

AM 701/25

NEW FOREST NATIONAL PARK AUTHORITY

AUTHORITY MEETING – 23 JANUARY 2025

**DRAFT FINANCIAL REPORT 2023/24
(Including the Annual Governance Statement) - UPDATED**

Report by: Nigel Stone, Head of Resources (Chief Finance Officer) and Ernst & Young LLP

Purpose:

- 1 To present an updated draft Financial Report 2023/24, including the Annual Governance Statement, Accounting Policies, Letter of Management Representation and an updated Ernst & Young LLP Audit Report.

Summary:

- 2 This report provides a brief update on the audit and accounts reports brought to Members in October 2024 (692/24 and 693/24).
- 3 All the smaller outstanding audit matters, focussed around income and leases, have been resolved and both the Financial Report and Audit Report have been updated accordingly. These could have been dealt with under the delegation from October, however a more significant change was also required to these documents in relation to pensions. During the completion of the pension fund audit, it was discovered that an error had been made by the Actuary and it would have a material impact on the pension figures in our 2023/24 Financial Report.
- 4 The original pension figures, as set out in October, showed a net liability of £310,000 for the Authority, however, following corrections to some of the underlying assumptions within calculating the potential liability, this should actually have been a net asset of £161,000 – a positive movement totalling £471,000. To add complexity, accounting rules are very strict in terms of a pension asset appearing on a Balance Sheet and therefore a further review of our pension ‘asset ceiling’ has been required, the result of which effectively nets off the asset value, leaving the revised accounts to show a zero pension asset/liability and corresponding zero pension reserve balance.

- 5 The full required changes to the Financial Report are quite extensive in nature, but do not make any difference to the overall financial outturn or position – below are some of the key extracts and a link to the full 2023/24 Draft Financial Report on our website:

BALANCE SHEET AS AT 31 MARCH 2024

Balance Sheet	2022/23 £000	2023/24 £000
Long-term Assets		
Property, Plant & Equipment		
Community Assets (Note 10)	436	432
Vehicles, Plant & Equipment (Note 10)	160	127
Intangible assets		
Equipment - Software (Note 11)	78	64
Total Long-term Assets	674	623
Current Assets		
Short-Term Investments (Note 19)	1,501	2,001
Short-Term Debtors (Note 12)	943	286
Cash and Cash Equivalents (Note 13)	1,239	1,777
Total Current Assets	3,683	4,064
Total Assets	4,357	4,687
Current liabilities		
Short-Term Creditors (Note 14)	(534)	(671)
Total Current Liabilities	(534)	(671)
Long Term Liabilities		
Liability relating to Defined Benefit Pension Scheme (Note 8)	(886)	0
Total Long-Term Liabilities	(886)	0
Net Assets	2,937	4,016
Usable Reserves:		
General Fund Balance	350	350
Earmarked Reserves	1,714	1,903
Developers' Contributions Unapplied	1,148	1,201
	3,212	3,454
Unusable Reserves:		
Capital Adjustment Account	674	622
Pensions Reserve	(886)	0
Accumulated Absences Account	(63)	(60)
	(275)	562
Total Reserves	2,937	4,016

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 2020 £000	31 March 2021 £000	31 March 2022 £000	31 March 2023 £000	31 March 2024 £000
Present Value of the defined benefit obligation	(19,204)	(25,947)	(25,248)	(16,669)	(17,305)
Fair Value of plan assets	11,913	15,252	16,548	15,783	17,466
Adjustment for Asset Ceiling	0	0	0	0	(161)
Net asset / liability arising from defined benefit obligation	(7,291)	(10,695)	(8,700)	(886)	0

Link to full document:

[Finance - New Forest National Park Authority](#)
(NFNPA Website, About Us, Finances, Financial Report)

- 6 Following the agreed changes set out above, our Auditors, Ernst & Young LLP, have issued an updated Audit Report and this is attached as **Annex 1**.
- 7 The Authority and Auditors have up until the end of February 2025 to finalise if required, the Financial Report, Annual Governance Statement and Letter of Management Representation will then be officially signed by the Chair and Senior Officers.

Recommendations:

1 - That amendments to the Financial Report 2023/24 as set out in this report be approved, subject to any further minor changes required, for which delegation is given for these to be mutually agreed by the Chief Finance Officer, Chief Executive and Chair of the Authority.

2 – That the updated Audit Report, attached as Annex 1, be noted.

Papers:

AM 701/25

Cover paper

AM 701/25 Annex 1

Audit Report 2023/24 (Updated)

Equality and Diversity Implications:

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

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