

# **THE VERDERERS OF THE NEW FOREST**

Report and Financial Statements

Year Ended

31 March 2011

# The Verderers of the New Forest

Annual report and financial statements  
for the year ended 31 March 2011

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# The Verderers of the New Forest

## Report of the Verderers of the New Forest for the year ended 31 March 2011

The Verderers present their report together with the financial statements for the year ended 31 March 2011.

### Principal activity

The Verderers of the New Forest act as regulators of development as well as overseeing commoning on the Forest. They work in conjunction with Natural England, the New Forest National Park Authority and with the Forestry Commission, a government agency, which administers the Crown lands on behalf of the nation.

### THE VERDERERS

Mr Dominic May, Official Verderer (Crown appointment 18<sup>th</sup> May 2011)  
Mr Oliver Crosthwaite Eyre, Official Verderer (Ended term of office 30<sup>th</sup> April 2011)  
The Hon Ralph Montagu, Appointed Forestry Commission Verderer  
Mr Richard Deakin, Elected Verderer  
Mr Anthony Gerrelli, Elected Verderer  
Mr Jeffrey Kitcher, Elected Verderer (Deceased 9<sup>th</sup> May 2011)  
Mr Anthony Pasmore, Elected Verderer  
Mrs Patricia Thorne, Appointed DEFRA Verderer  
Mr Peter Frost, Appointed Countryside Agency Amenity Verderer (Ended term of office 31st May 2010)  
Miss Dionis Macnair, Elected Verderer  
Mr Clive Maton, Appointed National Park Authority Planning Verderer (Appointed from 15<sup>th</sup> July 2010)  
Mr David Readhead (Co-opted 18<sup>th</sup> May 2011)  
Mrs Diana Westerhoff, Appointed Natural England Verderer (Appointed from 1<sup>st</sup> June 2010)

### REVIEW OF THE YEAR

The Verderers report a surplus of income over expenditure on the general fund for the year of £77,073 (2010: surplus of income over expenditure £18,636).

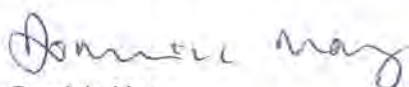
### STATEMENT OF VERDERERS RESPONSIBILITIES

The New Forest Act 1877 requires the Verderers to prepare financial statements for each financial year. In preparing their financial statements, in accordance with UK generally accepted accounting practice, the Verderers have:-

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates which are reasonable and prudent;
- prepared the financial statements on a going concern basis.

The Verderers are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the Verderers of the New Forest. The Verderers have general responsibility for instituting adequate systems of internal financial control and safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report on behalf of the Verderers of the New Forest was approved on 16<sup>th</sup> 2011 and signed on its behalf by



Dominic May  
Official Verderer

# The Verderers of the New Forest

## Report of the independent auditors

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I have audited the general fund and gridding accounts of The Verderers of the New Forest for the year ended 31 March 2011 on pages 3 to 11. These financial statements have been prepared under the accounting policies set out on page 6.

My report has been prepared in accordance with the terms of my engagement letter and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our engagement letter or has been expressly authorised to do so by our prior written consent. Save as above, I do not accept responsibility for this report to any other person or for any other purpose and I hereby expressly disclaim any and all such liability.

### *Respective responsibilities of Verderers and auditors*

As described on page 1 the Verderers, as a body, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the statement of Verderers' responsibility.

My responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

### *Scope of the audit of the financial statements*

A description of the scope of the audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### *Opinion*

In my opinion:

- the financial statements have been properly prepared in accordance with the accounting policies of the Court of Verderers.
- the information given in the Verderers' report is consistent with the financial statements.



P Bricknell FCA  
**BDO LLP**  
*Chartered Accountants  
and Registered Auditors*  
Southampton  
United Kingdom

Date: 24-1-2012

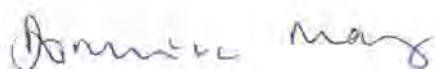
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# The Verderers of the New Forest

## General Fund Balance sheet at 31 March 2011

	Note	2011 £	2010 £
<b>ASSETS EMPLOYED</b>			
<b>Fixed assets</b>	2	133,697	30,603
<b>Current assets</b>			
Investments at cost	3	633	633
Debtors	4	37,368	43,217
Bank current account		88,571	105,219
Bank deposit account	5	171,705	140,640
Cash in hand		100	6
		<u>298,377</u>	<u>289,715</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	6	145,634	106,991
Due to Gridding Fund		47,436	44,989
		<u>193,070</u>	<u>151,980</u>
<b>Net current assets</b>		<u>105,307</u>	<u>137,735</u>
<b>Total assets less current liabilities</b>		<u>239,004</u>	<u>168,338</u>
<b>Creditors: amounts falling due after more than one year</b>	7	2,278	8,685
<b>Net assets</b>		<u>236,726</u>	<u>159,653</u>
<b>Funds employed</b>			
Funds - General	8	89,726	13,948
- Railway fund	9	147,000	145,705
<b>Funds</b>		<u>236,726</u>	<u>159,653</u>

Approved on 16/11/2011  
and signed on behalf of the Verderers by



Dominic May  
Official Verderer

# The Verderers of the New Forest

## Income and Expenditure Account at 31 March 2011

	Note	2011 £	2010 £
<b>Income</b>			
Marking fees		111,553	117,082
Forestry Commission Animal Welfare Grant		37,200	37,200
Forestry Commission compensation for loss of grazing		10,074	8,858
Forestry Commission compensation for Verderers' Inclosures		12,045	12,046
Forestry Commission administrative grant		92,226	92,226
National Park Authority grant		10,325	7,742
Investment income		916	916
Bank deposit account interest (including short term deposit)		1,927	68
O2 compensation		607	605
Search fees		6,090	5,310
Sale of impounded stock net of expenses		110	122
Other miscellaneous income		691	293
Brands		2,990	3,720
Donations		6,011	355
Verderers Grazing Scheme			
- Contribution for agister's costs		40,000	40,000
- Scheme costs recharged		49,327	46,193
- Contribution for land rovers, trailers and crush		20,002	-
- Stallion scheme contribution		10,358	-
Atlas Project grant		4,000	-
Compensation for loss of grazing		-	1,079
		416,452	373,815
<b>Expenditure</b>			
		339,379	355,179
<b>Net surplus for the year</b>			
	8 & 9	77,073	18,636

# The Verderers of the New Forest

## Expenditure Account for the year ended 31 March 2011

	Note	2011 £	2010 £
Agisters' salaries and National Insurance		110,574	106,331
Agisters' expenses allowances		22,574	20,994
Agisters' mileage		13,552	11,336
Agisters' clothing		998	731
Motor expenses		6,102	7,330
Depreciation Motor Vehicles		23,322	17,498
Profit on disposal of fixed assets		(28,335)	-
HP loan interest		974	2,049
Finance lease interest		413	103
Clerical salaries and National Insurance		42,144	47,926
Casual labour		7,262	773
Staff pension scheme		12,544	14,808
Training		310	90
Cleaning		884	832
Water rates – cattle troughs		730	800
Insurance		9,248	8,000
Telephone less repayments		6,005	6,199
Printing, stationery postage and advertising		4,133	8,350
Computer expenses		3,628	990
Legal and professional charges		8,059	600
Audit		1,980	2,904
Accountancy and bookkeeping fees		1,600	1,600
Bank charges		230	530
Sundry expenses		4,172	2,417
Verderers' honorarium		2,500	2,500
Verderers' expenses		1,086	976
Verderers' election expenses		-	14,393
Depreciation equipment		2,007	1,231
Ear tags for marking cattle		1,662	1,575
Repairs to pounds – General		1,511	2,587
Stock related expenses		1,439	1,262
Fallen stock		310	360
Welfare		343	567
Humane killers and ammunition		222	164
Exhibition expenses		663	327
Verderers Grazing Scheme		49,327	46,193
Stallion scheme		12,821	19,840
Corporation tax		385	13
Atlas Project expense		12,000	-
		339,379	355,179
		339,379	355,179

# The Verderers of the New Forest

## Notes forming part of the financial statements for the year ended 31 March 2011

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### 1 Accounting policies

#### *Basis of preparation*

The accounts are prepared under the historical cost convention. They comprise the general and gridding fund but do not include the accounts of the Countryside Stewardship Scheme and the Verderers Grazing Scheme.

#### *Forestry Commission*

Grants and compensation monies receivable from the Forestry Commission are accounted for in the period to which they relate.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Office equipment	-	over 4 years
Plant and equipment	-	over 8 years
Motor vehicles	-	over 5 years

#### *Pension Costs*

Pension costs are realisable on a systematic basis so that the costs of providing retirement benefits to employees are evenly matched, as far as is possible, to the service levels of the employees concerned.

#### *Investments*

Investments are valued at the lower of cost and net realisable value. Investment income is shown net.

#### *Marking fees*

As marking fees are charged on a calendar year basis, an accrual is made for the proportion of any fees paid in advance. Any amounts received after the year end are fully accounted for in the period in which they are received.

#### *Hire purchase and finance leases*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Grants*

Grants received are held on the balance sheet and are amortised over the same period as the assets to which the grants relate. Grants of a revenue nature are credited to the profit and loss accounts in the same year as the related expenditure.

## The Verderers of the New Forest

Notes forming part of the financial statements  
for the year ended 31 March 2011 *(Continued)*

### 2 Fixed assets

	Freehold Land £	Office Equipment £	Plant & Equipment £	Motor vehicles £	Total £
Cost:					
At 1 April 2010	322	13,874	4,959	87,491	106,646
Additions	-	-	-	140,088	140,088
Disposals	-	-	-	(87,491)	(87,491)
	<u>322</u>	<u>13,874</u>	<u>4,959</u>	<u>140,088</u>	<u>159,243</u>
<b>At 31 March 2011</b>	<b>322</b>	<b>13,874</b>	<b>4,959</b>	<b>140,088</b>	<b>159,243</b>
Depreciation					
At 1 April 2010	-	7,686	4,198	64,159	76,043
Provided during the year	-	1,697	310	23,322	25,329
Disposals	-	-	-	(75,826)	(75,826)
	<u>-</u>	<u>9,383</u>	<u>4,508</u>	<u>11,655</u>	<u>25,546</u>
<b>At 31 March 2011</b>	<b>-</b>	<b>9,383</b>	<b>4,508</b>	<b>11,655</b>	<b>25,546</b>
<b>Net book value at 31 March 2011</b>	<b>322</b>	<b>4,491</b>	<b>451</b>	<b>128,433</b>	<b>133,697</b>
Net book value at 31 March 2010	322	6,188	761	23,332	30,603

The net book value of assets held under finance lease at year end was £3,881 (2010: £4,916) and depreciation charged in the year was £1,035 (2010: £259).

## The Verderers of the New Forest

Notes forming part of the financial statements  
for the year ended 31 March 2011 (*Continued*)

		Holdings £	Cost at 1.04.10 & 31.03.11 £
<b>3</b>	<b>Investments</b>		
	The Fleming Mercantile Investment Trust Plc Ordinary shares of 25p each	633	633
	The market value of the shares at 31 March 2011 was £24,575 (2010: £15,824).		
<b>4</b>	<b>Debtors</b>	2011 £	2010 £
	Compensation monies due from the Forestry Commission	21,672	20,904
	Other debtors	9,845	5,321
	Prepayments	5,851	16,992
		37,368	43,217
<b>5</b>	<b>Bank deposit accounts</b>	2011 £	2010 £
	Monies on 30 day deposit	147,000	23,958
	Monies on call	24,705	116,682
		171,705	140,640
<b>6</b>	<b>Creditors</b>	2011 £	2010 £
	Deferred income - marking fees in advance	51,160	60,659
	- grants received	80,086	10,325
	Trade creditors	9,129	13,736
	Accruals	4,160	3,900
	Hire purchase and finance leases	1,099	18,371
		145,634	106,991
<b>7</b>	<b>Creditors: Amounts falling due after more than one year</b>	2011 £	2010 £
	Hire purchase and finance leases	2,278	8,685
		2,278	8,685

# The Verderers of the New Forest

Notes forming part of the financial statements  
for the year ended 31 March 2011 (*Continued*)

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<b>8</b>	<b>General fund</b>	<b>General fund</b>
		<b>£</b>
	Balance at 1 April 2010	13,948
	Surplus of income over expenditure for the year	75,778
		<hr/>
	Balance at 31 March 2011	89,726
		<hr/> <hr/>
<b>9</b>	<b>Railway fund</b>	<b>Railway fund</b>
		<b>£</b>
	Balance at 1 April 2010	145,705
	Surplus of income over expenditure for the year	1,295
		<hr/>
	Balance at 31 March 2011	147,000
		<hr/> <hr/>

The Railway fund arose from the sale of railway cottages in previous years, which has been held in separate bank accounts.

## 10 Contingent Asset/Liability

In the prior year, the Verderers were awarded costs totalling £33,000 in a court case. These have not been accounted for in the year to 31 March 2011, as at the date of approval of the accounts the amounts have not been received and there is no certainty in relation to this matter.

## 11 Related party transactions

During the year the Verderers charged £49,327 (2010: £46,193) of expenses to the Verderers Grazing Scheme being expenses incurred on its behalf in 2011. A grant of £100,088 (2010: £Nil) was received from the Verderers Grazing Scheme for the purchase of new Land Rovers, stock trailers and crush. The grant is being recognised as income over the life of those assets. Grants of £40,000 and £10,358 (2010: £40,000 and £Nil) were also received during the year from the Verderers Grazing Scheme, in respect of contributions towards the agisters costs and the Stallion Scheme respectively.

Included in debtors is £7,640 (2010: £3,426) relating to amounts due from the scheme.

## The Verderers of the New Forest

### Gridding fund income and expenditure account for the year ended 31 March 2011

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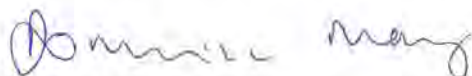
	2011 £	2010 £
<b>Income</b>		
Dividends and interest:		
The Merchants' Trust plc	1,049	1,053
Astra Zeneca Group plc	1,373	1,202
Murray Income Trust plc	25	25
	<hr/>	<hr/>
	2,447	2,280
	<hr/> <hr/>	<hr/> <hr/>

# The Verderers of the New Forest

## Gridding fund balance sheet for the year ended 31 March 2011

	2011 £	2010 £
<b>Fixed assets</b>		
Investments at cost:		
Market value £44,050 (2010: £41,978)		
Zeneca Group plc 850 25p Ordinary shares	990	990
Murray Income Trust plc 90 25p Ordinary shares	29	29
The Merchants' Trust plc 4,600 25p stock units	1,500	1,500
Premium Savings Bonds	286	286
	<u>2,805</u>	<u>2,805</u>
<b>Current assets</b>		
Due from General Fund	47,436	44,989
	<u>50,241</u>	<u>47,794</u>
<b>Accumulated fund</b>		
Balance at 1 April 2010	47,794	45,514
Surplus of income over expenditure for the year	2,447	2,280
	<u>50,241</u>	<u>47,794</u>

Approved on 16/11/2011  
and signed on behalf of the Verderers by



Dominic May  
Official Verderer