NEW FOREST
NATIONAL PARK

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FINANCIAL REPORT

FOR THE YEAR ENDED
31 MARCH 2026

NEW FOREST NATIONAL PARK AUTHORITY

FINANCIAL REPORT - YEAR ENDED 31 MARCH 2026

CHAIR OF THE AUTHORITY
Victoria Mander

CHIEF EXECUTIVE Alison Barnes

CHIEF FINANCE OFFICER Nigel Stone, CPFA 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 (pages 21-22)
This statement discloses the expenditure and income by service for the year ended 31 March 2026. 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 (pages 23-24)
This is not a primary statement, but its analysis 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 25)
The Balance Sheet discloses the financial position of the Authority as at 31 March 2026. The net assets of the Authority (its assets less liabilities) are matched by reserves held by the Authority.

Movement in Reserves Statement (pages 26-27)
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 28)
The Cash Flow Statement discloses the inflows and outflows of cash arising from the activities of the Authority for the year ended 31 March 2026.

Notes to the Accounts (pages 30-66)
The Notes disclose more detailed information on the figures provided in the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement and Cash Flow Statement. Note 1 discloses the accounting policies used by the Authority in compiling the financial statements.

Financial Context

Our core National Park Grant, received from Defra in 2025/26, was part of a single-year settlement totalling £3.0m revenue (a 9% cut from previous years) and £1.4m capital.

The 2026/27 grant has recently been confirmed as another single-year settlement totalling £3.0m revenue grant and £1.4m in capital funds. A one-off £1.7m revenue support / financial stability grant will also be provided for 2026/27.

Financial Performance and Year-End Position

The 2025/26 budget was £7m, including £1.3m for externally-funded projects. The budget would be balanced by taking £119,000 from the 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 it:

Activity	**Budgeted £000**	**Actual £000**	**Variance £000**
Expenditure	7,073	8,243	1,170
Income	(6,954)	(7,629)	(675)
Net transfers to/(from) Earmarked Reserves	(119)	(540)	(421)
Amount to/(from) to Revenue Support Reserve	0	(74)	(74)
TOTAL	**0**	**0**	**0**

The budget could only estimate the externally-funded partnership projects known when it was set back in March 2025, actual expenditure was higher than budgeted overall on these projects in 2025/26 and additional income received for them. Additional budget was required in-year for legal costs, the Local Plan review and to cover a planning income shortfall. The year-end position therefore required significant transfers from Earmarked (Project) Reserves at year-end.

Capital Funded Expenditure

During 2025/26 the Authority incurred revenue or capital expenditure of £2.1m funded by capital grants, developers' contributions and the General Fund. Expenditure was incurred as follows:

	2024/25	2025/26
Expenditure:	**£000**	**£000**
Vehicles, Plant and Equipment	225	178
Intangibles	0	58
Developer Contributions	136	199
Assets Under Construction	82	1,415
Internal Revenue Expenditure Funded from Capital	12	0
Grants to External Body	164	270
Total	**619**	**2,120**
Financed by:		
Revenue Contributions to Capital	0	(179)
Developers' Contributions	(165)	(199)
Capital Grants and Contributions	(454)	(1,742)
Total	**(619)**	**(2,120)**

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 2022 - 2027. The plan was developed and approved in 2022 following extensive community engagement. This is the second 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 current Business Plan also runs up to 2027. The programme is aligned to the Authority's statutory purposes and duty (Protect, Enjoy and Prosper) and use the same five core themes as the new Partnership Plan.

Of the thirty-one Actions/Outcomes in the 2025/26 Authority Work Programme, the vast majority were shown as "green" (fully complete) at year-end, six elements were "amber" (substantially complete) and two elements as "red" (not complete). Of those shown as amber and red, all were considered further in the development of the 2026/27 Work Programme. Further details of the work undertaken by the Authority this year can be found in our 'Annual Review' which will be published in Summer 2026 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 2026, details of the staffing levels (both 'core' and 'project-specific') were:

Staffing	Headcount	FTE
Core	57 (71%)	49.3 (73%)
Project	23 (29%)	18.1 (27%)
Total	**80**	**67.4**

Of the ‘core’ staff, some resource is dedicated to delivering services for other organisations as part of shared service agreements – this equates to approximately 1 FTE.

The staff sickness level for the year was 4.5 days per FTE, well within the national averages of around 5-8 days.

Risks, Borrowing and Contingencies

During 2018/19 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, Prosper and Achieving Excellence’. There are currently twenty key risks listed and these are scored by likelihood and impact up to a maximum of 25 points. As at March 2026, six of the risks were in the low category, eleven medium-risk and the remaining three in the high-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 contingencies have been identified during the last year and no new provisions have been required.

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 zero, deriving from assets valued at £20.321m compared to a liability estimated at £16.190m, with an asset ceiling having been applied to the remaining balance. Whilst this has an impact on the net worth of the Authority as recorded in the Balance Sheet, statutory arrangements for funding the scheme mean that the financial position of the Authority remains healthy, and any future deficit on the scheme would be made good by contributions over the working lives of employees.

The overall net pension position is therefore unchanged as at 31 March 2026 (same as previous year).

Future Funding and Events after 31 March 2026

In the 2015 Comprehensive Spending Review (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. Single year ‘flat cash’ settlements had been provided since 2020/21, with the exception of a one-off payment of £440,000 made to all English National Park Authorities in 2022/23 to aid their financial stability.

The 2025/26 grant was confirmed as a single-year settlement totalling £4.4m – a reduced core revenue £3m grant and £1.4m capital funds. The 2026/27 grant was recently confirmed as the same as 2025/26 (£4.4m), however a one-off £1.7m revenue support / financial stability grant will also be provided for 2026/27 (in a similar way to 2022/23 above).

The Authority is fully aware of its responsibility to firstly continue to use this funding efficiently and effectively and secondly, to explore ways to reduce its overall reliance on the main revenue grant. In this regard, the Authority has recently been particularly successful in attracting external funding to boost that provided by Defra. It has also established National

Parks Partnerships LLP and the National Parks Foundation, alongside the other National Parks, to explore funding 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 most significant such partnership to date was with Columbia Sportswear, a US-based outdoor footwear and clothing company, announced in 2017.

The Authority will look to primarily invest the new capital grant funds in income-generating and/or revenue-saving assets. The one-off revenue uplift will primarily be advanced into balancing the medium-term budgets, with some immediate investment in the evidence base for our next Partnership Plan / Business Plan and income-generation initiatives.

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

As the Authority moved into the 2026/27 financial year, it kept its financial position under constant review. Management are fully confident that it is a going concern for the foreseeable future and that we have adequate plans and reserves in place should the financial situation deteriorate again in the future.

There have been no other significant changes to the Authority or its position since 31 March 2026.

Nigel Stone, CPFA FCCA
Chief Finance Officer
xx xxx 2026

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 2026 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 2026 and its income and expenditure for that year ended.

Nigel Stone, CPFA FCCA

Chief Finance Officer
xx xxx 2026

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 27 November 2026.

Victoria Mander

Chair of the Authority
xx xxx 2026

ANNUAL GOVERNANCE STATEMENT
2025/26

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 and facilitating the effective exercise of the Authority's functions which includes arrangements for the management of risk.

In March 2022, the Authority approved and adopted an updated 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.

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 updated 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 seven core principles below and demonstrates how it complies with these:

1. behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
2. ensuring openness and comprehensive stakeholder engagement
3. defining outcomes in terms of sustainable economic, social and environmental benefits
4. determining the interventions necessary to optimise the achievement of the intended outcomes
5. developing the Authority's capacity, including the capability of its leadership and individuals within it
6. managing risks and performance through robust internal controls and strong public finance management
7. implementing good practice in transparency, reporting and audit to deliver effective accountability.

Our code was first adopted by the Authority in June 2012 and was most recently updated and approved by Members in March 2022.

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 communities to foster the social and economic wellbeing of communities within the National Park.

The Authority has noted the publication of the 'Best Value Standards and Intervention' guidance (issued by the Department for Levelling Up, Housing and Communities) and is confident of its compliance with it.

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 was set out in the Partnership Plan 2015–2021 and has been revised into the subsequent 2022-2027 Plan published in March 2022. These Plans have been developed jointly by all the main organisations with interests and responsibilities in the National Park, including:

- Environment Agency
- Forestry England
- Hampshire County Council
- Natural England
- New Forest District Council
- New Forest National Park Authority
- Test Valley Borough Council
- Verderers of the New Forest
- Wiltshire County Council.

The Partnership Plan is a plan for the National Park as a place and not specifically for the National Park Authority or any other organisation and has been developed following extensive community and stakeholder engagement. It is vital to have a wide range of important stakeholders who put down in writing what they will be doing for the Forest during this time, increasing governance and accountability for all. The Partnership Plan was approved by the Authority at its meeting 24 March 2022.

A comprehensive governance framework, of both members and senior officers, was developed by the partners to monitor, review and assess the stated actions and outcomes from the Plan over its five years.

The Authority's own Business Plan and annual Work Programmes take their cues from the Partnership Plan, incorporating those actions for which the Authority has direct responsibility. The Authority adopted a Business Plan covering the period 2023-2027 at its Authority meeting on 13 July 2023 following extensive consultation of Members and Staff. This consultation was invaluable in identifying the priorities and objectives to be included in the Plan over the four-year term and responding proactively and flexibly to future challenges and opportunities affecting the New Forest National Park. A detailed Work Programme for 2025/26 was approved at the Authority meeting on 27 March 2025. The Business Plan presents an account and assessment of the Authority's activities, alongside the separate reports of its financial position and performance, and is aligned to the Authority's purposes and duty as well as the five core themes of 'Climate, Nature, People, Place and Partnership'. Progress is monitored regularly by the Executive Board and the Resources, Audit and Performance Committee.

In 2025/26, the Authority received a reduced, single-year core revenue grant settlement - £3.0m; in addition it was given a further £1.4m of capital funds for the year. Since 2018/19, the NPA's core Defra grant has been frozen or reduced in cash terms, therefore equating to significant reductions each year in real terms. The 2025/26 grant was the NPA's sixth year of a frozen or reduced grant.

Given the financial uncertainty over revenue and capital funding, plus the countdown on the lease for the NPA's main Town Hall premises, the Authority re-established the Resources and Facilities Task & Finish Group, comprising seven members working alongside the Executive Leadership Team. This group reports back to the Resources, Audit and Performance Committee via the Chief Finance Officer. In addition to the Medium-Term Financial Plan, and due to the uncertainty around future Defra revenue funding, the Authority created a 'forward projection' indicating a higher level where our budgets are likely to range in the longer term (up to 10 years). In recognition of the difficult financial revenue position, Defra has offered to provide a one-off revenue uplift for 2026/27.

Recognising that people are our biggest asset, in 2019 the NPA introduced a 'People Plan' to help focus our development as an organisation. This looks at how we work and sets out actions to further improve our working practices and develop/sustain a high-performing team. A biennial staff survey was undertaken in December 2023; the results of the survey were generally very positive and these results / emerging trends were then considered by a staff group which created a People Plan Action Plan later in 2024/25. A further staff survey is due to take place in 2026/27.

An annual Health and Safety report is compiled and considered by the Resources, Audit and Performance Committee in July and a review of the Authority's Health and Safety Policy was conducted in 2022/23; the updated policy was approved by the Resources, Audit and Performance Committee in June 2023. The policy will be reviewed again in 2026.

Management information is produced to assist with the measurement of performance including a number of key performance indicators. A review of the indicators has been considered between the NPA family and Defra and a new suite of nationally-collected annual indicators was recently finalised and implemented for 2026/27. 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 Plan which aligns future resources to their priorities. Where performance slips, this is further examined and action taken where possible.

The Authority continues to be highly successful in applying for grant funding from funding bodies and in attracting external funding into the area, consistently leveraging around £25 for every £1 of funding we put towards partnership projects based on the five year average. The Authority is also keenly investigating corporate partnerships (sponsorships) through the wider National Park family, National Parks Partnerships Ltd and the more recent National Parks Foundation (charitable arm). Their remit is to create successful 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.

The Chief Executive reports to the Authority on the development and performance of the Authority overall. A full Annual Review document, detailing the Authority's activities and achievements over each year, is published each Summer.

The Authority also deals with requests for information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, and Subject Access Requests under Data Protection legislation. Request and responses are dealt with by our Information and Data Protection Officer. Officers are in the process of reviewing the Authority's records management policies and practices. SharePoint is now being used by all Teams for document management and storage. This is a cloud-based system which provides greater security and more flexibility for home and mobile working. Continued developments in records management processes will lead to improvements in the Authority's compliance with Data Protection legislation and document retention and will streamline requests for information and improve the overall efficiency, effectiveness and security of our records management and ICT processes.

The Authority has adopted and maintains a formal 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 number of complaints received has decreased on last year and still remains low -

eleven this year; all were subsequently closed after initial enquiries with no further action.

The Authority is subject to a full and independent external audit of the financial management arrangements in place for 2025/26. Audit reports are issued by the External Auditors and Internal Auditors to be considered by the Authority's Resources, Audit and Performance Committee.

In March 2017, 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. The Resources, Audit and Performance Committee on 3 March 2025 approved an Internal Audit Charter for 2025/26 which clearly defined the purpose, authority and responsibility of the internal audit activity; at the same meeting the Committee also approved the Internal Audit Plan for 2025/26.

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. As part of its response to the original Landscapes Review, the Authority set up an officer group to review our approach to accessibility and diversity, both within the organisation and the geographic area, under the heading of 'New Forest Voices'. Meetings of the group continued throughout 2025/26, working around three key streams – understanding, experiences and ways of working.

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

The 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.

Meetings of the Authority are held in public and live streamed, save for individual items of a sensitive nature properly considered in confidential session in accordance with the legislation. Agendas and minutes of meetings are available for inspection on the Authority's website. Members of the public may ask questions and make representations in person 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%.

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 the Chief Executive, Monitoring Officer and Chief Finance Officer are filled, with each officer fully understanding their respective responsibilities. The role of the Monitoring Officer is performed in-house by the Authority's Solicitor. This position became vacant in January 2025 and, following a recruitment process, was filled by the new incumbent in June 2025. None of the other holders of the above roles changed during 2025/26.

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 always been within the targeted 2% of the original budget and 1% of any revised budget.

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

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 complete Register of Members' Interests. The Authority operates a standards regime for the conduct of members in compliance with the Localism Act 2011. There is currently a Standards Committee which monitors the ethical framework of the Authority. An internal audit review into the Corporate Governance Framework was undertaken in 2025/26 and received the highest assurance level.

There is an adopted Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistleblowing. There is also an Anti-fraud & Corruption Policy in place and a supplementary Anti-Money Laundering Policy. In March 2023, the Authority approved a new draft Safeguarding Policy and this was officially launched in 2023/24 with an agreed communication and training plan. The Authority's core 'Values' were included in the 2025/26 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 covered on the Authority's intranet. The Authority also recently consulted staff on, and adopted, updated Equality, Diversity and Inclusion Policy.

The Monitoring Officer continuously reviews the Authority's Standing Orders and Scheme of Delegations and updates them as and when necessary. The Authority's Committee structure is also kept under review, as is the meetings timetable to facilitate long term planning and diarising of meetings.

Taking informed and transparent decisions and managing risk

There is a systematic strategy, framework and associated processes for managing risk. The Risk Management Strategy was updated and reviewed in December 2015. The Authority's risk register focuses on those projects where the risk of not achieving them would have a significant impact on the Authority. These projects are grouped in the register under the purposes and duty of 'Protect, Enjoy and Prosper'. Significant operational risks potentially affecting the Authority have been grouped under 'Achieving Excellence'. Risks are scored by likelihood and impact to give a green, amber or red warning level and regular consideration is given to appropriate measures and strategies to mitigate the risks – the risk register details 20 key risks across the organisation and, as at the end of March 2026, 6 risks were green, 11 amber and 3 red. The register is monitored and reviewed by the Executive Board and half-yearly by the Resources, Audit and Performance Committee.

The risks associated with our annual work programme are monitored through the quarterly reports to RAPC using the traffic light system to monitor progress. 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 complies 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 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 and Procurement Act 2023. It uses an online e-procurement portal (In-Tend) and the governments new 'Find a Tender' website 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 are actively encouraged to attend a general 'National Parks' induction.

There have been a number of informal training sessions for members and Members' Days on various aspects of member responsibilities and to aid the development of policy; these Members Days included Planning, Nature Recovery, the Local Cycling and Walking Infrastructure Plan (LCWIP) for the New Forest and a meeting with representatives from Forestry England.

The Authority continually seeks to train its managers and officers. Advocating mental health wellbeing in the workplace is an important part of the People Plan and we have arranged training and certification of a number of Mental Health First Aiders to assist them with crisis intervention and to act as advocates of mental health wellbeing in the workplace. We have also arranged mental health awareness courses for all staff and managers - this will be an ongoing programme designed to provide staff with an understanding of mental health enabling us to build resilience and apply self-care and has helped managers recognise the early warning signs of poor or declining mental health within their team to enable early intervention and signposting.

Other important developments and training include Safeguarding, Emergency First Aid at Work, Fire Awareness, Discovery Days and many more specific personal development courses. Officers continue to be encouraged to complete relevant courses through the e-learning portal which offers a wide range of training and development opportunities for all staff.

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.

Following the launch of the Accord between Forestry England and National Parks England in July 2018, members agreed that although there was a significant amount of engagement with Forestry England, there was good case for more formal mechanisms that would ensure more effective and collaborative working as well as early engagement and identification of opportunities and solutions. Officers from both Forestry England and the Authority accordingly work together in delivering local outcomes for the shared priorities of the two organisations and the Deputy Surveyor and NPA officers provide periodic updates to the Resources, Audit and Performance Committee on joint working activities between Forestry England and the Authority in terms of the Accord.

Our Statement of Community Involvement on Planning Matters, setting out how the National Park Authority would involve local communities and others in its work, was revised in 2022/23 and, following significant formal consultation, was approved by Members in 2023.

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, New Forest Local Access Forum, New Forest Marque, New Forest Consultative Panel and Campaign for National Parks.

The Authority continues to work with local businesses to deliver Local Information Points to promote visitor information in the National Park. Our core ranger work is boosted by jointly funded projects with Forestry England 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 taking forward the work of the Green Halo Partnership (supporting the local economy, improved health and wellbeing encouraging sustainable living and enhancing the natural environment) and Hampshire Greenprint.

The Authority continued to develop contacts during the 2025/26 year to promote understanding of the National Park. This included work with schools to highlight the things that make the New Forest special and how we can all care for it. We also renewed efforts to contact new and under-served communities.

The Authority's Recreation Management Strategy sets out the strategic direction for the management of outdoor recreation in the New Forest National Park from 2010 – 2030. The strategy seeks to guide and influence recreation and spatial planning policy and implementation across the whole of the National Park and adjoining areas and is an ongoing collaborative work with partners. Specific actions are integrated into, and monitored through, the Partnership Plan.

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 and animal accidents.

The New Forest Land Advice Service has continued to provide wide-ranging support to land-owners, land managers and young commoners throughout the year. The future of commoning is an extremely important issue at present, and for the coming year, given the uncertainties around future funding provision.

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 Chaired by the respective parish representative on the Authority and held throughout the year.

The Authority engaged with various media outlets, as well as through publications such as Park Life, the Pocket Guide and our 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 June 2024, the Authority approved a new Equality, Diversity and Inclusion Policy covering everyone interacting with the Authority.

Continuous Improvement

In December 2018, the Authority fed into the Landscapes Review – Call for Evidence (often referenced as the 'Glover Review'), reflecting views expressed by members and staff to the questions raised. The final review document was published on 21 September 2019 and the Authority clearly set out its initial response to react positively to its thoughts and recommendations. In January 2022, the government published their response to the original report recommendations and undertook a 12-week open consultation to which the Authority responded in April 2022.

The Authority aims to be clearly accountable for the effective delivery of services, through setting targets and measuring performance. As reported earlier in the Statement, a review of the annual national targets and outcomes framework was considered between the protected landscapes family and Defra and was adopted in 2025/26.

Objectives and targets are developed for each service, and performance reviewed against these. Senior NPA officers together with officers of other NPAs are exploring possible savings and efficiencies in sharing best practices and, in some cases, sharing services.

Service level agreements with New Forest District Council provided the services of strategic HR, Health and Safety advice, Internal Audit, GIS and some financial services. The Authority also provides services to other local bodies through SLAs; this included archaeology, rangers and communications services during the last year.

Early in 2026, the Authority negotiated the purchase of three small properties on the Foxlease Park estate in Lyndhurst using capital funds granted by Defra. Two of the buildings will be modernised and possibly rented out. Officers are investigating whether the third building might be suitable for a staff and volunteer drop-in base to support the Authority's conservation work in the National Park, whilst continuing to retain our primary office space in Lymington Town Hall.

Review of Effectiveness:

The Authority has a responsibility for conducting, 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 31 primary Actions/Outcomes in the 2025/26 Work Programme, each broken down into a number of sub-actions, there were just six individual elements showing as amber and two as red.

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 and/or Monitoring Officer considers all reports considered by Members, which 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.

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 and Members' interests are publicly available on the Authority's website.

The Internal Auditor's report for 2025/26, considered at the Resources, Audit and Performance Committee meeting on 1 June 2026, states:

"I am satisfied that sufficient assurance and advisory work has been carried out to allow me to form a conclusion on the adequacy and effectiveness of the internal control environment. In my opinion the framework of governance, risk management and control are 'reasonable', and audit testing has demonstrated controls to be working in practice. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

Ernst & Young LLP 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 2017/18 and audited by the internal auditors with a reasonable level of assurance and a limited number of management actions which were agreed to by officers. This Plan was reviewed again by internal audit during 2021/22 to consider the impact of the pandemic arrangements and any lessons that were learnt from them for possible future scenarios. A desktop exercise by the Cyber Incident Response Plan Team is conducted annually, around a scenario of a breach of our IT systems; lessons learned from these exercises are discussed and recorded.

Significant governance issues:

With the adoption of the National Park-wide Partnership Plan in 2022, the Authority completed and approved a set of priorities for its own Business Plan during 2025/26, to include an annual Work Programme and its monitoring framework.

The Authority's review of its Counter Fraud policies and procedures, in light of updated code of practices and self-assessment toolkit from the Chartered Institute of Public Finance & Accountancy (CIPFA) and International Framework for Good Governance in the Public Sector, was not progressed as expected in 2025/26 due to other pressures but will be prioritised in 2026/27 to ensure the Authority continues to follow best practice.

As reported elsewhere in the Statement, a full staff survey was conducted at the end of 2023. The very positive results were analysed by the staff working group and were used to inform a review of the People Plan; the next survey is due in mid 2026.

The Authority will look to complete its, broader than originally expected, work on establishing best practice in records management across the organisation, thus ensuring compliance with data protection legislation (including 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 2026 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:

Victoria Mander
Chair
Date: xx xxx 2026

Signed:

Alison Barnes
Chief Executive
Date: xx xxx 2026

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

Activity	Gross Expenditure, £000	Income, £000	Net Expenditure, £000
Conservation of the Natural Environment	1,978	(1,663)	315
Conservation of Cultural Heritage	267	(49)	218
Recreation Management and Transport	1,017	(653)	364
Promoting Understanding	776	(244)	532
Rangers, Estates and Volunteers	173	(47)	126
Development Control	1,543	(520)	1,023
Forward Planning and Communities	535	0	535
Corporate and Democratic Core	573	(16)	557
Non-Service Items	3	(26)	(23)
Net Cost of Services	**6,865**	**(3,218)**	**3,647**
Financing and Investment Income and Expenditure			
Interest and Investment Income			(172)
Interest Charge			8
Net interest on the defined benefit liability / asset (Note 8)			(202)
Total Financing and Investment Income and Expenditure			**(366)**
Taxation and Non-Specific Grant Income			
Capital Grants and Contributions (Note 15/17)			(2,010)
National Park Revenue Grant (Note 7)			(3,018)
(Surplus)/Deficit on the Provision of Services			**(1,747)**
Re-measurement of the defined benefit liability / asset (Note 8)			337
Total Comprehensive Income and Expenditure			**(1,410)**

Nigel Stone, CPFA FCCA - Chief Finance Officer **xx xxx 2026**

The table below sets out the same information for the year ended 31 March 2025 for comparison:

Activity	Gross Expenditure, £000	Income, £000	Net Expenditure, £000
Conservation of the Natural Environment	1,544	(1,376)	168
Conservation of Cultural Heritage	273	(40)	233
Recreation Management and Transport	792	(591)	201
Promoting Understanding	747	(243)	504
Rangers, Estates and Volunteers	262	(93)	169
Development Control	1,414	(512)	902
Forward Planning and Communities	453	0	453
Corporate and Democratic Core	593	(7)	586
Non-Service Items	5	(19)	(14)
Net Cost of Services	**6,083**	**(2,881)**	**3,202**
Financing and Investment Income and Expenditure			
Interest and Investment Income			(186)
Interest Charge			13
Net interest on the defined benefit liability / asset (Note 8)			0
Total Financing and Investment Income and Expenditure			**(173)**
Taxation and Non-Specific Grant Income			
Capital Grants and Contributions (Note 15/17)			(757)
National Park Revenue Grant (Note 7)			(3,501)
(Surplus)/Deficit on the Provision of Services			**(1,229)**
Re-measurement of the defined benefit liability / asset (Note 8)			0
Total Comprehensive Income and Expenditure			**(1,229)**

EXPENDITURE AND FUNDING ANALYSIS FOR YEAR ENDED 31 MARCH 2026

Supports the Comprehensive Income and Expenditure Statement.

Activity	Expenditure chargeable to General Fund Balance, £000	Adjustment between funding and accounting basis, £000	Net expenditure in the Comprehensive Income and Expenditure Statement, £000
Conservation of the Natural Environment	343	(28)	315
Conservation of Cultural Heritage	228	(10)	218
Recreation Management and Transport	453	(89)	364
Promoting Understanding	554	(22)	532
Rangers, Estates and Volunteers	137	(11)	126
Development Control	1,078	(55)	1,023
Forward Planning and Communities	552	(17)	535
Corporate and Democratic Core	474	83	557
Non-Service Items	(23)	0	(23)
Net Cost of Services	**3,796**	**(149)**	**3,647**
Other Income and Expenditure	(3,182)	(2,212)	(5,394)
(Surplus)/Deficit on Provision of Services	**614**	**(2,361)**	**(1,747)**
Transfer to/(from) Other Earmarked Reserves	(539)		
(Surplus)/Deficit in Year	**(75)**		
Opening Revenue Support Reserve Balance	(88)		
(Surplus)/Deficit in Year	75		
Closing Revenue Support Reserve Balance at 31 March	**(13)**		

Further information can be found in Note 6.

The table below sets out the same information for the year ended 31 March 2025 for comparison:

Activity	Expenditure chargeable to General Fund Balance, £000	Adjustment between funding and accounting basis, £000	Net expenditure in the Comprehensive Income and Expenditure Statement, £000
Conservation of the Natural Environment	166	2	168
Conservation of Cultural Heritage	215	18	233
Recreation Management and Transport	169	32	201
Promoting Understanding	499	5	504
Rangers, Estates and Volunteers	167	2	169
Development Control	896	6	902
Forward Planning and Communities	453	0	453
Corporate and Democratic Core	575	11	586
Non-Service Items	(14)	0	(14)
Net Cost of Services	**3,126**	**76**	**3,202**
Other Income and Expenditure	(3,617)	(814)	(4,431)
(Surplus)/Deficit on Provision of Services	**(491)**	**(738)**	**(1,229)**
Transfer to/(from) Other Earmarked Reserves	466		
(Surplus)/Deficit in Year	**(25)**		
Opening Revenue Support Reserve Balance	(63)		
(Surplus)/Deficit in Year	(25)		
Closing Revenue Support Reserve Balance at 31 March	**(88)**		

Further information can be found in Note 6.

BALANCE SHEET AS AT 31 MARCH 2026

Balance Sheet	2024/25 £000	2025/26 £000
Long-term Assets		
Property, Plant & Equipment		
Community Assets (Note 10)	428	425
Vehicles, Plant & Equipment (Note 10)	302	394
Right of Use Assets (Note 10)	151	56
Assets Under Construction (Note 10)	29	1,444
Intangible assets		
Equipment - Software (Note 11)	49	139
Assets under Construction (Note 11)	53	0
Total Long-term Assets	**1,012**	**2,458**
Current Assets		
Short-Term Investments (Note 19)	3,520	3,008
Short-Term Debtors (Note 12)	784	856
Cash and Cash Equivalents (Note 13)	1,172	1,577
Total Current Assets	**5,476**	**5,441**
Total Assets	**6,488**	**7,899**
Current liabilities		
Short-Term Creditors (Note 14)	(808)	(956)
Lease Liability	(96)	(60)
Total Current Liabilities	**(904)**	**(1,016)**
Long Term Liabilities		
Liability relating to Pension Scheme (Note 8)	0	0
Lease Liability	(59)	0
Developer Contributions (Note 15)	(280)	(228)
Total Long-Term Liabilities	**(339)**	**(228)**
Net Assets	**5,245**	**6,655**
Usable Reserves:		
General Fund Balance	350	350
Earmarked Reserves	2,500	1,886
Developers' Contributions Unapplied	1,602	2,071
	4,452	**4,307**
Unusable Reserves:		
Capital Adjustment Account	858	2,400
Pensions Reserve	0	0
Accumulated Absences Account	(65)	(52)
	793	**2,348**
Total Reserves	**5,245**	**6,655**

Nigel Stone, CPFA FCCA - Chief Finance Officer **xx xxx 2026**

MOVEMENT IN RESERVES STATEMENT

All figures in £000's.

Activity	General Fund Balance	Earmarked Reserves	Developers' Contributions Unapplied	**Total Usable Reserves**	Capital Adjustment Account	Pension Reserve	Accumulated Absences Account	**Total Unusable Reserves**	**Total Authority Reserves**
Balance as at 31 March 2025	**350**	**2,500**	**1,602**	**4,452**	**858**	**0**	**(65)**	**793**	**5,245**
Movement in reserves during 2025/26									
Surplus or (deficit) on the provision of services	1,747	0	0	**1,747**	0	0	0	**0**	**1,747**
Other Comprehensive Income and Expenditure	0	0	0	**0**	0	(337)	0	**(337)**	**(337)**
Total Comprehensive Income and Expenditure	**1,747**	**0**	**0**	**1,747**	**0**	**(337)**	**0**	**(337)**	**1,410**
Adjustments between accounting basis & funding basis under regulations (Note 5)	(2,463)	0	571	**(1,892)**	1,542	337	13	**1,892**	**0**
Net Increase/(Decrease) before Transfers to Earmarked Reserves	**(716)**	**0**	**571**	**(145)**	**1,542**	**0**	**13**	**1,555**	**1,410**
Transfers to/(from) Reserves (Notes 16,17,18)	716	(614)	(102)	**0**	0	0	0	**0**	**0**
Increase/(Decrease) in 2025/26	**0**	**(614)**	**469**	**(145)**	**1,542**	**0**	**13**	**1,555**	**1,410**
Balance at 31 March 2026	**350**	**1,886**	**2,071**	**4,307**	**2,400**	**0**	**(52)**	**2,348**	**6,655**

The table below sets out the same information for the 2024/25 financial year for comparison (all figures in £000's):

Activity	General Fund Balance	Earmarked Reserves	Developers' Contributions Unapplied	**Total Usable Reserves**	Capital Adjustment Account	Pension Reserve	Accumulated Absences Account	**Total Unusable Reserves**	**Total Authority Reserves**
Balance as at 31 March 2024	**350**	**1,903**	**1,201**	**3,454**	**622**	**0**	**(60)**	**562**	**4,016**
Movement in reserves during 2023/24									
Surplus or (deficit) on the provision of services	1,229	0	0	**1,229**	0	0	0	**0**	**1,229**
Other Comprehensive Income and Expenditure	0	0	0	**0**	0	0	0	**0**	**0**
Total Comprehensive Income and Expenditure	**1,229**	**0**	**0**	**1,229**	**0**	**0**	**0**	**0**	**1,229**
Adjustments between accounting basis & funding basis under regulations (Note 5)	(738)	0	507	**(231)**	236	0	(5)	**231**	**0**
Net Increase/(Decrease) before Transfers to Earmarked Reserves	**491**	**0**	**507**	**998**	**236**	**0**	**(5)**	**231**	**1,229**
Transfers to/(from) Reserves (Notes 16,17,18)	(491)	597	(106)	**0**	0	0	0	**0**	**0**
Increase/(Decrease) in 2024/25	**0**	**597**	**401**	**998**	**236**	**0**	**(5)**	**231**	**1,229**
Balance at 31 March 2025	**350**	**2,500**	**1,602**	**4,452**	**858**	**0**	**(65)**	**793**	**5,245**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

Activity	2024/25 £000	2025/26 £000
Net (Surplus)/Deficit on the Provision of Services	**(1,229)**	**(1,747)**
Adjust net (surplus)/deficit on the Provision of Services for non-cash movements		
Depreciation / Amortisation / Impairments (Note 10/11)	(161)	(205)
(Increase)/Decrease in Creditors, Provisions & Liabilities	(417)	(97)
Increase/(Decrease) in Debtors	498	72
Pensions – Reverse charges made for retirement benefits in profit and loss (Note 8)	(489)	(156)
Pensions – Employers Contribution (Note 8)	489	493
IFRS16 Lease Interest Payments	(13)	(8)
Adjustments for items which are Investing or Financing Activities		
Interest and Investment Income	186	172
IFRS16 Lease Payments	103	104
Net cash flows from Operating Activities	**(1,033)**	**(1,384)**
Investing Activities		
Interest and Investment Income	(169)	(184)
Acquisition of property, plant & equipment and intangible assets (Note 10/11)	307	1,651
Purchase of short-term and long-term investments	21,250	26,500
Proceeds from short-term and long-term investments	(19,750)	(27,000)
Net cash flows from Investing Activities	**1,638**	**979**
Net (Increase)/Decrease in Cash and Cash Equivalents	**605**	**(405)**
Cash and Cash Equivalents b/f (Note 13)	1,777	1,172
Cash and Cash Equivalents c/f (Note 13)	1,172	1,577
Movement in Cash and Cash Equivalents	**(605)**	**405**

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NOTES TO THE FINANCIAL STATEMENTS

Note 1. ACCOUNTING POLICIES

i) General Principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (including any subsequent amendment regulations). The Regulations require the accounts to be prepared in accordance with proper accounting practices. This primarily comprises of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

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 and 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

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 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, 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 2.7% (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;

- 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;
- 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-Service Costs;
- 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;

- 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;
- 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 8 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 three classifications:

Amortised Cost – where cash flows are solely payments of principal and interest and the Authority business model is to collect these cash flows.

Fair value through Other Comprehensive Income – where cash flows are solely payments of principal and interest, and the Authority business model is to both collect these cash flows and sell the instrument and equity investments that the Authority has elected into this category.

Fair value through the Profit and Loss – all other financial assets.

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.

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) 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 2025/26 (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

xii) 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.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, authorities revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three. The authority has used the same indices in 20X1/X2 as in previous 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 2026
Property, Plant and Equipment	
Land	Indefinitely
Property	Up to 91 years
Equipment - ICT Hardware	Up to 5 years
- Other Equipment	Up to 17 years
Vehicles	Up to 5 years
Intangible Assets	
ICT Software	Up to 5 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 previous 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.

xiii) 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 2026 are reported in notes 17 and 18.

xiv) 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.

xv) Leases

At inception of an arrangement, the Authority determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Authority the right to control the use of the underlying asset.

The lease liabilities arising from a lease are initially measured on a present value basis comprising the following lease payments:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Authority under residual value guarantees
- The exercise price of a purchase option if the Authority is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Authority exercising that option
- Lease payments to be made under certain extension options.

The lease payments are discounted using the Authority's incremental borrowing rate, being the rate, the Authority would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Should the Authority not have a current source of borrowing, it will use the Public Works Loan Board (PWLB) rate as its borrowing rate.

The Authority is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate takes effect, then the lease liability is re-measured using the changed cash flows and changed discount rate. Further, a corresponding adjustment is also made to the right-of-use asset.

Lease payments are allocated between the repayment of principal and a finance cost. The finance cost is charged to the Comprehensive Income and Expenditure Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs
- Any restoration costs considered likely to be payable.

The right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If it is reasonably certain that the Authority will exercise a purchase option, then the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and with low-value assets are recognised on a straight-line basis as an expense in the Comprehensive Income and Expenditure Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items under £10,000 (matching the Authority's Land & Buildings de minimis) and often comprise of IT equipment, small items of office furniture and low value land.

The Authority will calculate its Minimum Revenue Provision (MRP) using the annuity method on an asset life basis with an annuity rate equal to the Public Works Loan Board (PWLB) annual certainty rate prevailing at 31 March of the financial year in which the expenditure was incurred.

xvi) 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.

xvii) 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.

xviii) 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.

xix) Roundings

Figures are usually shown to the nearest one thousand pounds and therefore some minor roundings may occur.

xx) Going Concern

The financial statements are prepared on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. This is evidenced through the Authority's Medium-Term Financial Plan and recent stability in its core National Park Grant from Defra – see Note 30.

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 such upcoming changes in this regard will have a material impact on the overall financial position 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 2025/26 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 (before any notional asset ceiling adjustment) 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 (Hymans Robertson LLP) 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 £297,000. During 2025/26, the Authority's actuaries advised that the net pension liability (the amount showing on the balance sheet) had increased by £1,090,000 as a result of previous estimates being corrected as a result of actual experience, decreased by £727,000 attributable to updating of the financial assumptions used and decreased by £421,000 attributable to updating of the democratic assumptions used.
Property, Plant and Equipment - Valuation	The Authority engages a qualified Royal Institution of Chartered Surveyors (RICS) surveyor to provide valuations of land and property assets. The values of assets are adjusted to their current values by reviewing the sales of similar assets in the region, applying indexation and considering impairment of individual assets. The valuer works closely with the finance staff on all valuation matters.	Significant changes in the assumptions of future income streams/growth, occupancy levels, ongoing property maintenance and other factors would result in a significantly higher or lower fair value measurement for these assets. Nevertheless, an adequate quantum of market evidence exists upon which to base opinions of value.

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

Activity	2024/25 £000	2025/26 £000
Adjustments on Developers' Contributions Unapplied		
Net Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	**507**	**571**
Adjustments on Capital Adjustment Account:		
Financing of Capital Expenditure - Revenue	0	84
Financing of Capital Expenditure – Capital Grants Applied	454	1,838
Financing of Capital Expenditure – Developers' Contributions Applied	165	199
Depreciation, Amortisation and Impairment of Long-Term Assets	(161)	(205)
Minimum Revenue Provision Charge	90	95
Revenue Expenditure funded from Capital Under Statute	(312)	(469)
Total	**236**	**1,542**
Adjustments on Pensions Reserve:		
Net charges made for retirement benefits in accordance with IAS 19	(489)	(156)
Employer's contributions payable to the Hampshire Pension Fund	489	493
Total	**0**	**337**
Adjustments on Accumulated Absence Account:		
(Increase)/Decrease in accrual	**(5)**	**13**
Net additional amount to be (credited)/debited to the General Fund Balance	**738**	**2,463**

Note 6. 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).

2025/26 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	**Adjustments for Capital Purposes £000**	**Net change for the Pensions Adjustments £000**	**Other Differences £000**	**Total Adjustments £000**
Conservation of the Natural Environment	(14)	(12)	(2)	**(28)**
Conservation of Cultural Heritage	0	(9)	(1)	**(10)**
Recreation Management and Transport	(75)	(13)	(1)	**(89)**
Promoting Understanding	(2)	(18)	(2)	**(22)**
Rangers, Estates and Volunteers	(1)	(8)	(2)	**(11)**
Development Control	(2)	(50)	(3)	**(55)**
Forward Planning and Communities	(1)	(15)	(1)	**(17)**
Corporate and Democratic Core	95	(11)	(1)	**83**
Net Cost of Services	**0**	**(136)**	**(13)**	**(149)**
Other income and expenditure from the Expenditure and Funding Analysis	(2,010)	(202)	0	**(2,212)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(2,010)**	**(338)**	**(13)**	**2,361**

2024/25 Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Conservation of the Natural Environment	1	0	1	**2**
Conservation of Cultural Heritage	18	0	0	**18**
Recreation Management and Transport	32	0	0	**32**
Promoting Understanding	4	0	1	**5**
Rangers, Estates and Volunteers	2	0	0	**2**
Development Control	4	0	2	**6**
Forward Planning and Communities	0	0	0	**0**
Corporate and Democratic Core	10	0	1	**11**
Net Cost of Services	**71**	**0**	**5**	**76**
Other income and expenditure from the Expenditure and Funding Analysis	(814)	0	0	**(814)**
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(743)**	**0**	**5**	**(738)**

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	**2024/25 £000**	**2025/26 £000**
Fees, charges and other service income	(530)	(640)
Interest and investment income	(186)	(172)
Government grants and contributions	(5,841)	(6,860)
Other grants and contributions	(659)	(747)
Total Income	**(7,216)**	**(8,419)**
Employee expenses	3,212	2,940
Other service expenses	2,614	3,527
Depreciation / Amortisation / Losses	161	205
Total Expenditure	**5,987**	**6,672**
(Surplus) or deficit on the provision of services	**(1,229)**	**(1,747)**

Note 7. GRANT INCOME

New Forest National Park Authority received an approved core revenue National Park Grant of £3,018,524 from the Department for Environment, Food and Rural Affairs (£3,251,501 in 2024/25)

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

Grants and Contributions	2024/25 £000	2025/26 £000
Service Specific Revenue Grants and Contributions (included in cost of services):		
Higher Level Stewardship - Government Contributions (Forestry England)	(186)	(155)
PedALL - Government Contributions (Lottery & NFDC & Defra)	(89)	(156)
PedALL - Non-Government Contributions	(45)	(31)
YouCAN – Government Contributions (Lottery Community Fund)	(479)	(422)
Farming In Protected Landscapes - Government Contributions (Defra)	(442)	(309)
Landscape Enhancement Initiative - Government Contributions (National Grid)	(265)	(191)
Species Survival Fund - Government Contributions (Lottery)	(277)	(765)
Active Travel Grant - Government Contributions (Active Travel England)	(100)	0
Digital Planning Improvement Fund – Government Contributions (MHCLG)	(100)	0
Access for All - Government Contributions (Defra)	(94)	(193)
Bird Aware Projects - Government Contributions (Local Authority)	0	(87)
New Routes to Nature - Government Contributions (NE)	0	(111)
Other – Government Contributions	(52)	(84)
Other – Non-Government Contributions	(111)	(22)
Total	**(2,239)**	**(2,526)**
Capital Grants and Contributions:		
Developers' Contributions - Miscellaneous	(507)	(617)
Capital Grant - Defra	(250)	(1,393)
Total	**(757)**	**(2,010)**
Total Grant and Contributions Income	**(2,996)**	**(4,536)**

Note 8. 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:

Activity	**2024/25 £000**	**2025/26 £000**
Comprehensive Income and Expenditure Account		
Cost of Services:		
Current service cost	489	358
Past service cost	0	0
Financing and Investment Income and Expenditure:		
Net interest expense	0	(4)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	**489**	**354**
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)	124	(319)
Actuarial gains and losses arising on changes in demographic assumptions	(30)	(421)
Actuarial gains and losses arising on changes in financial assumptions	(3,176)	(727)
Actuarial gains and losses due to liability experience	(166)	1,090
Adjustment for Asset Ceiling	3,248	516
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	**489**	**493**
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	0	0
Actual amounts charged against the General Fund Balance for pensions in the year:		
Employers' contributions payable to the scheme	**489**	**493**

Asset Ceiling
Under IFRIC14, an asset ceiling limits the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan. An adjustment has been made in the Accounts to apply this asset ceiling, as calculated by the actuary, as the year end results showed a net asset in the pension scheme.

Asset Returns
Asset returns over the accounting period have been higher than expected - this has led to a gain on assets over the accounting period.

Financial Assumptions
There have been changes to the financial assumptions over the period - the discount rate has increased by 0.5%, the CPI inflation assumption has increased by 0.25% and the salary increase assumption has increased by 0.25%. This has resulted in a more positive balance sheet position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

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 2022 £000**	**31 March 2023 £000**	**31 March 2024 £000**	**31 March 2025 £000**	**31 March 2026 £000**
Present Value of the defined benefit obligation	(25,248)	(16,669)	(17,305)	(15,185)	(16,190)
Fair Value of plan assets	16,548	15,783	17,466	18,602	20,321
Adjustment for Asset Ceiling	0	0	(161)	(3,417)	(4,131)
Net asset / liability arising from defined benefit obligation	**(8,700)**	**(886)**	**0**	**0**	**0**

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

Assets	**2024/25**	**2025/26**
	£000	**£000**
Opening fair value at 1 April	**17,466**	**18,602**
Interest Income	856	1,089
Re-measurement gain/(loss)	(124)	278
Contributions by the Employer	489	493
Contributions by Participants	191	191
Net Benefits Paid Out	(276)	(332)
Closing fair value at 31 March	**18,602**	**20,321**

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

Funded Liabilities	**2024/25**	**2025/26**
	£000	**£000**
Opening present value at 1 April	**(17,305)**	**(15,185)**
Current Service Cost	(489)	(358)
Interest Cost	(848)	(887)
Contributions by Participants	(191)	(191)
Re-measurement (gains)/losses:		
Actuarial Gains/(Losses) arising from changes in demographic assumptions	30	421
Actuarial Gains/(Losses) arising from changes in financial assumptions	3,176	727
Actuarial Gains/(Losses) due to liability experience	166	(1,049)
Net Benefits Paid Out	276	332
Past Service Costs	0	0
Closing present value at 31 March	**(15,185)**	**(16,190)**

Local Government Pension Scheme assets (fair value) comprised:

Assets	**31 March 2025 £000**	**31 March 2026 £000**
Equities	7,855 (42%)	8,714 (43%)
Government Bonds	2,711 (15%)	3,112 (15%)
Property	1,698 (9%)	1,750 (9%)
Cash	361 (2%)	290 (1%)
Other	5,977 (32%)	6,455 (32%)
Total	**18,602 (100%)**	**20,321 (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.

McCloud / Sargeant – The scheme liabilities were updated three years ago to account for the past service costs associated with the McCloud / Sargeant legal judgements.

Virgin Media - In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal. The government confirmed in June 2025 that "legislation will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected". As a result, New Forest National Park Authority does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

GMP Equalisation – We allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results.

Goodwin / Walker / O'Brien - No additional allowance has yet been made within the accounting balance sheet for these judgements; any potential impacts are not considered significant.

The figures in this note have been prepared/estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the Hampshire Pension Fund being based on a roll-forward of the latest full valuation of the scheme in 2025.

The significant assumptions used by the actuary have been:

Financial & Mortality Assumptions	**31 March 2025**	**31 March 2026**
Rate of inflation – CPI	2.75%	3.00%
Rate of increase in salaries	3.75%	4.00%
Rate of increase in pensions	2.75%	3.00%
Rate of increase in deferred pensions	2.75%	3.00%
Rate for discounting scheme liabilities	5.80%	6.30%
Longevity at 65 for current pensioners (male)	22.0 Yrs	22.1 Yrs
Longevity at 65 for current pensioners (female)	24.7 Yrs	24.7 Yrs
Longevity at 45 for future pensioners (male)	22.5 Yrs	22.8 Yrs
Longevity at 45 for future pensioners (female)	25.6 Yrs	25.9 Yrs

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 2026)	Increase of Assumption
	£000
Longevity (increase or decrease in 1 year)	648
Rate of inflation (increase or decrease by 0.1%)	282
Rate of increase in salaries (increase or decrease by 0.1%)	15
Rate of increase in pensions (increase or decrease by 0.1%)	282
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	297

The expected employer pension contribution for 2026/27 is £423,000.

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 9. 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 2025/26:

	2024/25	2025/26
	£000	£000
Opening Capital Financing Requirement	0	154
Capital Investment		
Vehicles, Plant & Equipment Assets	225	178
Right of Use Assets	245	0
Intangible Assets	0	58
Assets Under Construction	82	1,415
Revenue Expenditure funded from Capital under statute (REFCUS)	312	469
Sources of Finance		
Revenue Provision	(91)	(177)
Developers' Contributions	(166)	(199)
Capital Grants & Contributions	(454)	(1,838)
Closing Capital Financing Requirement	**154**	**60**

Note 10. 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.

	2024/25	2025/26
Land	2	2
Property	2	2
Right of Use	1	1
Vehicles	11	12
Other Equipment	17	27
ICT Hardware	20	21
ICT Software	2	4
TOTAL	**55**	**69**

c) 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 Authority built two semi-detached affordable homes on the site, completed in August 2016, and estimated their useful life at 100 years with straight-line depreciation charged. The Authority classified the land and properties as Community Assets and had them revalued by a professional valuer at Hampshire County Council Property Services (MRICS) as at 31 March 2022 on an 'EUV-SH' (Existing Use Value – Social Housing) basis for £400,000.

The Authority purchased a piece of land in Burley in 2021/22 for £40,000 with the intention to build two further affordable homes similar to those in Bransgore. The Authority classified the land as a Community Asset and had it valued by a professional valuer at Hampshire County Council Property Services (MRICS) - giving a current valuation of £40,000 as at 31 March 2022.

In January 2026, the Authority purchased a piece of land with three derelict properties at Foxlease Park, south of Lyndhurst for £1.4m. This Community Asset has initially been held at cost whilst the Authority confirms its plans for the site and therefore its final designation.

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. There were no impairments in 2025/26.

Community Asset	2024/25 £000	2025/26 £000
Gross Carrying Value	440	440
Accumulated depreciation & impairment	(8)	(11)
Net book value of assets at start of financial year	**432**	**429**
Movements in year:		
Depreciation	(3)	(4)
Net book value of assets at end of financial year	**429**	**425**

Vehicles, Plant and Equipment	2024/25 £000	2025/26 £000
Valuation at purchase	622	602
Accumulated depreciation & impairment	(495)	(300)
Net book value of assets at start of financial year	**127**	**302**
Movements in year:		
Additions	225	178
Disposals	(245)	0
Depreciation	(49)	(86)
Depreciation written back on Disposals	245	0
Loss on Disposal	(1)	0
Net book value of assets at end of financial year	**302**	**394**

Right of Use Asset (Lymington Town Hall offices)	2024/25 £000	2025/26 £000
Initial Recognition Value	245	245
Accumulated depreciation & impairment	0	(94)
Net book value of assets at start of financial year	**245**	**151**
Movements in year:		
Depreciation	(94)	(95)
Net book value of assets at end of financial year	**151**	**56**

Assets Under Construction	2024/25 £000	2025/26 £000
Net book value of assets at start of financial year	**0**	**29**
Movements in year:		
Additions - PPE	29	0
Additions – Community Asset	0	1,415
Net book value of assets at end of financial year	**29**	**1,444**

Note 11. 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 5-10 years) on a straight-line basis, commencing from date of acquisition. The amortisation charged for intangible assets in 2025/26 was £20,852. There were no impairments in 2025/26.

Intangible Assets	**2024/25 £000**	**2025/26 £000**
Valuation at purchase	100	98
Accumulated amortisation & impairment	(36)	(49)
Net book value of assets at start of financial year	**64**	**49**
Movements in year:		
Additions	0	111
Disposals	(2)	0
Amortisation	(15)	(21)
Amortisation written back on Disposals	2	0
Net book value of assets at end of financial year	**49**	**139**

Assets Under Construction	**2024/25 £000**	**2025/26 £000**
Net book value of assets at start of financial year	**0**	**53**
Movements in year:		
Additions - Intangibles	53	0
Completed Assets Transfer	0	(53)
Net book value of assets at end of financial year	**53**	**0**

Note 12. 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.

Debtors	**2024/25 £000**	**2025/26 £000**
Government Departments	508	439
New Forest District Council	113	131
Other Debtors	163	286
Total	**784**	**856**

Note 13. 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.

Cash and Cash Equivalents	At 1 April 2025 £000	Cash change in year £000	At 31 March 2026 £000
Cash in Bank / (overdraft)	669	406	1,075
Interest Due	3	(1)	2
Cash equivalent - Money Market Fund	500	0	500
Total	**1,172**	**405**	**1,577**

Note 14. 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.

Creditors	2024/25 £000	2025/26 £000
Government Departments	131	329
New Forest District Council	112	28
Other Creditors	565	599
Total Creditors	**808**	**956**

Note 15. DEVELOPERS' CONTRIBUTIONS

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

Developer Contributions	2024/25 £000	New Receipts £000	Financing of Expenditure £000	2025/26 £000
Long Term Liabilities	(280)	0	52	(228)
Developers' Contributions Unapplied	(1,602)	(617)	147	(2,072)
Total Developers' Contributions Held	**(1,882)**	**(617)**	**199**	**(2,300)**

Note 16. 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.

Earmarked Reserve	Balance at 1 April 2024 £000	Transfers during 2024/25 £000	Balance at 1 April 2025 £000	Transfers during 2025/26 £000	Balance at 31 March 2026 £000
Nature Recovery	0	(40)	(40)	40	0
Health & Wellbeing	(178)	14	(164)	0	(164)
Housing	(111)	(11)	(122)	(21)	(143)
YouCAN	(103)	(74)	(177)	30	(147)
LEI Scheme	(78)	(265)	(343)	(74)	(417)
PEDALL	(74)	(10)	(84)	52	(32)
Planning Grants	(51)	(7)	(58)	0	(58)
Land Advice Service	(47)	(23)	(70)	14	(56)
Sustainable Development	(36)	(11)	(47)	9	(38)
Rockford Farm	(33)	0	(33)	0	(33)
Bird Aware Projects	0	0	0	(66)	(66)
Pay	(30)	0	(30)	30	0
New Routes to Nature	(29)	25	(4)	4	0
WWII Legacy	(18)	0	(18)	0	(18)
Forest Farming	(17)	17	0	0	0
Green Halo / Greenprint	(10)	6	(4)	0	(4)
Building Maintenance	(7)	0	(7)	0	(7)
NF Transport	(2)	(8)	(10)	10	0
Local Plan	0	(30)	(30)	30	0
Archaeology	0	(20)	(20)	0	(20)
Arts Projects	0	(13)	(13)	13	0
Active Travel	0	(59)	(59)	59	0
Capital/Major Projects	(500)	(57)	(557)	57	(500)
Planning/Risk Reserve	(120)	(50)	(170)	0	(170)
Financial Stability Reserve	(396)	44	(352)	352	0
Revenue Support Reserve	(63)	(25)	(88)	75	(13)
Total	**(1,903)**	**(597)**	**(2,500)**	**614**	**(1,886)**

Note 17. 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.

Usable Reserves	Balance at 1 April 2024 £000	Net Movement 2024/25 £000	Balance at 1 April 2025 £000	Net Movement 2025/26 £000	Balance at 31 March 2026 £000
General Fund	(350)	0	(350)	0	(350)
Earmarked Reserves	(1,903)	(597)	(2,500)	614	(1,886)
Developers' Contributions Unapplied	(1,201)	(401)	(1,602)	(470)	(2,072)
Total	**(3,454)**	**(998)**	**(4,452)**	**144**	**(4,308)**

Note 18. 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	2024/25 £000	2025/26 £000
Opening Balance at 1 April	**(622)**	**(858)**
Depreciation/Amortisation/Impairments	161	205
MRP Charge (Right of Use Asset)	(91)	(95)
Revenue Expenditure funded from Capital under statute	312	469
Financing of Capital Expenditure from Revenue Resources	0	(84)
Financing of Capital Expenditure from Developers' Contributions	(166)	(199)
Financing of Capital Expenditure from Capital Grants	(454)	(1,838)
Closing Balance at 31 March	**(858)**	**(2,400)**

Other Unusable Reserves:

Other Unusable Reserves	2024/25 £000	2025/26 £000
Pension Reserve:		
Opening Balance at 1 April	0	0
Movement in Year (See Note 8)	(3,417)	(4,131)
Adjustment for Asset Ceiling (Note 8)	3,417	4,131
Closing Balance at 31 March	**0**	**0**
Accumulated Absences Account*:		
Opening Balance at 1 April	60	65
Movement in Year - Increase/(Decrease)	5	(13)
Closing Balance at 31 March	**65**	**52**

* Due to changed ways of working following the coronavirus pandemic, it was not possible to look at the flexi balances of staff as at 31 March 2026 and instead the most recent years' data was used as an estimate. Actual leave balances as at 31 March 2026 were used.

Note 19. FINANCING ACTIVITIES

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 2026.

Financial Instruments Balances

The borrowings and investments disclosed in the balance sheet are made up of the following categories of financial instruments (all short-term, Level 1):

Financial Instruments	31 March 2025 £000	31 March 2026 £000
Trade Creditors	808	672
Total Financial Liabilities	**808**	**672**
Investments:		
Loans & Receivables at amortised costs	3,520	3,008
Cash & Cash Equivalents:		
At amortised cost	672	1,077
At fair value	500	500
Other Assets:		
Trade Debtors at amortised cost	193	289
Total Financial Assets	**4,885**	**4,874**

Investments classified at amortised cost consist of:

- Loan to the UK Debt Management Office
- Loan to Lloyds Bank

Cash & Cash Equivalents consists of:

- Bank Current Account (Amortised Cost)
- Money Market Fund (Fair Value through Profit or Loss)

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments relate to Interest Income which was £172,000 for the year (total of £186,000 for 2024/25).

Note 20. 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 annual rent is currently £108,000 and the space is used as our main offices.

The premises are not owned by the Authority. However, following the adoption of International Financial Reporting Standard 16 (Leases) on 1 April 2024, a right-of-use asset has been recognised on our Balance Sheet alongside a corresponding lease liability for the future lease payments – this change in accounting policy and treatment has been made in accordance with the transitional provisions in the Code for the adoption of IFRS16, and as such no changes to previous financial years have been made.

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 and IFRS16. This saving has therefore been spread across the whole term of the lease.

Detail of the change in value of the right-of-use asset (held under a lease) can be seen in Note 10 above. The right-of-use asset liability, which also started the year at £151,000, was reduced by a charge of £95,000 (lease payments of 103,000 less interest expense of £8,000), giving a year-end balance of £56,000.

A maturity analysis of the lease liabilities is included in the table below - both undiscounted lease liabilities (likely future case payments) and the discounted liabilities (as included in the balance sheet) are shown:

Lease Rental Payments	**Undiscounted 31 March 2026 £000**	**Discounted 31 March 2026 £000**
Not later than one year	61	60
Later than one year but not later than 5 years	0	0
Later than 5 years	0	0
Total Lease Payments	**61**	**60**

During 2014/15 the Authority was given a donated asset (land) in Bransgore on a 999-year lease – two affordable homes have since been built on the site. Given the substantive length of the lease, it was treated as owned from the start and therefore it appears as an Authority asset shown in note 10. Our discount/borrowing rate is equivalent to the Public Works Loan Board borrowing rate in force (currently 5.4%).

Two further leases were identified during our application of IFRS16, but did not meet the criteria for creating a right-of-use asset/liability on our Balance Sheet:

- Nissan Leaf Pool Car – held on a month by month lease, until returned in September 2025, and therefore did not meet the minimum 12-month lease criteria. The cost is £1,445/year and is treated as an expense.
- Multi-Function Devices / Printers – considered de minimis under IFRS16 as small office equipment. The cost is £5,543/year and is treated as an expense.

Total cash expenditure on leases in 2025/26 was £114,988 (2024/25 £115,020)

Note 21. MEMBERS' ALLOWANCES

During 2025/26 payments to Members of the National Park amounted to £62,558 compared to £62,525 the previous year. These figures include all allowances plus travel and subsistence payments.

Member	Allowance (£)	Expenses (£)	Total (£)	Appointed by
J Adams	2,343	0	2,343	Parish
G Bailey	2,343	0	2,343	Test Valley Borough Council
P Barton	165	0	165	Independent Member
D Bence (Former Authority Chair)	2,268	279	2,547	Secretary of State – National
R Clewer	2,343	0	2,343	Wiltshire County Council
Z Clewer	2,343	0	2,343	Wiltshire County Council
M Davies (Chair of Resources Cttee)	4,199	0	4,199	Parish
B Dunning	1,432	0	1,432	New Forest District Council
W Fojt	165	0	165	Independent Member
D Harrison	2,343	0	2,343	Hampshire County Council
J Hartas	165	0	165	Independent Member
P Heneghan	586	0	586	Secretary of State – National
M Kendal (Dep Chair of Standards Cttee)	2,343	0	2,343	Hampshire County Council
V Mander (Chair of Authority)	5,661	601	6,262	Secretary of State – National
K Mans (Dep Chair of Authority)	3,319	0	3,319	Hampshire County Council
E Mason	1,172	0	1,172	Secretary of State – National
A Parekh	1,367	415	1,782	Secretary of State – National
G Parker	586	119	705	Secretary of State – National
C Rackham	2,343	0	2,343	New Forest District Council
B Rickman	911	0	911	New Forest District Council
J Reilly	2,343	365	2,708	New Forest District Council
A Sevier (Chair of Standards Cttee)	2,929	0	2,929	New Forest District Council
B Stratford	2,343	0	2,343	Parish
M Thierry	2,343	0	2,343	Hampshire County Council
D Tipp	2,343	189	2,532	New Forest District Council
S Trow (Chair of Planning Cttee)	4,686	433	5,119	Secretary of State – National
M Wade (Dep Chair Resources Cttee)	2,831	0	2,831	Hampshire County Council
J Wylor-Owen	1,367	575	1,942	Secretary of State
Total 2025/26	**59,582**	**2,976**	**62,558**	

Note 22. OFFICERS' REMUNERATION

The following table sets out the 2025/26 remuneration disclosures for Senior Officers whose full-time equivalent salary is more than £50,000:

Post holder information (Post title)	Salary (including Fees & Allowances) £	Total Remuneration excluding pension contributions £	Pension contributions (17.5%)* £	Total Remuneration including pension contributions £
Chief Executive	121,335	121,335	21,234	142,569
Executive Director Strategy and Planning	25,509	25,509	4,464	29,973
Head of Environment and Rural Economy	63,839	63,839	11,172	75,011
Head of Resources (Chief Finance Officer)	73,172	73,172	12,805	85,977
Solicitor and Monitoring Officer	44,495	44,495	7,787	52,282

Notes:
1 - The Executive Director Strategy and Planning left on 30 June, the full time equivalent salary was ££87,008.
2 – Solicitor and Monitoring Officer joined on 16 June, the full time equivalent salary was ££56,204.
3 – As at 31 March 2026, one other employee had full-time equivalent salaries from £50-55,000 (two in 2024/25), four from £55-60,000 (three in 2024/25) and one from £60-65,000 (none in 2024/25).

The table below sets out the same information for 2024/25 for comparison:

Post holder information (Post title)	Salary (including Fees & Allowances) £	Total Remuneration excluding pension contributions £	Pension contributions (17.5%)* £	Total Remuneration including pension contributions £
Chief Executive	117,707	117,707	20,599	138,306
Executive Director Strategy and Planning	85,389	85,389	14,943	100,332
Head of Environment and Rural Economy	61,860	61,860	10,826	72,686
Head of Resources (Chief Finance Officer)	61,860	61,860	10,826	72,686
Solicitor and Monitoring Officer	35,560	35,560	6,223	41,783

Notes:
1 - The Solicitor and Monitoring Officer is a part-time role, the full-time equivalent salary is £52,360. The postholder left in January 2025 and the Head of Environment and Rural Economy became Interim Monitoring Officer.
2 – As at 31 March 2025, two other employees had full-time equivalent salaries from £50-55,000 (three in 2023/24) and three from £55-60,000 (two in 2023/24).

***** The current rates and adjustments certificate for the Hampshire Pension Fund certifies a common rate for all employers, 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 17.5% of pensionable pay for 2025/26.

Note 23. TERMINATION BENEFITS

There was one compulsory redundancy or other paid departure agreed during the 2025/26 financial year (none in 2024/25) – the total cost was under £5,000.

Note 24. EXTERNAL AUDIT COSTS

The Authority incurred £47,632 (2024/25 £46,334) in fees from its appointed auditor, Ernst & Young LLP, relating to the external audit for 2025/26. It also paid Ernst & Young LLP a further £20,464 related to the 2023/24 audit, received a credit for £6,841 related to the 2022/23 audit and received an audit fee relief grants of £16,260 from government. There were no other services provided by the appointed auditor to the Authority this year.

Note 25. 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 2025/26 New Forest District Council continued to provide some Financial Services, Human Resources, GIS, ICT and Health & Safety support to the Authority; the total cost of all these services in 2025/26 was £138,000 (£133,000 in 2024/25). The Authority also leases its offices from the Council and has other various transactions with it; total expenditure for the year was approximately £322,000 (£333,000 in 2024/25). During 2025/26 the Authority provided ranger and archaeological services to New Forest District Council, the total cost of these services was £57,000 (£55,000 in 2024/25).

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 former 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. All of the National Parks, including this Authority, have given initial funding of £100,500 each to the venture and a further £10,000 will be invested in early 2026/27.

One Senior Officer of the Authority is closely associated with the New Forest Marque (New Forest Produce Ltd) who received grants and staffing support from the Authority equating to around £25,000 in 2025/26 (£25,000 in 2024/25).

One Member was married to a staff member during 2025/26, no direct conflicts of interest were found; that member of staff has since left the Authority.

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

Note 26. PROVISIONS

No provisions have been established or utilised during 2025/26.

Note 27. CONTINGENT LIABILITIES

The Authority is not aware of any contingent liabilities.

Note 28. 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, although 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:

Key Risks	Definition	Risk Management Procedures
All Risks	Overall consideration of all risks	The Authority's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. It ensures adoption of the Code of Practice requirements in full, a Treasury Policy Statement and Prudential Indicators, all of which are monitored and reported on at least twice a year.
Credit Risk	The possibility that other parties might fail to pay amounts due to the Authority	The Authority produces an Annual Treasury Investment Strategy setting out maximum levels of investment with certain counterparties and the use of ratings to fully evaluate them. Our most significant other credit risk is our trade debtors but there is no history of default, and all are due in under three months. The Authority holds no collateral as security.
Liquidity Risk	The possibility that the Authority might not have funds available to meet its commitments to make payments	The proposed and maximum liquidity structure of the Authority investments are set out within the Annual Treasury Investment Strategy. The risk is significantly reduced due to our ability to access short term borrowings from the Markets if necessary.

Re-financing Risk	The possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms	The Authority has a clear, wide set of potential counterparties and maturity timescales to reduce this risk at source. The Authority has no significant financial liabilities of longer than one year.
Market Risk	The possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements	The Authority is exposed to interest rate risk, but the impact would not be material – a 1% change in interest rates would impact by +/-£40,000 (0.6% of gross expenditure). The Authority has no shareholdings or assets/liabilities in foreign currencies.

Note 29. EVENTS AFTER THE REPORTING PERIOD

In April 2026 the Authority lost a judicial review of a planning case in the Court of Appeal, known locally by the name of the site - Vernon Dene. The Authority subsequently decided not to appeal this judgement and has been found liable for 70% of the appellants costs, the level of which have yet to be formally determined. In May 2026, the Authority paid £150,000 on account in respect of the costs award, which will be funded through the Authority's Planning / Risk Reserve.

The Authority is not aware of any other significant events after the reporting period.

Note 30. GOING CONCERN

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future and least twelve months from the date of audit completion. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities and similar bodies operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities and similar bodies carry out functions essential to the local community and are themselves revenue raising bodies (with limits on their revenue raising powers, arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for our financial statements to be provided on anything other than a going concern basis. The Authority's accounts are therefore produced under the Code and assume that the Authority's services will continue to operate for the foreseeable future.

The potential impact(s) of recent wider economic uncertainty have been fully considered and factored into the future financial planning of the Authority, not least the comprehensive cashflow forecast completed up to March 2028. The Authority is therefore in a strong financial position to successfully react and withstand any potential further downside events.

The Authority's year-end reserve balances as at 31 March 2026, as reported in these statements, show £0.35m in the General Fund Reserve and a further £1.9m in Earmarked Reserves. The Authority has carried out an assessment of the impact of foreseeable changes on its future income and expenditure and is satisfied that there is no material uncertainty relating to the Authority's going concern.

The Authority is forecasting to be within its original budget set for 2026/27. However, should any overspend occur this year, a plan is in place for it to be financed initially either through the one-off revenue uplift from Defra and/or the repurposing of some Earmarked Reserves, these would then be replenished in future financial years. The Authority has undertaken cash flow modelling through to March 2028 which demonstrates our ability to work within our Capital Financing Requirement and Cash management framework, maintaining £0.35m in the General Fund Reserve and forecasting £2.8m in Earmarked Reserves.

The Authority thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Authority will be a going concern, 12 months from the date of the audit report, based on its cash flow forecasting and the resultant liquidity position of the Authority.

Note 31. AUTHORISATION OF ACCOUNTS FOR ISSUE

This Statement of Accounts has been authorised for issue on xx xxx 2026 by Victoria Mander (Chair) and Mr Nigel Stone, CPFA 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, which 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.

Developers' 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.

IFRS16

International Financial Reporting Standard number 16 (Leases) came into force on 1 April 2024 and our 2024/25 accounting was adjusted accordingly. It established criteria whereby significant leased right-of-assets should be capitalised and shown on

the Balance Sheet as an asset (for the value of the use you have of it) and corresponding liability (for the lease payments).

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.

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

To be added following the audit.