and approved in 2015 following extensive community engagement; a total of 27 organisations are set to deliver the plan over the next five years. This is the first such New Forest Partnership Plan and has encouraged a wide range of important stakeholders to put down in writing what they will be doing for the Forest during this time, increasing governance and accountability for all.

The Authority's Business Plan 2015 – 2018, also published in 2015, sets out the main framework for the work programme of the Authority over the three years based on its specific objectives and outcomes from the Partnership Plan (a new Business Plan will need to be drafted during 2017/18 to cover the period after 2018). The work programmes are aligned to the Authority's purposes and duty of Protect, Enjoy, Prosper and Aiming for Excellence.

Of the sixty-one Actions/Outcomes in the 2016/17 part of our Business Plan, fifty-eight were shown as "green" at year-end, three as "amber" and none as "red". Of those three shown as amber or red, all have been addressed further in the 2017/18 Business Plan and/or work schedules. Further details of the work undertaken by the Authority this year can be found in our 'Annual Review' which will be published in July 2017 and made available on our website.

Use of Resources

The Authority has a very limited number of physical or operational assets (e.g. no car parks, visitor centres, major land holdings etc); so its greatest asset is its staff. As at 31 March 2017, details of the staffing levels (both 'core' and 'project-specific') were:

	Headcount		**FTE**	
CORE*	70	82%	62.9	83%
PROJECT	15	18%	12.8	17%
Total	**85**		**75.7**	

*Of the 'core' staff, some resource is dedicated to delivering services for other organisations as part of shared service agreements – this equates to approximately 4.7 FTEs.

The staff sickness level for the year was 3.2 days per FTE which compares very favourably with national averages of around 5-8 days.

In 2016/17 the Authority reduced its overall CO_2 emissions by 2%, which included a reduction in mileage claims and significant usage of our pool car fleet (which, where possible, are chosen for their green credentials).

Risks, Borrowing and Contingencies

During 2015/16 the Authority reviewed and revised its risk register to better align it with our corporate priorities; as a result the risks are now categorised under 'Protect, Enjoy and Prosper' as well as the three standard headings of 'Resources', 'Processes' and 'Policy, Performance and Reputation'. There are currently twenty key risks listed and these are scored by likelihood and impact up to a maximum of 25 points. As at 31 March 2017, ten of the risks were in the low category and the remaining ten in the medium-risk category. The risk log is reviewed at every Executive Board meeting and bi-annually by the Resources, Audit and Performance Committee.

The Authority does not currently have any borrowing and there are currently no plans to do so.

No significant new contingencies have been identified during the last year.

Pension Scheme Assets and Liabilities

The pension liability is based on an actuarial valuation and represents the benefits that have been accrued by members of the local government pension scheme.

The Authority's Balance Sheet shows a net pension liability of £6.05m, deriving from assets valued at £9.69m compared to a liability estimated at £15.74m. Whilst this has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, 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 working lives of employees.

Following its recent triennial valuation, the net pension liability has increased by £2m from 31 March 2016 (compared to a fall of £314,000 the previous year).

Future Funding and Events after 31 March 2017

In the 2015 CSR, funding for National Parks (through the Defra 'National Parks Grant') was "protected" and it was later confirmed this included an inflationary increase of 1.7% per year for the four years resulting in a rise up to £3,251,501 by 2019/20. Although this grant settlement is very good news, the Authority is fully aware of its responsibility to firstly continue to use this funding efficiently and effectively and secondly, to use this time of certainty to explore ways to reduce its overall reliance on the grant.

In this regard, the Authority has recently been particularly successful in attracting external funding to boost that provided by Defra. In 2015/16 the Authority successfully applied for £2.8m of Heritage Lottery Funding for a Landscape Partnership which will be delivered alongside a host of partner organisations up to 2020. It has also established

National Parks Partnerships LLP alongside the other 14 UK National Parks to explore corporate partnerships at a national level which it is hoped will either generate income directly or help reduce costs (through negotiated deals) for the National Park's family – the first significant such partnership has just been announced.

The Authority will also continue to explore 'shared services' opportunities either locally or with the other National Parks; the Authority already 'sells' some of its Trees, Ecology, Rangers, Archaeology, Building Conservation & Design and Communications expertise to other local organisations and at the same time 'buys' in some HR, Finance and ICT support.

On 18 April 2017 a General Election was called in the UK. Dependant on its outcome, this could potentially be followed by a further Spending Review which might impact on the National Park Grant agreement referenced above. Clearly the Authority hopes any future government would honour the terms of the current agreement up until 2020, but this is not guaranteed.

There have been no other significant changes to the Authority or its position since 31 March 2017.

Nigel Stone, FCCA
Chief Finance Officer
1 June 2017

STATEMENT OF RESPONSIBILITIES

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 Finance 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 Finance Officer's Responsibilities

The Chief Finance 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 the Statement of Accounts, the Chief Finance 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.

3. The Chief Finance Officer's Certificate

I certify that the Statement of Accounts for the year ended 31 March 2017 has been prepared in accordance with the Accounts and Audit Regulations 2015 and that it gives a true and fair view of the financial position of the New Forest National Park Authority as at 31 March 2017 and its income and expenditure for that year ended.

Nigel Stone, FCCA

Chief Finance Officer **14 July 2017**

4. Approval of the Accounts by the Authority

I confirm that these accounts were approved and authorised for issue by Members of the Authority at the meeting held on the 13 July 2017.

Oliver Crosthwaite-Eyre

Chairman of the Authority **14 July 2017**

ANNUAL GOVERNANCE STATEMENT
2016/17

Scope of responsibility

The New Forest National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

The Authority approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/Solace Framework Delivering Good Governance in Local Government. A review of compliance with the Code is carried out on an annual basis by the Chief Executive, Monitoring Officer and Chief Finance Officer. A copy of the Code is published on the Authority's website and can be obtained from Corporate Services.

This statement explains how the Authority has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement of corporate governance.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risk to the achievement of the Authority's aims, objectives and policies, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework

The Local Code of Corporate Governance describes the Authority’s governance framework in relation to the six core principles below and demonstrates how it complies with these:

a. Focusing on outcomes for the community and implementing a vision for the local area;
b. Working together to achieve a common purpose with clearly defined functions and roles;
c. Promoting and demonstrating values through high standards of conduct and behaviour;
d. Taking informed and transparent decisions and managing risk;
e. Developing capacity to be effective; and
f. Engaging with people to ensure accountability.

This code was first adopted by the Authority in June 2012; a review of the Code will take place in the summer of 2017/18.

Through carrying out its general statutory duties and responsibilities in connection with the two national park purposes, the Authority also seeks to work for and with the local community to foster the social and economic wellbeing of communities within the National Park.

Focusing on outcomes for the community and implementing a vision for the local area

The Authority’s purposes, vision and intended outcomes for residents, visitors and other stakeholders are identified in a range of policy documents. The overarching vision for the management of the Forest is set out in the Partnership Plan 2015 - 2020. The plan was developed and approved in 2015 following extensive community engagement; a total of 27 organisations are set to deliver the plan over the five years. This is the first such New Forest Partnership Plan and has encouraged a wide range of important stakeholders to put down in writing what they will be doing for the Forest during this time, increasing governance and accountability for all.

The Authority’s Business Plan 2015 – 2018, also published in 2015, sets out the main framework for the work programme of the Authority over the three years based on its specific objectives and outcomes from the Partnership Plan. The annual Work Programmes presents an account and assessment of the Authority’s activities, alongside the separate reports of its financial position and performance and are aligned to the Authority’s purposes and duty of Protect, Enjoy, Prosper and Aiming for Excellence. Progress is monitored regularly by Executive Board and the Resources, Audit and Performance Committee. Particular attention is paid to the actions included in the Work Programme to ensure that targets and goals are clearly defined and focused with links to the relevant actions in the Partnership Plan set out at the end of each action.

The positive news received in the Government's *Spending Review* and Autumn Statement of 2015 with regard to grant funding over the next five years has provided an opportunity for the Authority to refocus resources towards developing medium-term strategic plans for key areas of work and to identify how the Authority and its partnerships can work together to achieve even more for the Forest. Following a Members' workshop on 7 July 2016, four key themes of our work were identified - Data and Evidence, Commercial Activity and Income Generation, Partnerships and Engagement and Organisational Development. Officers have been working up draft proposals on developing these themes setting out how these should be proceeded with over the coming years. A progress report on the four themes was considered by the Resources, Audit and Performance Committee in November 2016 which endorsed the proposals. Officers have included relevant actions from the various themes in the 2017/18 Work Programme and the themes will provide important direction for the new Business Plan starting 2018/19. Further areas of strategic work are being explored.

Management information is produced to assist with the measurement of performance including a number of performance indicators. Budgetary control reports are reviewed monthly by the Budget Holders and on a regular basis by the Executive Board and Resources, Audit and Performance Committee. The Committee also considers the Authority's medium-term financial position. The Medium-Term Financial Plan aligns resources to their priorities. Where performance slips this is further examined and action taken where possible.

The Authority continues to be very highly successful in attracting external funding into the area, leveraging around £13 for every £1 of funding we put towards partnership projects. It is also keenly investigating corporate partnerships (sponsorship) both internally and alongside the wider National Park family; in 2015 National Parks Partnerships Ltd was formed by the UK's 15 National Parks. Its remit is to create successful corporate partnerships that generate vital income to make a significant, sustainable and discernible contribution to the improved quality of UK National Parks and the benefits they offer for generations to come. Early in 2017, the Partnership secured its first corporate partnership on behalf of the 15 UK National Parks.

The Chief Executive reports to the Authority on the development and performance of the Authority overall. The Annual Report 2016/17, detailing the Authority's activities and achievements over this period is currently being drafted and will be considered at the Annual Authority meeting on 13 July 2017. In November 2012, the Authority participated in its most recent independent, peer-assessed, quadrennial 'National Park Authority Performance Assessment'. A copy of their final report, including recommendations, is available on the Authority's website.

The Authority has adopted and maintained a complaints process to enable complaints about the Authority's activities to be considered and responded to. Information on how to use the complaints process is available on the Authority's website. Information on complaints received is considered by the Authority's officers and lessons for service improvement are identified wherever practicable.

The Authority also deals with a number of requests for information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, as well as Subject Access Requests under the Data Protection Act 1998 (DPA) and is making preparations for the introduction of the General Data Protection Regulation (GDPR) which will replace the DPA when it comes into effect in May 2018 and which the Authority will be required to comply with. A review of the Access to Information Policy is planned for the coming year and a Data Audit by Department is underway to ensure that Authority is clear about what data is held, what it is used for, how it is stored and the period of time that it will be retained for.

The Authority is subject to a full and independent audit of the financial management arrangements in place for 2016/17. Audit reports are issued by the External Auditor and Internal Auditor to be considered by the Authority's Resources, Audit and Performance Committee.

In March 2016 the Resources, Audit and Performance Committee approved an Assurance Framework which specifies the sources of information on which the Authority relies to gain assurance that all key risks are identified and that controls are operating effectively. It also approved an Internal Audit Charter which clearly defined the purpose, authority and responsibility of the internal audit activity and an Audit plan for 2016/17.

The Authority undertakes Equality Impact Assessments, in which services are required to review policies and procedures to ensure those services are delivered, designed and continually monitored to meet the needs of the whole community.

Working together to achieve a common purpose with clearly defined functions and roles

Standing Orders, Scheme of Delegations, Financial Regulations, Contract Standing Orders and other procedures describe how the Authority operates and how decisions are made to ensure that these are efficient, transparent and accountable to local people. All these key policies were kept under review during the year and amendments made as and when necessary. A modernisation review of the Authority's governance arrangements and structures will be undertaken during 2017/18.

Meetings of the Authority are held in public (save for individual items of a sensitive nature properly considered in confidential session). Agendas and minutes of meetings are available for inspection by the public both at the Authority's offices and via the Authority's website and members of the public may ask questions and make representations on relevant matters at meetings. Each of the committees has distinct terms of reference, with each having a periodic review. Member attendance for the Authority and Committee meetings during the year was 77% (down from 80% in 2015/16); this fall was mainly attributable to ill health of some members.

The roles and responsibilities of the Members and Officers are further defined in Member/Officer job descriptions and there is a Local Protocol for Member and Officer Relations. The roles of Chief Executive, Monitoring Officer and Chief Finance Officer are filled, with each Officer understanding their relevant responsibilities.

During the last year, following the resignation of Bob Jackson as the Authority's Chief Finance Officer (CFO), on 22 July 2016 it appointed Nigel Stone (Finance and Performance Manager) as the new CFO and removed the provision of the role from the on-going service level agreement with NFDC. In reaching this decision the Authority took into account the governance requirements of CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010). The effect of strong budgeting and regular financial monitoring procedures has also shown in the financial outturn; for example, in recent years the Authority's outturn has been within 2% of the original budget and 1% of any revised budget.

There are agreed protocols for consultation with the CFO on key decisions and advice to the Authority and its committees. The CFO attends meetings of the Authority's Executive Leadership Team, Managers' Forum and Executive Board in order to ensure a sound understanding of the organisation's key priorities and risks.

The role of the Monitoring Officer is performed in-house by the Senior Solicitor with a remaining nil-cost SLA with Hampshire County Council for any additional specialist legal support required. All such service level agreements are reviewed and performance monitored.

Promoting and demonstrating values through high standards of conduct and behaviour

There are Codes of Conduct for Members and Officers in place and performance appraisal processes for Officers. Training is given to Members on the Code of Conduct and there is a Register of Members' Interests. The Authority operates a new standards regime for the conduct of Members following the application of the Localism Act 2011. There is currently a Standards Committee which monitors the ethical framework of the Authority.

There is an adopted Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistle-blowing which was updated in March 2014. There is also an Anti-fraud & Corruption Policy in place and a supplementary Anti-Money Laundering Policy was approved in June 2013. A group of staff also reviewed the Authority's core 'Values' during 2016 and the values have been included in the most recent staff annual appraisals to provide an opportunity for staff to consider how they have put the Authority's values into practice; ideas to promote the values are being considered when the new intranet is introduced in their respective roles.

The Monitoring Officer continuously reviews the Authority's Standing Orders and Scheme of Delegations and updates them as and when necessary. Corporate Services Officers will undertake a review of the Authority's Committee structure and timetabling during 2017.

Taking informed and transparent decisions and managing risk

There is a systematic strategy, framework and processes for managing risk. The Risk Management Strategy was updated and reviewed in December 2015. A risk register is also maintained and reviewed regularly by the Executive Board and half-yearly by the Resources, Audit and Performance Committee. The risk register was also updated in December 2015, following recommendations from the Authority's Auditors, and is now closer aligned to our Protect, Enjoy and Prosper framework and also includes the broader corporate risks potentially affecting the Authority under 'Resources', 'Processes' and ‘Policy, Performance and Reputation’. This register enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies. The Authority’s risk register details twenty key risks from across the organisation. These are scored by likelihood and impact to give a green, amber or red warning level. As at March 2017, ten risks were green, ten amber and none red.

Members oversee the strategic direction and annual objectives. This enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies.

The Authority has fully complied with the Local Government Transparency Code and, as such, has a designated page on its website containing all the information required to be published; in a number of cases the Authority has actually gone beyond the minimum requirements of the Code and published further information to better aid understanding and transparency.

The Authority is fully compliant with all current procurement legislation including the Public Contract Regulations 2015. It uses an online e-procurement portal (In-Tend) for all significant quote/tender/framework opportunities, ensuring openness and fairness to all potential suppliers.

Developing capacity to be effective

Senior Officers’ learning and development needs are identified and met through induction programmes and the appraisal system, which includes learning and development target areas. All new Members undergo a full internal induction programme and a general ‘National Parks’ induction is also now mandatory. In regard to existing Members, National Parks UK is currently working on establishing some appropriate on-going training programmes.

There have been a number of informal training sessions for Members and Members Days on various aspects of their responsibilities and to aid the development of policy.

The Authority seeks to continually train its Managers and Officers; in the last year the Authority has arranged training on strategic planning, emergency First Aid at Work, Mentoring and Data Protection Compliance, discovery days and many more specific personal development courses. Officers are exploring the introduction of an e-learning programme which will enhance training and development in 2017/18.

Engaging with people to ensure accountability

The Authority has developed and maintained a range of relationships and arrangements with other agencies in the public, private and voluntary sectors, to ensure that they are able to engage with and contribute to the work of the Authority.

A Statement of Community Involvement (SCI) setting out how the National Park Authority would involve local communities and others in its work was approved by the Authority on 12 December 2013. Although the production of the SCI is a requirement of the Government’s planning regulations, updating the document also provided an opportunity for the Authority to set out how people can get involved in the preparation of the Authority's other plans and strategies.

Member representation has continued with a number of external bodies such as the Court of Verderers, the Hampshire and Isle of Wight Local Government Association, North Solent Shoreline Management Plan, New Forest Local Access Forum, New Forest Ninth Centenary Trust, New Forest Marque and Campaign for National Parks.

Partnership arrangements have been continued with the Ninth Centenary Trust in Lyndhurst to ensure interpretation and visitor information is provided at the New Forest Centre, and the Authority continues to work with local businesses to deliver nine Local Information Points. Our core ranger work is boosted by jointly funded projects with Camping in the Forest, Forestry Commission and New Forest District Council, enabling us to engage with visitors and local residents throughout the National Park and in nearby communities. Other examples of joint working include the annual volunteer fair (this year attended by 40 organisations and attracting 700 potential volunteers), development of wild play sites with parish councils, the Date with Nature project at the Reptile Centre and support to cycle hire businesses.

The Authority had over 60,000 face-to-face contacts during the 2016-17 year to promote understanding of the National Park. This includes numerous public events and work with schools to highlight the things that make the New Forest special and how we can all care for it.

The Authority has continued to support and input into the New Forest Consultative Panel, which is an advisory forum comprising representatives from approximately eighty organisations with an interest in the New Forest National Park and adjacent areas. It meets quarterly to discuss topical issues and provide views to the National Park Authority and other statutory bodies. We also facilitate other Forums with wide representation from relevant organisations to help guide and communicate work programmes relating to dog walking, cycling, equine issues, animal accidents and recreation management.

The New Forest Land Advice Service has continued to provide wide-ranging support to land owners, land managers and young commoners during the year.

The Authority routinely consults Parish Councils for their views on all planning applications by providing them with an initial planning officer assessment alongside details of the application. Communication has been aided further with the successful Parish Quadrant meetings which are held throughout the year and the Member presence at Parish Councils.

The Authority publishes Park Life, a Pocket Guide and an Annual Report to ensure regular communication on our work performance and issues and opportunities, together with events, press releases, regular email newsletters, website updates and social media posts.

In November 2012 the Authority was subject to an independent, peer-led performance assessment. Their summary conclusion was that '*The Authority is self-aware…(and) has applied itself to creating a step change in the way that it operates…..In particular it has applied considerable time, energy and effort to establishing good working relationships* *across the complex range of established organisations within the Forest. The distinctly different Authority is now recognised as positively changed by staff, Members, partners and communities alike and this outcome is a credit to the Authority's dedication and resolve to make improvements.'* The Authority has fully reviewed and considered all the feedback and recommendations from the report.

Continuous Improvement

The Authority aims to be clearly accountable for the effective delivery of services, through setting targets and measuring performance. A revised and streamlined set of key national performance indicators has been agreed and these indicators as well as a set of local indicators are monitored regularly by the Resources, Audit and Performance Committee.

Objectives and targets are developed for each service, and performance reviewed against these. As previously mentioned, the Authority is using the current period of financial stability to review its efficiency and effectiveness and to plan more strategically. Senior officers from National Park Authorities are currently exploring possible savings and efficiencies in sharing support services.

During the year, the Authority reviewed its external audit arrangements in line with changing legislation to opt in to a scheme established by the Public Sector Audit Appointments Ltd to secure external auditors for 2018/19 - 2022/23. The Authority also adopted a number of HR Policies, made application to the Heritage Lottery Fund (Kick the Dust Youth Programme) and Pedall (Big Lottery, Reaching Communities, Stage 2 Application) and resolved to work in partnership with the New Forest Trust to develop a 'Love the Forest' Visitor Giving Scheme.

Service level agreements with New Forest District Council provided the services of strategic HR advice, internal audit, GIS and some accountancy services. The Authority also provides services to other local bodies through SLAs; these included archaeology, trees, rangers, building conservation & design, communications and ecology services during the last year.

Review of Effectiveness:

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Officers within the Authority who have the responsibility for the development and maintenance of the governance environment, the Internal Auditor's report and also by comments made by the external auditors and other review agencies and inspectorates.

Factors which influence the controls environment include: ethics, integrity, operating style and the way management and Members assign responsibility and authority.

The roles of the Authority, the Resources, Audit and Performance Committee and Internal Audit are explicit in maintaining the effectiveness of the governance framework.

Of the sixty-one Actions/Outcomes in the 2016/17 part of our Work Programme, fifty-eight were shown as “green” at year-end, three as “amber” and none as “red”. Of those three shown as amber, all have been addressed further in the 2017/18 Work Programme and/or work schedules.

Major strategic plans and policies receive consideration by Members. A comprehensive scheme of delegation to Officers has been approved by Members, and makes clear that the role of Officers is to implement and give effect to strategies and policies approved by the Authority.

The Authority has maintained arrangements to ensure that its dealings are lawful and comply with financial regulations. The Authority’s Solicitor considers all reports considered by Members, and is present at meetings to give advice to Members as required. This assists in ensuring that the Authority discharges its functions in accordance with the law.

Members have a key role in providing assurance that the Authority’s funds are used economically, efficiently and effectively in accordance with agreed policies. The Medium-Term Financial Plan and Budget is agreed annually by the Authority and budget monitoring reports are considered quarterly at meetings of the Resources, Audit and Performance Committee. The Authority’s Accounts are subject to external audit on an annual basis and reported to the Authority at a public meeting.

There were two complaints made against Members during 2016/17 in relation to allegations of failure to comply with the Members’ Code of Conduct; each complaint was investigated and no fault was found in either case.

All Member meetings of the Authority commence with an item regarding declaration of pecuniary and non-pecuniary interests, with signed records of interests declared kept with the minutes of the meeting. A Register of Members’ Interests is maintained, in accordance with the Local Government Act 2000.

The Internal Auditor’s report for 2016/17 states:

“arrangements are in place to ensure there is an adequate and effective internal control environment.

- *the systems and internal control arrangements are effective and agreed policies and regulations are complied with in the majority of occasions.*
- *Where minor control weaknesses were identified during the year, management have agreed to take action. Internal Audit monitors progress made against these recommendations and is content that management are implementing the required actions to further strengthen controls.*
- *managers are therefore aware of the importance of maintaining internal controls and accept recommendations made by Internal Audit to improve controls.”*

Ernst & Young act as the Authority’s external auditors and are responsible for reviewing and reporting on the Financial Report (Statement of Accounts) and arrangements for securing economy, efficiency and effectiveness in the use of resources.

The Authority's Business Continuity Plan was updated and reviewed during 2013/14 and approved by the Authority's Executive Board. A limited simulation test of the key IT contingency features was carried out successfully by officers in January 2014 and an internal audit of the Plan in May 2014 produced a very positive audit with only one recommendation. A review and update of the Plan will take place during the summer of 2017.

Officers have continued work on reviewing and updating the records management system for the Authority to meet statutory and best practice requirements.

Significant governance issues:

In 2016/17 the Authority has begun reviewing its Local Plan, as is recommended every five years, through evidence gathering and consultation. The new plan is proposed to be adopted in summer of 2018. A further significant project to commence early in 2017 was the review of the Authority's Recreation Management Strategy 2010-30. The Authority will be leading the review on behalf of the Recreation Management Strategy Steering Group (comprising the Forestry Commission, Verderers of the New Forest, Natural England, New Forest District Council, Hampshire County Council and New Forest National Park Authority).

During 2017/18 the Authority will be fully reviewing its Counter Fraud policies and procedures in light of the new code of practice and self-assessment toolkit from the Chartered Institute of Public Finance & Accountancy (CIPFA) and International Framework for Good Governance in the Public Sector – updates to these documents have only recently been released and will be studied over the coming months to ensure the Authority continues to follow best practice.

As previously mentioned, the Authority will be undertaking reviews of its Governance arrangements, Committee structures/timetabling and the Business Continuity Plan over the coming year. It will also look to complete work on establishing best practice in records management across the organisation, thus ensuring compliance with data protection legislation (including the new GDPR) and retention schedules.

CERTIFICATION

To the best of our knowledge, governance arrangements, as defined above have been in place within the Authority for the year ending 31 March 2017 and up to the date of approval of the Annual Report and Statement of Accounts.

We propose to take steps over the coming year to address those areas identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: ……………………..	Signed:………………………
Oliver Crosthwaite-Eyre Chairman	Alison Barnes Chief Executive
Date: 14 July 2017	Date: 14 July 2017

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

2015/16					2016/17		
Gross Expenditure £000	**Income £000**	**Net Expenditure £000**		**Note**	**Gross Expenditure £000**	**Income £000**	**Net Expenditure £000**
948	(616)	332	Conservation of the Natural Environment	6	1,468	(960)	508
406	(67)	339	Conservation of Cultural Heritage		360	(10)	350
2,289	(2,161)	128	Recreation Management and Transport	6	537	(183)	354
513	(20)	493	Promoting Understanding		547	(42)	505
156	(70)	86	Rangers, Estates and Volunteers		179	(71)	108
1,016	(511)	505	Development Control		1,229	(795)	434
603	(84)	519	Forward Planning and Communities		577	(89)	488
484	0	484	Corporate and Democratic Core		465	0	465
0	(36)	(36)	Exceptional Items		2	(13)	(11)
6,415	**(3,565)**	**2,850**	**Net Cost of Services**		**5,364**	**(2,163)**	**3,201**
			Other Operating Expenditure				
		5	(Profit)/Loss on Disposal of Long-Term Assets	12			**0**
			Financing and Investment Income and Expenditure				
		(13)	Interest and Investment Income				(9)
		133	Net interest on the defined benefit liability (asset)	10			134
		(21)	Impairment of Investment				0
		99	**Total Financing and Investment Income and Expenditure**				**125**
			Taxation and Non-Specific Grant Income				
		(130)	Capital Grants and Contributions	19			194
		(3,037)	National Park Grant	8			(3,089)
		(1)	Rounding				0
		(214)	**(Surplus)/Deficit on the Provision of Services**				**431**
		(502)	Re-measurement of the defined benefit liability (asset)	10			1,825
		(716)	**Total Comprehensive Income and Expenditure**	6			**2,256**

Further details on the service headings used in the Net Cost of Services can be found in Note 6.

Nigel Stone, FCCA - Chief Finance Officer **14 July 2017**

EXPENDITURE AND FUNDING ANALYSIS FOR YEAR ENDED 31 MARCH 2017

2015/16					2016/17		
Expenditure chargeable to General Fund Balance	**Adjustment between funding and accounting basis**	**Rounding**	**Net expenditure in the Comprehensive Income and Expenditure Statement**		**Expenditure chargeable to General Fund Balance**	**Adjustment between funding and accounting basis**	**Net expenditure in the Comprehensive Income and Expenditure Statement**
£000	**£000**		**£000**		**£000**	**£000**	**£000**
300	32	0	332	Conservation of the Natural Environment	482	26	508
312	27	0	339	Conservation of Cultural Heritage	323	27	350
134	(6)	0	128	Recreation Management and Transport	317	37	354
465	28	0	493	Promoting Understanding	479	26	505
78	8	0	86	Rangers, Estates and Volunteers	99	9	108
573	(68)	0	505	Development Control	491	(57)	434
482	37	0	519	Forward Planning and Communities	452	36	488
463	21	0	484	Corporate and Democratic Core	442	23	465
98	(134)	0	(36)	Exceptional Items	135	(146)	(11)
(1)	1	0	0	Rounding	0	0	0
2,904	**(54)**	**0**	**2,850**	**Net Cost of Services**	**3,220**	**(19)**	**3,201**
(3,071)	8	(1)	(3,064)	Other Income and Expenditure	(3,098)	328	(2,770)
(167)	**(46)**	**(1)**	**(214)**	**(Surplus)/Deficit on Provision of Services**	**122**	**309**	**431**
(154)			Transfer to/(from) Other Earmarked Reserves		(98)		
(13)			**Surplus/Deficit in Year**		**24**		
(150)			Opening Revenue Support Reserve Balance		(163)		
(13)			Surplus/Deficit in Year		24		
(163)			**Closing Revenue Support Reserve Balance at 31 March**		**(139)**		

Further information can be found in Note 7.

BALANCE SHEET AS AT 31 MARCH 2017

2015/16				2016/17	
£000	£000		Note	£000	£000
		Long-term Assets			
		Property, Plant & Equipment			
	183	Community Asset – Bransgore Land and Buildings	12		315
	135	Vehicles & Equipment	12		100
		Intangible assets			
	64	Equipment (Software)	13		33
	382	**Total Long-term Assets**			448
		Current Assets			
750		Short-Term Investments	21	1,000	
1,194		Short-Term Debtors	14	393	
1,745		Cash and Cash Equivalents	15	1,548	
	3,689	**Total Current Assets**			2,941
	4,071	**Total Assets**			**3,389**
		Current liabilities			
	(604)	Short-Term Creditors	16		(294)
		Total Current Liabilities			
		Long Term Liabilities			
(159)		Developers Contributions – Receipts in Advance	17	(44)	
(4,050)		Liability relating to Defined Benefit Pension Scheme	10	(6,050)	
	(4,209)	**Total Long Term Liabilities**			(6,094)
	(742)	**Net Assets**			**(2,999)**
		Usable Reserves:			
300		General Fund Balance	19	300	
1,858		Earmarked Reserves	18/19	1,736	
799		Developers Contributions Unapplied	17/19	604	
	2,957				2,640
		Unusable Reserves:			
382		Capital Adjustment Account	20	448	
(4,050)		Pensions Reserve	20	(6,050)	
(31)		Accumulated Absences Account	20	(37)	
	(3,699)				(5,639)
	(742)	**Total Reserves**			**(2,999)**

Nigel Stone, FCCA - Chief Finance Officer **14 July 2017**

MOVEMENT IN RESERVES STATEMENT

	Note	General Fund Balance	Earmarked Reserves	Developers Contributions Unapplied	**Total Usable Reserves**	Capital Adjustment Account	Pensions Reserve	Accumulated Absences Account	**Total Unusable Reserves**	**Total Authority Reserves**
Balance as at 31 March 2016		**300**	**1,858**	**799**	**2,957**	**382**	**(4,050)**	**(31)**	**(3,699)**	**(742)**
Movement in reserves during 2016/17										
Surplus or (deficit) on the provision of services		(431)	0	0	**(431)**	0	0	0	**0**	**(431)**
Other Comprehensive Income and Expenditure		0	0	0	**0**	0	(1,825)	0	**(1,825)**	**(1,825)**
Total Comprehensive Income and Expenditure		**(431)**	**0**	**0**	**(431)**	**0**	**(1,825)**	**0**	**(1,825)**	**(2,256)**
Adjustments between accounting basis & funding basis under regulations	(5)	309	0	(194)	**115**	66	(175)	(6)	**(115)**	**0**
Rounding		0	0	(1)	**(1)**	0	0	0	**0**	**(1)**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**(122)**	**0**	**(195)**	**(317)**	**66**	**(2,000)**	**(6)**	**(1,940)**	**(2,257)**
Transfers to/(from) Earmarked Reserves	(18)	122	(122)	0	**0**	0	0	0	**0**	**0**
Increase/(Decrease) in 2016/17		**0**	**(122)**	**(195)**	**(317)**	**66**	**(2,000)**	**(6)**	**(1,940)**	**(2,257)**
Balance as at 31 March 2017		**300**	**1,736**	**604**	**2,640**	**448**	**(6,050)**	**(37)**	**(5,639)**	**(2,999)**

The table below sets out the same information for the 2015/16 financial year for comparison:

	Note	General Fund Balance	Earmarked Reserves	Developers Contributions Unapplied	**Total Usable Reserves**	Capital Adjustment Account	Pensions Reserve	Accumulated Absences Account	**Total Unusable Reserves**	**Total Authority Reserves**
Balance as at 31 March 2015		**300**	**1,691**	**668**	**2,659**	**283**	**(4,364)**	**(36)**	**(4,117)**	**(1,458)**
Movement in reserves during 2015/16										
Surplus or (deficit) on the provision of services		214	0	0	**214**	0	0	**0**	**0**	**214**
Other Comprehensive Income and Expenditure		0	0	0	**0**	0	502	**0**	**502**	**502**
Total Comprehensive Income and Expenditure		**214**	**0**	**0**	**214**	**0**	**502**	**0**	**502**	**716**
Adjustments between accounting basis & funding basis under regulations	(5)	(46)	0	130	**84**	99	(188)	5	**(84)**	**0**
Rounding		(1)	0	1	**0**	0	0	0	**0**	**0**
Net Increase/(Decrease) before Transfers to Earmarked Reserves		**167**	**0**	**131**	**298**	**99**	**314**	**5**	**418**	**716**
Transfers to/(from) Earmarked Reserves	(18)	(167)	167	0	**0**	0	0	0	**0**	**0**
Increase/(Decrease) in 2015/16		**0**	**167**	**131**	**298**	**99**	**314**	**5**	**418**	**716**
Balance as at 31 March 2016		**300**	**1,858**	**799**	**2,957**	**382**	**(4,050)**	**(31)**	**(3,699)**	**(742)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

2015/16 £000		Notes	2016/17 £000
(214)	**Net (Surplus)/Deficit on the Provision of Services**		**431**
	Adjust net (surplus)/deficit on the Provision of Services for non-cash movements		
(88)	Depreciation / Amortisation / Impairments	**9/12/13**	(281)
(179)	(Increase)/Decrease in Creditors & Provisions		310
609	Increase/(Decrease) in Debtors		(801)
(609)	Pensions – Reverse charges made for retirement benefits in profit and loss	**10**	(610)
421	Pensions – Employers Contribution	**10**	435
(5)	Carrying amount of non-current assets sold or derecognised	**12**	0
	Adjustments for items which are Investing or Financing Activities		
13	Investment Income		9
(515)	Capital Grants Applied (credited to surplus or deficit on the provision of services)		324
(567)	**Net cash flows from Operating Activities**		**(183)**
	Investing Activities		
(13)	Investment Income		(9)
192	Acquisition of property, plant & equipment and intangible assets	**12/13**	348
10	(Increase)/Decrease in Developers' Contributions – Receipts in Advance	**17**	21
11,120	Purchase of short-term and long-term investments		6,750
(11,600)	Proceeds from short-term and long-term investments		(6,728)
(291)	**Net cash flows from Investing Activities**		**382**
1	Roundings		(2)
(857)	**Net (Increase)/Decrease in Cash and Cash Equivalents**		**197**
888	Cash and Cash Equivalents b/f	**15**	1,745
1,745	Cash and Cash Equivalents c/f	**15**	1,548
857	**Movement in Cash and Cash Equivalents**		**(197)**

Index of Notes to The Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

Note 1. ACCOUNTING POLICIES

i) General Principles

The Statement of Accounts summarises the Authority's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. The Regulations require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Best Value Accounting Code of Practice 2016/17 supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii) Accruals of Income and Expenditure (Debtors and Creditors)

The accounts of the Authority are prepared on an accruals basis. This means that the sums due to or from the Authority during the year are included in the accounts, whether or not the cash has actually been received or paid in the year in question.

Accruals have been made for all known material revenue and capital debtors and creditors for goods and services supplied by and to the Authority during the year.

iii) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature or can be called within 24 hours and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The Authority will treat the following as Cash and Cash Equivalents:

- Instant Access Call Accounts
- Instant Access Money Market Funds
- Deposits with one day to maturity

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

iv) Changes in Accounting Policies

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

v) Charges to Revenue for Non-Current Assets

Services and support services are debited with the following amounts to record the cost of holding long-term assets during the year:

- Depreciation/Amortisation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service; where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- Amortisation of intangible assets attributable to the service.

The Authority is not required to raise income to fund depreciation/amortisation, revaluation and impairment losses or amortisations. Charges are therefore mitigated by way of an adjusting transaction with the Capital Adjustment Account via the Movement in Reserves Statement.

vi) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave e.g. flexi-time) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current accounting year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an Officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged to services on an accruals basis in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an Officer or group of Officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of the Local Government Pensions Scheme, administered by Hampshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

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 Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Hampshire pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate of 2.6% (based on the indicative rate of return on a high quality corporate bond).

- The assets of the Hampshire pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
    - quoted securities – current bid price;
    - unquoted securities – professional estimate;
    - unitised securities – current bid price;
    - property – market value.

- The change in the net pensions liability is analysed into the following components:

Service Cost, comprising;

- o current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- o past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- o net interest on the defined benefit liability (asset) – the change during the period in the net defined benefit liability (asset) that arises from the passage of time - debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Re-measurements, comprising;

- o return on assets – excluding amounts included in the net interest on the defined benefit liability (asset) – debited to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- o actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the Hampshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits that are earned by employees.

The pension scheme is detailed in note 10 to the Financial Statements.

Discretionary Benefits – The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award, and accounted for using the same policies as are applied to the Local Government Pensions Scheme.

vii) Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

viii) Financial Instruments

Financial Liabilities are measured at fair value and carried at their amortised cost in the Balance Sheet.

Financial Assets are divided into two categories; Loans and Receivables and Available for Sale assets.

Loans and Receivables

Loans and receivables (e.g. cash investments) are initially measured at their fair value and carried at their amortised cost. Annual credits to the Income and Expenditure Account for interest receivable are based on the carrying amount of the asset multiplied by the effective interest rate for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Comprehensive Income and Expenditure Account is the amount receivable for the year in the loan agreement.

ix) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and;
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grants or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

x) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xi) Inventories and Long Term Contracts

The Code of Practice requires stocks to be shown at the lower of actual cost or net realisable value. Care is taken to write out any obsolescent stocks.

xii) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2016/17 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multi-functional, democratic organisation;

- Non – Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and past service costs arising from current year decisions whose effect relates to years of service earned in earlier years.

These categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

Cost	**Basis of Allocation**
Central Department Salaries	Predominantly on estimated time spent by staff
Administrative Buildings	Employee Numbers
Computing facilities	Employee Numbers

xiii) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

A de minimis level is set for Property, Plant and Equipment assets below which expenditure is not capitalised.

Category of Asset	De minimis level
Land and buildings	£10,000
Vehicles, plant and equipment	£1,500

Donated assets are initially valued at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets are then carried in the Balance Sheet using the following measurement bases:

- Land and Buildings – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV);
- Vehicles, Plant & Equipment – Depreciated Historical Cost.

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains or exceptionally to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. There were no gains arising before that date.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is calculated on the following basis:

- buildings – straight-line allocation over the useful life of the property, as estimated by the Valuer;

- vehicles, plant and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Depreciation is applied in the year in which the asset is acquired and is charged using the straight-line method.

The following table indicates the estimated remaining useful life of each type of asset owned by the Authority. Each category of asset consists of different assets with varying remaining lives and this table shows this range.

Type of Asset	**Remaining Useful Asset Life at 31 March 2017**
Property, Plant and Equipment	
Land	Indefinitely
Property	Up to 100 years
Equipment - ICT Hardware	Up to 4 years
- Other Equipment	Up to 10 years
Vehicle - Van	Up to 5 years
Intangible Assets	
ICT Software	Up to 4 years

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off value of disposals is not a charge against useable reserves, as the cost of long-term assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xiv) Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

The reserves held at 31 March 2017 are reported in notes 19 and 20.

xv) Value Added Tax (VAT)

All VAT collected is payable to HM Revenue and Customs and VAT paid is recoverable. Income and expenditure in the Statement of Accounts excludes any amounts related to VAT other than any irrecoverable VAT which is charged to the service the supply related.

xvi) Leases

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. The Authority has one major lease, for its office accommodation, which has been classified as an operating lease.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service(s) benefitting from use of the leased property, plant or equipment. The impact of any lease incentives, such as rent-free periods, is spread across the whole term of the lease.

xvii) Revenue Expenditure Funded From Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing resources, a transfer in the Movement in Reserves from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged.

xviii) Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

xix) Revenue Recognition

The accounts of the Authority are prepared on an accruals basis. This means that the sums due to the Authority during the year are included in the accounts, whether or not the cash has actually been received in the year in question. In particular:

- Income from fees and charges is recognised when the Authority provides the relevant goods or services;
- Interest receivable on investments is accounted on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where income has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

An exception to this policy is planning fee payments, when the period of charge does not coincide exactly with the end of the financial year. In this instance, income is accounted for as at the date when the planning application is registered on the Authority's planning system. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

Note 2. NEW ACCOUNTING STANDARDS YET TO BE ADOPTED

The Code requires the Authority to disclose appropriate information relating to the potential impacts of any accounting standards that have been issued but have yet to be adopted.

It is not considered that any upcoming changes in this regard will have a material impact on the financial statements of this Authority.

Note 3. JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in this document the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made in 2016/17 that would have a significant effect on the amounts in the financial statements.

Note 4. UNCERTAINTIES RELATING TO ASSUMPTIONS AND ESTIMATES USED

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities with the next financial year (excluding those that are carried at fair value based on recently observed market prices) are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions/Estimates
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £387,000. During 2016/17, the Authority's actuaries advised that the net pension liability (the amount showing on the balance sheet) had decreased by £761,000 as a result of previous estimates being corrected as a result of actual experience, decreased by £116,000 as a result of updated demographic assumptions and increased by £3,473,000 attributable to updating of the financial assumptions used.

Note 5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS – GENERAL FUND

2015/16		2016/17
£000		**£000**
	Adjustments on Developers Contributions Unapplied	
130	Net Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	**(194)**
	Adjustments on Capital Adjustment Account:	
54	Financing of Capital Expenditure - Revenue	20
1,445	Financing of Capital Expenditure – Capital Grants Applied	585
(5)	Profit/(Loss) on Disposal of Fixed Assets	0
166	Financing of Capital Expenditure – Developers Contributions Applied	437
(88)	Depreciation, Amortisation and Impairment of Long-Term Assets	(281)
(1,473)	Revenue Expenditure Funded from Capital Under Statute	(695)
99		**66**
	Adjustments on Pensions Reserve:	
(609)	Net charges made for retirement benefits in accordance with IAS19	(610)
421	Employer's contributions payable to the Hampshire Pension Fund	435
(188)		**(175)**
	Adjustments on Accumulated Absence Account:	
5	(Increase)/Decrease in accrual	**(6)**
46	**Net additional amount to be (credited)/debited to the General Fund Balance for the year**	**(309)**

Note 6. COMPREHENSIVE INCOME AND EXPENDITURE

Total Comprehensive Income and Expenditure in 2016/17 was net expenditure of £2.26m, a variance of £2.97 million from 2015/16. The key reasons for the variation are as follows:

	2015/16	2016/17	Variation
	£000	**£000**	**£000**
IAS19 Service Cost Pension Adjustments	(189)	(187)	2
Pensions: Re-measurement	(502)	1,825	2,327
Pensions: Net Interest	133	134	1
Items not Affecting Useable Reserves	**(558)**	**1,772**	**2,330**
National Park Grant	(3,037)	(3,089)	(52)
Capital Grants and Contributions	(130)	194	324
Impairment of Investment	(21)	0	21
Interest and Investment Income	(13)	(9)	4
Items Affecting Useable Reserves	**(3,201)**	**(2,904)**	**297**
Other (mainly affecting useable reserves)	**3,043**	**3,388**	**345**
Total Comprehensive Income and Expenditure	**(716)**	**2,256**	**2,972**

The Comprehensive Income and Expenditure Statement and the analysis above denote that service expenditure is remaining fairly stable; Net Cost of Services was £3.20 million in 2016/17 compared to £2.85 million in the previous year and £3.16 million the year before that.

The table above indicates that the principal variances between the two financial years were:

Pensions Re-measurement – a £2.3m variation as detailed further in note 10.

Capital Grants – significant net spend from developer contributions in 2016/17.

Authority Service Headings on the Comprehensive Income and Expenditure Statement (CIES)

Following an update to the accounting rules this year, local government authorities are now required to use the service headings within the CIES which they use for internal budgeting purposes throughout the year. This is designed to make the information more individual and identifiable to specific authorities, better reflect the services it provides and is those on which funding decisions would have been made. However, unlike Councils and other local government bodies who all had to previously report using exactly the same headings, the English National Park Authorities already had their own set of service headings, specific to them, by which they were required to report under. Furthermore our basic internal financial reporting is not 'service-based' (e.g. it is often split into areas such as salaries, programme fund, central costs, partnership projects etc) and therefore would not be appropriate for such ‘service’ headings. Given these facts, this Authority has decided to maintain its use of the existing service headings and instead amend some of its future internal reporting to mirror that format more closely; it is considered that these headings are a good reflection/categorisation of our overall work.

Conservation of the Natural Environment (increase in income and expenditure)

The significant increase in income and expenditure within ‘Conservation of the Natural Environment’ in 2016/17 is due to a successful Heritage Lottery Fund Landscape Partnership bid called “Our Past, Our Future”. This was awarded in October 2015 and will continue until 2020 with a wide range of different landscape projects, delivered through a number of partner organisations, in total worth more than £4m to the Forest; income and expenditure for this project in 2016/17 was approximately £830,000.

Recreation Management and Transport (decrease in income and expenditure)

2015/16 was the final year of both the Local Sustainable Transport Fund (LSTF) and New Forest Family Cycling Experiences (NFFCE) projects, funded by the Department for Transport. In total £850,000 was received and spent on LSTF and £1.2m on NFFCE during that year.

Note 7. EXPENDITURE AND FUNDING ANALYSIS

This note provides a reconciliation of the main adjustments to the Net Expenditure Chargeable to the General Fund Balances* to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

* In the case of this Authority, any final balance is added/deducted from the Revenue Support Reserve (not directly from the General Fund Reserve which simply contains our stipulated minimum reserve).

Adjustments between Funding and Accounting Basis 2016/17:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	**Adjustments for Capital Purposes**	**Net change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Conservation of the Natural Environment	2	23	1	26
Conservation of Cultural Heritage	7	19	1	27
Recreation Management and Transport	22	14	1	37
Promoting Understanding	3	22	1	26
Rangers, Estates and Volunteers	0	9	0	9
Development Control	(114)	55	2	(57)
Forward Planning and Communities	10	25	1	36
Corporate and Democratic Core	3	20	0	23
Exceptional Items	0	(146)	0	(146)
Rounding	1	0	(1)	**0**
Net Cost of Services	**(66)**	**41**	**6**	**(19)**
Other income and expenditure from the Expenditure and Funding Analysis	194	134	0	**328**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**128**	**175**	**6**	**309**

Adjustments between Funding and Accounting Basis 2015/16:

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	**Adjustments for Capital Purposes**	**Net change for the Pensions Adjustments**	**Other Differences**	**Total Adjustments**
	£000	**£000**	**£000**	**£000**
Conservation of the Natural Environment	10	23	(1)	32
Conservation of Cultural Heritage	9	19	(1)	27
Recreation Management and Transport	(19)	13	0	(6)
Promoting Understanding	7	21	0	28
Rangers, Estates and Volunteers	0	8	0	8
Development Control	(123)	57	(2)	(68)
Forward Planning and Communities	10	27	0	37
Corporate and Democratic Core	1	21	(1)	21
Exceptional Items	0	(134)	0	(134)
Rounding	1	0	0	1
Net Cost of Services	**(104)**	**55**	**(5)**	**(54)**
Other income and expenditure from the Expenditure and Funding Analysis	(125)	133	0	**8**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(229)**	**188**	**(5)**	**(46)**

Adjustments for Capital Purposes:

This column adds in depreciation, amortisation and impairment and revaluation gains and losses in the service line, and for:

Other operating expenditure – adjusts for the capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

Financing and Investment Income and Expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

Taxation and Non-specific Grant Income and Expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those received in the year to those receivable without conditions or for which conditions were satisfied throughout the year.

Net Change for Pension Adjustments:

Net change for the removal of pension contributions and the addition of *IAS 19 Employee Benefits* pension related expenditure and income:

For services - this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.

For Financing and Investment Income and Expenditure – the net interest on the defined liability is charges to the Comprehensive Income and Expenditure Statement.

Other Differences:

Constitutes the amounts debited/credited to the Comprehensive Income and Expenditure Statement with regard to the change in provision for accumulated absences.

Expenditure and Income Analysed by Nature	**2015/16**	**2016/17**
	£000	**£000**
Fees, charges and other service income	(625)	(653)
Interest and investment income	(13)	(9)
Government grants and contributions	(5,691)	(4,071)
Other grants and contributions	(416)	(334)
Total Income	**(6,745)**	**(5,067)**
Employee expenses	2,636	2,749
Other service expenses	3,824	2,468
Depreciation / Amortisation	88	89
Impairment	(21)	192
Disposals	5	0
Total Expenditure	**6,532**	**5,498**
Rounding	(1)	0
(Surplus) or deficit on the provision of services	**(214)**	**431**

Note 8. GRANT INCOME

New Forest National Park Authority received a Parliament approved grant of £3,089,334 from the Department of the Environment, Food and Rural Affairs (2015/16 was £3,037,096).

Details of other grants and contributions received during the year are shown in the table below:

2015/16			2016/17
£000			**£000**
	Service Specific Revenue Grants and Contributions (included in cost of services)		
(37)	Office Relocation Project	Dept for Env, Food & Rural Affairs	0
(70)	Higher Level Stewardship (HLS)	Forestry Commission	(83)
(42)	New Forest Land Advice Service	Natural England & Forestry Commission	(42)
(41)	New Forest Land Advice Service	Government Contributions	(6)
(16)	New Forest Land Advice Service	Non-Government Contributions	(8)
(10)	New Forest Produce	New Forest Produce Ltd	(0)
(42)	New Forest Remembers	National Heritage Memorial Fund (Lottery)	(0)
(5)	World War 1 Project	Esso Petroleum Ltd	(0)
(876)	Local Sust Transport Fund	HCC (DfT)	(40)
(1,174)	New Forest Family Cycling Exp	HCC (DfT)	(0)
(17)	Pedall	CarPlus	(0)
(182)	Landscape Partnership	Government Contributions	(104)
(187)	Landscape Partnership	Other Government Contributions	(670)
(60)	Landscape Partnership	Non-Government Contributions	(56)
(11)	Community Wildlife Plans	Rural Payments Agency & Sustainable Communities Fund	0
0	Self-build and custom housebuilding register	Dept for Communities and Local Government	(35)
0	England Coast Path	Natural England	(4)
0	Discover England Fund (Access)	Peak District National Park Authority	(5)
0	Family Trees Project	Groundwork UK	(10)
(4)	Other	Miscellaneous	(5)
(2,774)			**(1,068)**
	Capital Grants and Contributions		
(173)	Developers Contributions	Miscellaneous	(104)
(173)			**(104)**
(2,947)	Total Grant and Contributions Income		**(1,172)**

Note 9. IMPAIRMENTS

Long-Term Assets

The value of each asset is reviewed at the end of each year for evidence of reductions in value. Where impairment is identified the loss is generally charged to the relevant revenue account or written off against any revaluation gains in the revaluation reserve.

During 2016/17 an impairment of £192,000 was recognised in the Comprehensive Income & Expenditure Statement with regard to the completed Bransgore affordable homes (see note 12d).

Note 10. DEFINED BENEFIT PENSION SCHEME

a) Participation in Pension Scheme

As part of the terms and conditions of employment of its Officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Authority participates in the Hampshire County Council administered Local Government Pension Scheme (“the Fund”). This is a funded defined benefit final salary 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 Hampshire Pension Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pension Fund Panel of Hampshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the Panel.

The principal risks to the Authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

b) Transactions Relating to Post-employment Benefits

The Authority recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid 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 post-employment/retirement benefits is reversed out of the Comprehensive Income and Expenditure Account within the Movement in Reserves Statement on the General Fund balance. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2015/16	2016/17
	£000	£000
Comprehensive Income and Expenditure Account		
Cost of Services:		
Current service cost	476	476
Past service cost	0	0
Financing and Investment Income and Expenditure:		
Net interest expense	133	134
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**609**	**610**
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability:		
Return on plan assets (excluding the amount included in the net interest expense)	137	(771)
Actuarial gains and losses arising on changes in demographic assumptions	0	(116)
Actuarial gains and losses arising on changes in financial assumptions	(567)	3,473
Actuarial gains and losses due to liability experience	(72)	(761)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**107**	**2,435**
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	314	(2,000)
Actual amount charged against the General Fund Balance for pensions in the year: Employers' contributions payable to the scheme	**421**	**435**

c) Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

Assets and Liabilities	**31 March 2013**	**31 March 2014**	**31 March 2015**	**31 March 2016**	**31 March 2017**
	£000	**£000**	**£000**	**£000**	**£000**
Present Value of the defined benefit obligation	(9,387)	(9,183)	(11,602)	(12,273)	(15,736)
Fair Value of plan assets	5,694	5,770	7,238	8,223	9,686
Net liability arising from defined benefit obligation	**(3,693)**	**(3,413)**	**(4,364)**	**(4,050)**	**(6,050)**

Reconciliation of the Movements in the Fair Value of Scheme (plan) Assets:

	2015/16	2016/17
	£000	£000
Opening fair value at 1 April	**7,238**	**8,223**
Interest Income	246	295
Re-measurement gain/(loss)	(137)	771
Contributions by the Employer	421	435
Contributions by Participants	168	173
Net Benefits Paid Out	287	(211)
Closing fair value at 31 March	**8,223**	**9,686**

Reconciliation of Present Value of the Scheme Liabilities (defined benefit obligation):

Funded Liabilities	2015/16	2016/17
	£000	£000
Opening present value at 1 April	**(11,602)**	**(12,273)**
Current Service Cost	(476)	(476)
Interest Cost	(379)	(429)
Contributions by Participants	(168)	(173)
Re-measurement (gains)/losses:		
Actuarial Gains/(Losses) arising from changes in demographic assumptions	0	116
Actuarial Gains/(Losses) arising from changes in financial assumptions	567	(3,473)
Actuarial Gains/(Losses) due to liability experience	72	761
Net Benefits Paid Out	(287)	211
Past Service Costs	0	0
Closing present value at 31 March	**(12,273)**	**(15,736)**

Local Government Pension Scheme assets (fair value) comprised:

31 March 2016		Assets	31 March 2017	
£000	%		£000	%
4,630	56.3	Equities	5,841	60.3
2,113	25.7	Government Bonds	2,441	25.2
173	2.1	Corporate Bonds	136	1.4
674	8.2	Property	629	6.5
386	4.7	Cash	329	3.4
247	3.0	Other	310	3.2
8,223	**100**	**Total**	**9,686**	**100**

d) Basis and Risks 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.

Asset volatility – The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform that yield, this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long-term, creates volatility and risk in the short-term in relation to the accounting figures.

Changes in bond yield – A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be marginally offset by the increase in the assets as a result.

Inflation risk – The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation, meaning that an increase in inflation will increase the deficit.

Life expectancy – The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Exiting employers – Employers who leave the Fund may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer is not able to meet this exit payment, the liability may in certain circumstances fall on other employers in the Fund.

The figures in this note have been prepared/estimated by Aon Hewitt Ltd, an independent firm of actuaries, estimates for the Hampshire Pension Fund being based on the latest full valuation of the scheme as at 1 April 2016.

The significant assumptions used by the actuary have been:

Financial Assumptions	**31 March 2016**	**31 March 2017**
	%	**%**
Rate of inflation – CPI	1.9	2.0
Rate of inflation – RPI	3.0	3.1
Rate of increase in salaries	3.4	3.5
Rate of increase in pensions	1.9	2.0
Rate of increase in deferred pensions	1.9	2.0
Rate for discounting scheme liabilities	3.5	2.6

Mortality Assumptions		31 March 2016	31 March 2017
		Years	Years
Longevity at 65 for current pensioners:			
	Males	24.6	24.0
	Females	26.4	27.0
Longevity at 65 for future pensioners:			
	Males	26.7	26.0
	Females	28.7	29.3

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Benefit Obligation in the scheme (as at 31 March 2017)	Increase in Assumption	Decrease in Assumption
	£000	£000
Longevity (increase or decrease in 1 year)	456	(457)
Rate of inflation (increase or decrease by 0.1%)	300	(294)
Rate of increase in salaries (increase or decrease by 0.1%)	95	(94)
Rate of increase in pensions (increase or decrease by 0.1%)	300	(294)
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(387)	397

Further information on the Hampshire Pension Fund can be obtained from:
Pensions Services
Hampshire County Council
The Castle
Winchester
SO23 8UB Telephone: (01962) 845588

Note 11. CAPITAL EXPENDITURE AND FINANCING

Capital expenditure may be paid for (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.

This table sets out the transactions required for the financing of capital expenditure for 2016/17:

	2015/16 £000	2016/17 £000
Opening Capital Financing Requirement	0	0
Capital Investment		
Property Assets	138	328
Vehicles, Plant & Equipment Assets	23	20
Intangible Assets	31	0
Revenue Expenditure funded from Capital under statute (REFCUS)	1,473	695
Sources of Finance		
Revenue Provision	(54)	(20)
Developers Contributions	(166)	(437)
Capital Grants & Contributions	(1,445)	(585)
Rounding	0	(1)
Closing Capital Financing Requirement	**0**	**0**

Note 12. PROPERTY, VEHICLES, PLANT AND EQUIPMENT

a) Valuation of Non-Current Assets

Expenditure on long term assets is capitalised provided that it yields benefits to the Authority for more than one financial year. Expenditure that does not increase the value of an asset is charged to revenue as it is incurred.

b) Analysis of Assets

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

	2015/16	2016/17
Land	1	1
Property	1	1
Vehicles	3	4
Other Equipment	60	62
ICT Hardware	163	164
ICT Software	22	22
TOTAL	**250**	**254**

c) Valuation of assets carried at Current Value

The following statement shows the Authority's valuation of long-term assets. The basis for valuation is set out in the statement of accounting policies.

The valuations show the gross current value after depreciation is applied.

	Valued at Historic Cost	Valued at Current value in 2005/06	Change in value in 2006/07 to 2014/15	Change in value in 2015/16	Change in value in 2016/17	Total
	£000	£000	£000	£000	£000	£000
Land and Buildings	507	165	(165)	0	(192)	315
Vehicles, Plant and Equipment	100	0	0	0	0	100
Total	607	165	(165)	0	(192)	415

d) Movements on Non-Current Assets during the year

On 8 July 2014 the Authority was gifted a piece of land in Bransgore by Frampton Estates Ltd. The land was given on a 999-year lease for a peppercorn rent but restricting its future use to that for affordable housing. The land was subsequently valued at £45,000.

In 2015/16 the Authority began to build two semi-detached affordable homes on the plot funded through developer contributions and as at 31 March 2016 these assets were held as 'assets under construction' and valued at historic cost (£138,000) with no depreciation.

Following their completion in August 2016, the total cost of the properties was £465,000. The useful life of the properties has been estimated at 100 years and straight-line depreciation was charged from when the properties were complete up until 31 March 2017 (total charge for the year of £2,893).

The Authority has classified the properties as Community Assets and had them valued by a professional valuer at Hampshire County Council Property Services (Caroline Egan, MRICS) as at 31 March 2017 on an 'EUV-SH' (Existing Use Value – Social Housing) basis. The professional valuation given was £270,000. After depreciation, the book value would have been £462,000 and therefore an impairment of £192,000 has been charged this year. The land was not revalued and remains on the balance sheet at £45,000 (giving a total of £315,000 for the land and buildings).

In line with the Authority's accounting policies, the land and buildings will be revalued at intervals not less than five years and sooner if any significant changes occur.

2015/16	Community Asset	2016/17
£000		£000
45	**Certified valuation at 31 March 2016**	183
0	Accumulated depreciation & impairment	0
45	**Net book value of assets at 31 March 2016**	**183**
	Movements:	
138	Additions	328
0	Disposals	0
0	Impairment	(192)
0	Depreciation	(3)
0	Depreciation w/b on Disposals	0
0	Rounding	(1)
183	**Net book value of assets at 31 March 2017**	**315**

2015/16	Vehicles, Plant and Equipment	2016/17
£000		£000
489	**Valuation at 31 March 2016**	505
(315)	Accumulated depreciation & impairment	(369)
0	Rounding	(1)
174	**Net book value of assets at 31 March 2016**	**135**
	Movements:	
23	Additions	20
(7)	Disposals	0
(56)	Depreciation	(56)
2	Depreciation w/b on Disposals	0
(1)	Rounding	1
135	**Net book value of assets at 31 March 2017**	**100**

Note 13. INTANGIBLE ASSETS

The intangible assets comprise wholly of computer software licences. These are recorded at historic cost and are amortised over their lives (estimated at 3-5 years) on a straight-line basis, commencing from date of acquisition. The amortisation charged for intangible assets in 2016/17 was £30,353.

2015/16	Intangible Assets	2016/17
£000		£000
378	**Valuation at 31 March 2016**	409
(314)	Accumulated amortisation & impairment	(345)
64	**Net book value of assets at 31 March 2016**	**64**
	Movements:	
31	Additions	0
0	Disposals	0
(31)	Amortisation	(30)
0	Amortisation w/b on Disposals	0
0	Rounding	(1)
64	**Net book value of assets at 31 March 2017**	**33**

Note 14. DEBTORS

An analysis of the Authority's debtors 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.

	2015/16	2016/17
	£000	£000
Government Departments	161	224
New Forest District Council	78	93
Hampshire County Council*	943	7
Other Local Authorities	0	5
Other Debtors	12	64
	1,194	**393**

*****The significant change between years is due to a large transaction owed to the Authority by Hampshire County Council in regard to the New Forest Family Cycling Experiences project for the last two quarters of 2015/16.

Note 15. CASH AND CASH EQUIVALENTS

This table shows the movement in cash in hand, at the bank and in deposits available within 24 hours during the year.

	At 1 April 2016	Cash change in year	At 31 March 2017
	£000	£000	£000
Cash in bank / (overdraft)	516	32	548
Cash Equivalent – Interest Due/Payable	1	(1)	0
Cash Equivalent – Money Market Fund	1,228	(228)	1,000
	1,745	**(197)**	**1,548**

Note 16. CREDITORS

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.

	2015/16	2016/17
	£000	£000
Short-Term Creditors:		
New Forest District Council	101	52
Hampshire County Council	35	18
Government Departments	10	45
Other Local Authority	4	1
Other creditors*	454	178
Total Creditors	**604**	**294**

*****The substantial change between years is due to significant grant payments owed by the Authority to creditors in regard to the New Forest Family Cycling Experiences project for the last quarter of 2015/16.

Note 17. DEVELOPERS CONTRIBUTIONS

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

	2015/16	2016/17
	£000	£000
Opening Balance at 1 April	**(855)**	**(978)**
Total Contributions Received	(289)	(107)
Contributions Released	166	437
Rounding	0	(1)
Closing Balance at 31 March	**(978)**	**(649)***

The developers' contributions shown on the Balance Sheet are split dependant on their repayment status. If they do not have any specified repayment conditions they are shown as Developers Contributions Unapplied under Usable Reserves, or else they are classed as Liabilities. The split is shown below:

	2015/16	Changes due to Repayment Term	New Receipts	Financing of Expenditure	Rounding	2016/17
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Creditors	(21)	0	0	21	0	0
Short Term Liabilities	0	(4)	0	4	0	0
Long Term Liabilities	(159)	4	(3)	114	0	(44)
Developers Contributions Unapplied	(799)	0	(104)	298	1	(604)
Rounding	1	0	0	0	(2)	(1)
Total Developers Contributions Held	**(978)**	**0**	**(107)**	**437**	**(1)**	**(649)***

* From the remaining developer contributions totals above, a further £10,500 has been contractually committed with regard to the Bransgore Affordable Homes development to be paid over in 2017/18 (currently held back as a retention amount).

Note 18. TRANSFERS TO/FROM 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 2015	Transfers 15/16	Balance 1 April 2016	Transfers 16/17	Balance 31 March 2017
	£000		£000	£000	£000
Sustainable Development	(181)	103	(78)	50	(28)
ICT Replacement	(39)	(38)	(77)	(32)	(109)
Climate Change	(23)	20	(3)	0	(3)
Habitats	(17)	0	(17)	10	(7)
Rockford Farm	(46)	3	(43)	0	(43)
Access Works	0	0	0	(5)	(5)
Land Advice Service	(40)	(17)	(57)	13	(44)
NF Centre Upgrade	(15)	0	(15)	0	(15)
Back-Scanning	(20)	(3)	(23)	23	0
Data Quality	(20)	15	(5)	5	0
WWII Legacy	(8)	(15)	(23)	0	(23)
Higher Level Stewardship	(22)	7	(15)	9	(6)
Landscape Partnership	(20)	(129)	(149)	(1)	(150)
NF Transport	(54)	(73)	(127)	60	(67)
Communications	(30)	18	(12)	12	0
Building Maintenance	(7)	(36)	(43)	10	(33)
Corporate Partnerships	(13)	(5)	(18)	8	(10)
Navitus Bay	(19)	0	(19)	19	0
Enforcement	0	(5)	(5)	0	(5)
Rangers	0	0	0	(7)	(7)
Housing	0	0	0	(12)	(12)
Local Plan	0	0	0	(10)	(10)
Planning Grants	0	0	0	(34)	(34)
Green Halo	0	0	0	(16)	(16)
NPE Post	0	0	0	(4)	(4)
Capital / Major Projects	(817)	0	(817)	0	(817)
Planning / Risk Reserve	(150)	0	(150)	0	(150)
Revenue Support Reserve	(150)	(13)	(163)	24	(139)
Rounding	0	1	1	0	1
Total	**(1,691)**	**(167)**	**(1,858)**	**122**	**(1,736)**

Note 19. USABLE RESERVES

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

	Balance at 1 April 2015	Net Movement 15/16	Balance at 1 April 2016	Net Movement 16/17	Rounding	Balance at 31 March 2017
	£000	**£000**	**£000**	**£000**		**£000**
General Fund	(300)	0	(300)	0	0	(300)
Earmarked Reserves (Note 18)	(1,691)	(167)	(1,858)	122	0	(1,736)
Developers Contributions Unapplied (Note 17)	(668)	(131)	(799)	194	1	(604)
Total	**(2,659)**	**(298)**	**(2,957)**	**316**	**1**	**(2,640)**

Note 20. UNUSABLE RESERVES

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing their acquisition or enhancement under statutory provisions. The account is debited with the costs of depreciation, impairment and amortisations as assets are consumed and credited with the amounts set aside by the Authority for the financing of capital expenditure.

The account contains accumulated gains and losses on Property, Plant and Equipment assets arising before 1 April 2007. The balance on the Capital Adjustment Account is matched by long-term assets within the balance sheet and does not represent actual funds available to the Authority.

Capital Adjustment Account	2015/16	2016/17
	£000	**£000**
Opening Balance at 1 April	(283)	(382)
Depreciation / Amortisation Charge	88	89
Non-current assets written off on Disposal	5	0
Impairments	0	192
Revenue Expenditure funded from Capital under statute	1,473	695
Financing of Capital Expenditure from Revenue Resources	(54)	(20)
Financing of Capital Expenditure from Developers Contributions	(166)	(437)
Financing of Capital Expenditure from Capital Grants	(1,445)	(585)
Closing Balance at 31 March	**(382)**	**(448)**

Other Unusable Reserves:

Pensions Reserve	**2015/16**	**2016/17**
	£000	**£000**
Opening Balance at 1 April	4,364	4,050
Movement in Year (See Note 10)	(314)	2,000
Closing Balance at 31 March	**4,050**	**6,050**

Accumulated Absence Account	**2015/16**	**2016/17**
	£000	**£000**
Opening Balance at 1 April	36	31
Movement in Year – Increase/(Decrease)	(5)	6
Closing Balance at 31 March	**31**	**37**

Note 21. FINANCING ACTIVITIES

Financing and Management of Liquid Resources

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

	Balance at 1 April 2016	**Movement in year**	**Balance at 31 March 2017**
	£000	**£000**	**£000**
Temporary Investments	750	250	1,000
Accrued Interest	0	0	0
Cash & Cash Equivalents	1,745	(197)	1,548
	2,495	**53**	**2,548**

Long-Term Investments

Money Market Investment

Under capital accounting rules the Authority is permitted to lend a proportion of its funds for more than 364 days.

No loans had more than 364 days to run to maturity at the 31 March 2017.

Financial Instruments Balances

The borrowings and investments disclosed in the balance sheet are made up of the following categories of financial instruments:

	Long-Term		Short-Term	
	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000
Financial liabilities at amortised cost	0	0	0	0
Trade Creditors	0	0	599	281
Total Borrowings	**0**	**0**	**599**	**281**
Loans and Receivables	0	0	750	1,000
Accrued Interest	0	0	0	0
Trade Debtors	0	0	1,062	210
Loans & receivables at amortised cost	**0**	**0**	**1,812**	**1,210**
Financial Assets at fair value through the I&E a/c	0	0	0	0
Cash and Cash Equivalents	0	0	1,745	1,548
Total Investments	**0**	**0**	**3,557**	**2,758**

Accrued Interest is already accounted for in the Comprehensive Income and Expenditure Account. The fair value adjustment is a note to the Accounts only and no accounting entry is required.

Gains and Losses Account

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are set out in the following table:-

	2015/16		2016/17	
	Financial Liabilities – amortised cost £000	Loans and Receivables £000	Financial Liabilities – amortised cost £000	Loans and Receivables £000
Interest Expense	0	0	0	0
Impairment Gains	0	(21)	0	0
Interest Income	0	(13)	0	(9)
Rounding	0	0	0	0
Net Gain/(Loss) for the year	**0**	**(34)**	**0**	**(9)**

Fair value of Assets and Liabilities carried at Amortised Cost

Financial assets are represented by loans and receivables and are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:-

- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or money market deposit, the fair value is taken to be the invoiced or billed amount.

The fair values calculated are as follows:-

	31 March 2016		**31 March 2017**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
	£000	**£000**	**£000**	**£000**
Financial liabilities at amortised cost	0	0	0	0
Trade Creditors	599	599	281	281
Total Borrowings	**599**	**599**	**281**	**281**
Money Market Investments shorter than 1 year	750	750	1,000	1,000
Money Market Investments longer than 1 year	0	0	0	0
Bonds	0	0	0	0
Trade Debtors	1,062	1,062	210	210
Total Loans and Receivables	**1,812**	**1,812**	**1,210**	**1,210**
Cash and Cash Equivalents	1,745	1,745	1,548	1,548
Total Investments	**3,557**	**3,557**	**2,758**	**2,758**

Note 22. LEASES

During 2011/12 the Authority moved into shared premises at Lymington Town Hall with New Forest District Council (the owners) and signed a 15 year lease. The premises are not owned by the Authority and therefore no asset is recorded in the Authority's accounts.

An initial rent-free period was negotiated within the lease and this has been treated as a lease incentive in accordance with Authority's accounting policies. This saving has therefore been spread across the whole term of the lease. Consequently a £3,000 rent-free saving was made to the Comprehensive Income and Expenditure Statement during the year in addition to the actual payments made on the property (which totalled £100,000). The total expense for the year was therefore £97,000.

Future minimum lease payments due under the non-cancellable lease in future years are:

Lease Rental Payments for:	**31 March 2016**	**31 March 2017**
	£000	**£000**
Not later than one year	100	100
Later than one year but not later than 5 years	400	400
Later than 5 years	308	208
Total Lease Payments	808	708

During 2014/15 the Authority was given a donated asset (land) on a 999-year lease – two affordable homes have since been built on the site and it appears as an asset shown in note 12.

Note 23. MEMBERS' ALLOWANCES

During 2016/17 payments to Members of the National Park amounted to £52,683 compared to £53,079 the previous year. These figures include all allowances plus travel and subsistence payments.

Name	Allowance (£)	Expenses (£)	Total (£)	Appointed by
S Arnold	1,864	251	2,115	Parish
G Bailey	1,864	130	1,994	Test Valley Borough Council
G Bisson	1,864	45	1,909	Parish
O Crosthwaite-Eyre (Authority Chairman)	5,594	0	5,594	Secretary of State – National
R Frampton	1,864	0	1,864	New Forest District Council
D Harrison (Chair of Resources Committee)	3,689	164	3,853	Hampshire County Council
E Heron (Authority Deputy Chairman)	3,707	61	3,768	Hampshire County Council
P Jackman	1,864	0	1,864	New Forest District Council
J Johnson	1,864	106	1,970	Wiltshire County Council
K Mans	1,864	0	1,864	Hampshire County Council
P Marshall	2,331	0	2,331	Secretary of State – National
A Moore	1,864	0	1,864	Hampshire County Council
J Moore (Independent Member)	134	0	134	Standards Committee - Independent
H Oram	1,864	0	1,864	Parish
J Pemberton	1,864	0	1,864	Secretary of State - National
L Randall (Deputy Chair of Planning Committee)	2,797	0	2,797	Wiltshire County Council
B Rickman	1,864	0	1,864	New Forest District Council
J Sanger	1,864	0	1,864	Parish
A Sherman (Independent Member)	134	19	153	Standards Committee - Independent
M Spain (Deputy Chair of Resources Committee)	2,797	923	3,720	Secretary of State - National
K Thornber	1,864	0	1,864	Hampshire County Council
J Webb	25	0	25	Secretary of State - National
P Wyeth (Chair of Planning Committee)	3,729	0	3,729	New Forest District Council
R Wynn	1,808	0	1,808	Secretary of State - National
Rounding	7	0	7	
TOTAL 2016/17	**50,984**	**1,699**	**52,683**	

Note 24. OFFICERS' REMUNERATION

The following table sets out the remuneration disclosures for Senior Officers whose salary is less than £150,000 but equal to or more than £50,000 for 2016/17:

Post holder information (Post title)	Notes	Salary (including Fees & Allowances)	Bonuses	Compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2016/17	Pension contribution (13.1%)*	Total Remuneration including pension contributions 2016/17
		£	**£**	**£**	**£**	**£**	**£**	**£**
Chief Executive		99,736	0	0	0	99,736	12,498	112,234
Executive Director Strategy and Planning		71,903	0	0	0	71,903	8,993	80,896
Senior Solicitor and Monitoring Officer	**1**	38,850	0	0	0	38,850	5,089	43,939
Head of Recreation Management and Learning		53,291	0	0	0	53,291	6,593	59,884
Head of Environment and Rural Economy		50,327	0	0	0	50,327	6,593	56,920

Note 1: The Senior Solicitor and Monitoring Officer is a part-time post; the annualised full-time salary for this post would have been £52,498.
Note 2: The Chief Finance Officer role was covered through a Service Level Agreement with New Forest District Council until 22 July 2016 (therefore would not appear in the table above). Since that date, the post has been covered internally but the post salary does not qualify to appear in the table above.

***** The current rates and adjustments certificate for the Hampshire Pension Fund certifies a common rate for all employers of 19.7% of pensionable pay. Individual adjustments are added or subtracted from the common rate to produce individual employer rates. The individual adjustment for the New Forest National Park Authority gives a contribution rate of 13.1% of pensionable pay plus an additional monetary amount relating to all scheme members of £146,200 for 2016/17.

The following table sets out the comparative position shown in the above table for 2015/16:

Post holder information (Post title)	Notes	Salary (including Fees & Allowances)	Bonuses	Compensation for loss of office	Benefits in Kind	Total Remuneration excluding pension contributions 2015/16	Pension contribution (13.1%)*	Total Remuneration including pension contributions 2015/16
		£	**£**	**£**	**£**	**£**	**£**	**£**
Chief Executive		98,511	0	0	0	98,511	12,374	110,885
Executive Director Strategy and Planning		72,357	0	0	0	72,357	9,053	81,410
Senior Solicitor and Monitoring Officer	**1**	38,485	0	0	0	38,485	5,042	43,527

Note 1: The Senior Solicitor and Monitoring Officer is a part-time post; the annualised full-time salary for this post would have been £51,998.
Note 2: The Chief Finance Officer role was covered through a Service Level Agreement with New Forest District Council and as such does not appear in the table above.

***** The current rates and adjustments certificate for the Hampshire Pension Fund certifies a common rate for all employers of 19.7% of pensionable pay. Individual adjustments are added or subtracted from the common rate to produce individual employer rates. The individual adjustment for the New Forest National Park Authority gives a contribution rate of 13.1% of pensionable pay plus an additional monetary amount relating to all scheme members of £134,400 for 2015/16.

Note 25. TERMINATION BENEFITS

Exit Package Cost Band (including special payments)	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band (£)	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
£0 - £20,000	2	0	1	0	3	0	13,061	0
Total	**2**	**0**	**1**	**0**	**3**	**0**	**13,061**	**0**

Note 26. EXTERNAL AUDIT COSTS

The Authority incurred the following fees relating to external audit:

	2015/16	2016/17
	£000	£ 000
Fees payable with regard to external audit services carried out by the appointed auditor Ernst & Young	13	13
Audit Rebate	0	0
Fees payable for the certification of grant claims	0	0
Fees payable in respect of other services provided by the appointed auditor	0	0
	13	**13**

Note 27. RELATED PARTIES

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.

During 2016/17 New Forest District Council continued to provide some Financial Services, Human Resources, ICT and Health & Safety support to the Authority – these included the roles of S151 Officer (CFO) up until 22 July 2016 and the Head of Internal Audit for the whole year; the total cost of all these services in 2016/17 was £132,000 (£152,000 in 2015/16). The Authority also leases its offices from the Council and has other various transactions with it; total expenditure for the year was approximately £299,000 (£367,000 in 2015/16). During 2016/17 the Authority continued to provide Tree, Ecology, Ranger and Building Conservation & Design services to New Forest District Council; the total cost of all these services was £248,000 (£241,000 in 2015/16). The provision of Archaeological Services to New Forest District Council was also added during the year, with the cost of this service being £3,500.

The land in Bransgore gifted to the Authority in 2014/15 on a 999-year lease by Frampton Estates Ltd which is owned by a Member of the Authority, namely Mr. Richard Frampton, has been developed for affordable housing.

In 2015/16 the 15 UK National Parks established a joint company “National Parks Partnerships LLP” to develop corporate partnerships at a national level. Mark Holroyd, the Authority’s Transport, Access and Sustainable Tourism Manager, is one of the ten board members of the new company. All of the National Parks, including this Authority, have given initial funding of £10,000 each to the venture and a further £10,000 will be invested in early 2017/18.

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

Note 28. CONTINGENT LIABILITIES

The Authority is not aware of any contingent liabilities.

Note 29. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL STATEMENTS

Key Risks

As with any organisation, the Authority’s activities expose it to a variety of financial risks in the application of financial instruments. The Authority does not require debt financing and currently does not have any debt exposure. As such the key risks are in relation to financial assets and are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;

- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

Overall Procedures for Managing Risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the *Local Government Act 2003* and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the Code of Practice;

- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations;

- by approving annually in advance prudential indicators for the following three years limiting:

  - the Authority's overall borrowing;

  - its maximum and minimum exposures to fixed and variable rates;

  - its maximum and minimum exposures to the maturity structure of its debt;

  - its maximum annual exposures to investments maturing beyond a year;

  - by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority's annual budget setting. These items are reported with the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is reported after each year, as is the half-year performance.

These policies are implemented by a central treasury team. The Authority maintains written principles for overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Ratings Services. The Annual Investment Strategy also considers maximum amounts and periods for which investments can be made with a financial institution located within each category. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria.

The Authority's maximum exposure to credit risk in relation to its investments in banks and building societies (£2m) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence as at 31 March 2017 that this was likely to crystallise.

The following analysis summaries the Authority's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

	Amount at 31 March 2017 £000	Historical experience of default %	Market Conditions at 31 March 2017 %	Estimated maximum exposure to default £000
Bonds	0	0	0	0
Trade Debtors	210	0.71	0.71	1
Total	**210**			**1**

Whilst the current credit crisis in international markets has raised the overall possibility of default, the Authority maintains strict credit criteria for investment counterparties.

All of the Authority's deposits were allocated to institutions domiciled in the UK.

The Authority does not generally allow credit for its trade debtors, such that all of the balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2016 £000	31 March 2017 £000
Less than three months	1,062	210
Three months to one year	0	0
More than one year	0	0
Total	**1,062**	**210**

Collateral – During the reporting period the Authority held no collateral as security.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures set out above (under 'Overall Procedures for Managing Risk' - the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), and through cash flow management procedures required by the Code of Practice. This seeks to ensure that cash is available when it is needed.

In the event of an unexpected cash requirement the Authority has ready access to borrowings from the Money Markets to cover any day to day cash flow need. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing and Maturity Risk

The Authority maintains an investment portfolio. Whilst the cash procedures set out in earlier notes are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to the maturing of longer financial assets.

The approved prudential indicators limit investments placed for greater than one year in duration and are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Authority's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The Authority has no longer-term financial liabilities. The maturity analysis of financial assets is as follows:

	31 March 2016 £000	31 March 2017 £000
Less than one year	2,495	2,548
Between one and two years	0	0
Between two and three years	0	0
More than three years	0	0
Total	**2,495**	**2,548**

Market Risk

Interest rate risk – The Authority is exposed to interest rate movements on its investments. Movements in interest rates have an impact on the Authority. For instance, a rise in variable and fixed interest rates would have the following effects:-

- Investments at variable rates – the interest income credited to the Income and Expenditure Account would rise; and

- Investments at fixed rates – the fair value of the assets would fall. Where investments are straight forward fixed rate investments the investment will be valued at amortised cost, effectively the principal investment, and the interest is credited to the Income and Expenditure Account. Where investments have short maturity periods the effect will be similar to that for variable rate investments as the replacement investments would generate more income to the Comprehensive Income and Expenditure Account.

Changes in interest payable and receivable on variable rate investments will be posted to the Comprehensive Income and Expenditure Account and directly affect the General Fund Balance pound for pound. Movements in the fair value of any fixed rate investments that have a quoted market price will be reflected in the Statement of Recognised Gains and Losses, unless the investments have been designated as Fair Value through the Income and Expenditure Account, in which case gains and losses will be posted to the Income and Expenditure Account.

The Authority has a number of strategies for managing interest rate risk. The annual treasury management strategy draws together the Authority's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000s
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	(26)
Impact on Comprehensive Income and Expenditure Account	**(26)**

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk – The Authority has no equity shares or shareholdings. It therefore has no exposure to loss arising from movements in share prices.

Foreign Exchange Risk - The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Note 30. AUTHORISATION OF ACCOUNTS FOR ISSUE

This Statement of Accounts has been authorised for issue on 14 July 2017 by Mr Oliver Crosthwaite-Eyre (Chairman) and Mr Nigel Stone, FCCA (Chief Finance Officer). The accounts reflect all known post balance sheet events up to the authorised for issue date**.**

Glossary

Accruals Basis
Accounting for income and expenditure during the financial year in which they are earned or incurred, not when money is received or paid.

Actuary
A person or firm who analyses the assets and future liabilities of a pension fund and calculates the employers' contributions required to cover existing and future costs.

Affordable Homes
Those for which the costs (in particular rent) are reduced to a maximum of 80% of normal market costs.

Amortisation
The process of writing down the cost of an asset or liability through depreciation or repayment of the principle over a suitable period of time.

Capital Adjustment Account
The account that reflects the difference between the costs of long-term assets consumed and the capital financing set aside to pay for them.

Capital Expenditure
Expenditure on the acquisition or creation of a long-term asset or expenditure that adds to the value of an existing assets (not merely maintenance).

Community Asset
Assets that an authority intends to hold in perpetuity, that have no determinable useful life and which may, in addition, have restrictions on their disposal.

Contingent Liability
A potential liability that is uncertain due to the outcome of an event that is yet to occur.

Creditor
An individual or body to which the Authority owes money as at the Balance Sheet date.

Current Asset
An asset that is disposable or realisable within one year.

Current Liability
A liability that is due to be settled within one year.

Current Service Costs
The increase in the present value of pension liabilities expected to arise from employee service within the given period.

Debtor
An individual or body that owes money to the Authority as at the Balance Sheet date.

Defined Benefit Pension Scheme
A pension scheme whereby the pensioner's benefits are specified, usually relating to the length of service and salary.

Depreciation
The measure of wearing out, consumption or other reduction, in the useful economic life of a long-term asset. This can arise from use, the passage of time or obsolescence through change.

Developer Contributions
Where a development is judged to increase costs on the wider Community, a planning authority can request an appropriate payment as a condition of gaining planning permission. These are often called ‘Section 106’ agreements, after the relevant statute. Funds can be requested for ‘Open Space’ and/or ‘Affordable Housing’ and/or ‘Transport’ and/or ‘Ecological Mitigation’ needs.

Donated Asset
Assets that are received or acquired as gifts from other entities are termed as donated assets.

Earmarked Reserve
This is an amount in the Authority’s accounts which has been set aside for a specific purpose.

Equities
Shares in a company (UK or overseas).

Fair Value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable & willing parties in an arm’s-length transaction.

Financial Instrument
A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

General Fund
The excess income over expenditure in the Income and Expenditure Account after adjusting for movements to and from reserves and other non-cash items. This balance is needed as a cushion against unforeseen expenditure.

Impairment Loss
A loss arising from an event that significantly reduces an asset’s value.

Intangible Asset
An asset that does not have physical substance but is identifiable and controlled by the Authority, bringing benefit for a period greater than one year (often ICT software).

Inventory
Goods that are acquired in advance of their use or resale. Their value at year-end is shown on the Balance Sheet and any sales/usage is charged through the Comprehensive Income and Expenditure Statement.

Local Government Pension Scheme (LGPS)
The LGPS is a nationwide scheme for employees working in local government; the scheme for this Authority is administered by Hampshire County Council.

Long-term Asset
An asset that is held for a period greater than one year and used for the provision of services.

Net Book Value (NBV)
The value of an asset as recorded in the accounts – equating to the net current replacement or original cost less depreciation to date.

Operating Lease
A lease whereby the risks and rewards of ownership of the leased goods remain with the lessor (the owner of the asset).

Past Service Cost
The increase in pension liabilities from prior periods of employee service, arising out of new or improved retirement benefits.

Provisions
An estimated figure within the accounts for liabilities that are known to exist but cannot be measured accurately.

Related Party
An organisation, body or individual that has the potential to control or significantly influence the Authority, or to be controlled or influenced by the Authority.

Revenue Expenditure Funded From Capital Under Statute (REFCUS)
Expenditure that is classified as capital expenditure but does not result in the creation or enhancement of a long-term asset held by the Authority. Such expenditure is treated as revenue expenditure and charged to the relevant service in the Comprehensive Income and Expenditure Statement.

Straight-line Basis (Depreciation)
Dividing a sum equally over a number of years

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW FOREST NATIONAL PARK AUTHORITY