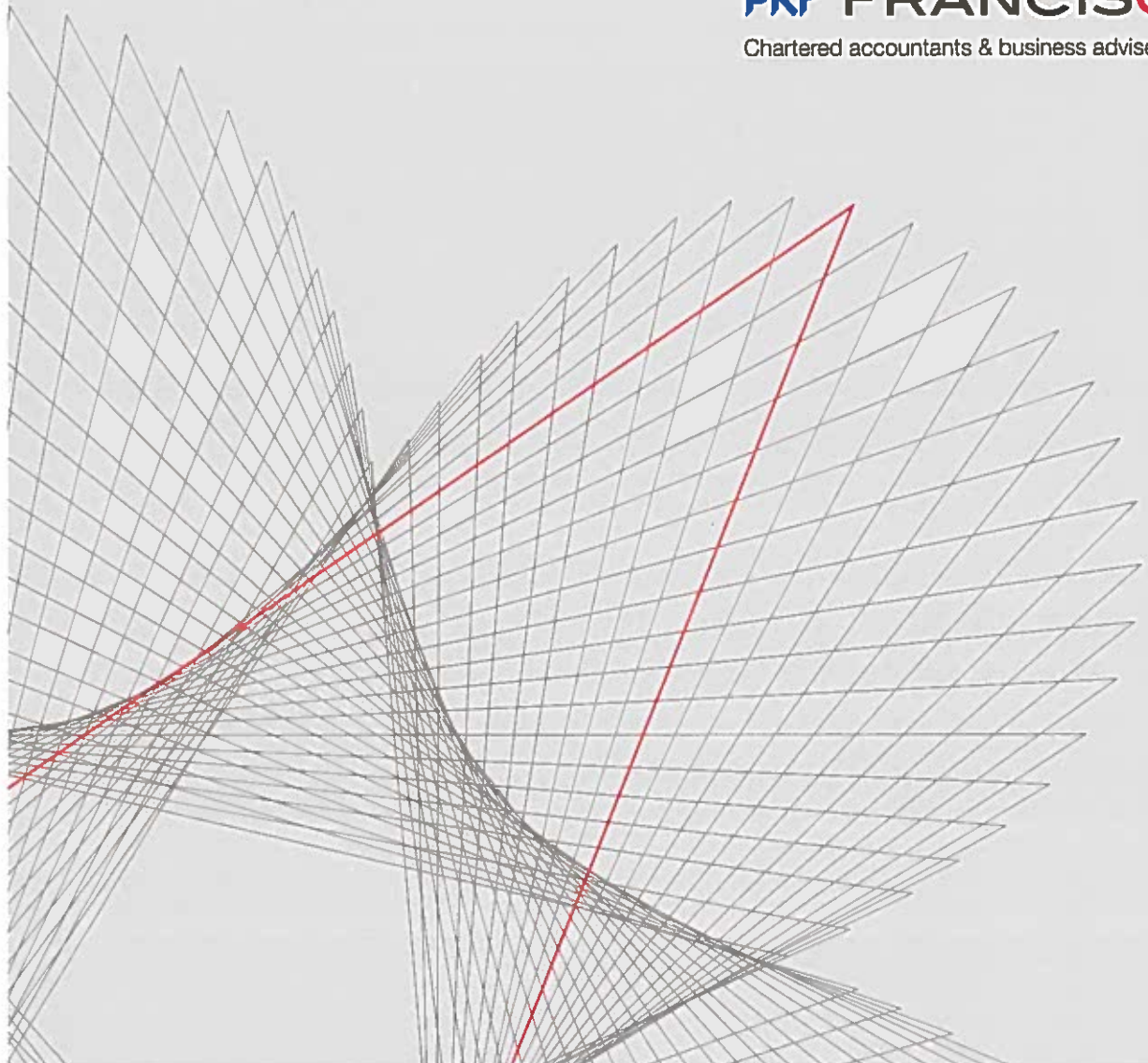


**THE VERDERERS OF THE NEW FOREST**

**Annual Report and Financial Statements  
Year ended 31 March 2019**

**PKF FRANCISCLARK**

Chartered accountants & business advisers



# **The Verderers of the New Forest**

**Annual report and financial statements  
for the year ended 31 March 2019**

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# **The Verderers of the New Forest**

## **Report of the Verderers of the New Forest for the year ended 31 March 2019**

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The Verderers present their report together with the financial statements for the year ended 31 March 2019.

### **Principal activity**

The Verderers of the New Forest act as regulators of development. Their role is also to protect and administer the New Forest's unique agricultural commoning practices, conserve its traditional landscape, wildlife and aesthetic character, including its flora and fauna, peacefulness, natural beauty and cultural heritage and safeguard a viable future for commoning upon which the foregoing depends. 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**

Lord Manners, Official Verderer  
Mr Richard Deakin, Elected Verderer  
Miss Dionis Macnair, Elected Verderer  
Mr David Readhead, Elected Verderer  
Mrs Diana Westerhoff, Appointed Natural England Verderer  
Mr Barry Dowsett, Appointed Forestry Commission Verderer  
Mr Hallam Mills, Appointed DEFRA Verderer  
Mr Jim Greenwood – Elected Verderer  
Mr Anthony Pasmore – Elected Verderer  
Mr Edward Heron – Appointed National Park Authority Verderer

### **Review of the Year**

The Verderers report a surplus of income over expenditure on the general fund for the year of £49,510 (2018: £81,834).

### **Statement of Verderers' Responsibilities**

The New Forest Act 1877 requires the Verderers to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Verderers and of the income and expenditure for both the general fund and the gridding fund for that period. In preparing these financial statements, the Verderers are required to:-

- Select appropriate accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that they will continue to operate.

## The Verderers of the New Forest

### Report of the Verderers of the New Forest for the year ended 31 March 2019 (continued)

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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 <sup>19 June 2019</sup> ..... and signed on their behalf by



Lord Manners  
Official Verderer

# The Verderers of the New Forest

## Report of the Independent Auditors to the Verderers of the New Forest

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### Opinion

We have audited the financial statements of the Verderers of the New Forest for the year ended 31 March 2019, which comprise the Statement of Income and Expenditure, Balance Sheet and Notes to the Financial Statements for the general fund and the gridding fund, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the Verderers of the New Forest's affairs as at 31 March 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Verderers of the New Forest in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Use of our report

This report is made solely to the Verderers of the New Forest, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Verderers of the New Forest those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Verderers and the Verderers of the New Forest as a body, for our audit work, for this report, or for the opinions we have formed.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Verderers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Verderers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Verderers of the New Forest's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **The Verderers of the New Forest**

### **Report of the Independent Auditor to the Verderers of the New Forest**

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#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Verderers' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Verderers' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Verderers of the New Forest and its environment obtained in the course of the audit, we have not identified material misstatements in the Verderers' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Verderers' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Verderers were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Verderers' Report and from the requirement to prepare a Strategic Report.

**The Verderers of the New Forest**  
**Report of the Independent Auditor to the Verderers of the New Forest**

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**Responsibilities of the Verderers**

As explained more fully in the Statement of Verderers' Responsibilities [set out on page 1 and 2], the Verderers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Verderers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Verderers are responsible for assessing the Verderers of the New Forest's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Verderers either intend to liquidate the Verderers of the New Forest or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Anne-Marie Gates FCCA FCA (Senior Statutory Auditor)  
PKF Francis Clark, *Statutory Auditor*  
Towngate House  
2 – 8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

Date .....24/10/2019.....

## The Verderers of the New Forest

### General Fund Balance Sheet As at 31 March 2019

	Note	2019 £	2018 £
<b>ASSETS EMPLOYED</b>			
<b>Fixed assets</b>	3	8,572	6,968
<b>Current assets</b>			
Investments at market value	4	57,494	59,631
Debtors	5	47,255	48,138
Bank current accounts		435,760	832,217
Monies on deposit	6	456,160	-
Cash in hand		129	33
		996,798	940,019
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	7	95,508	89,676
Due to Gridding Fund		69,522	66,481
		165,030	156,157
<b>Net current assets</b>		831,768	783,862
<b>Net assets</b>		840,340	790,830
<b>Funds employed</b>			
Funds – General	8	383,083	334,339
Railway Fund	9	157,257	156,491
Reserve Fund	10	300,000	300,000
<b>Funds</b>		840,340	790,830

Approved on 19 June 2019 and signed on behalf of the Verderers by

*Jul Manners*

Lord Manners  
Official Verderer



## The Verderers of the New Forest

### Income and Expenditure Account For the year ended 31 March 2019

	Note	2019 £	2018 £
<b>Income</b>			
Marking fees		259,187	248,374
Forestry Commission Animal Welfare Grant		37,200	37,200
Forestry Commission compensation for loss of grazing (estimate)		10,058	10,058
Adjustment for underprovision in previous year		177	100
Forestry Commission compensation for Verderers' inclosures (estimate)		9,869	9,869
Adjustment for underprovision in previous year		-	-
Forestry Commission administrative grant		64,806	64,806
Investment income		1,501	1,189
Bank deposit account interest (including short term deposit)		2,193	383
Telefonica and Railtrack compensation		607	607
Search fees		5,050	7,030
Other miscellaneous income		468	1,007
Brands		3,140	810
Contributions towards pony collars		160	150
Verderers Grazing Scheme			
- Contribution for Agisters' costs		45,000	45,000
- Contribution to staff costs		14,342	14,342
- Scheme costs recharged		30,144	26,781
		483,902	467,706
<b>Expenditure</b>		434,392	385,872
<b>Net surplus for the year</b>		49,510	81,834
<b>Allocated to</b>			
General fund	8	48,744	82,841
Railway fund	9	766	(1,007)
		49,510	81,834

## The Verderers of the New Forest

### Expenditure Account For the year ended 31 March 2019

	Note	2019 £	2018 £
Agisters' salaries and National Insurance		132,011	126,900
Agisters' horse expenses		22,500	22,500
Agisters' mileage		18,010	13,267
Agisters' clothing		553	1,671
Agisters' pension scheme		11,883	11,464
Motor expenses		3,417	481
Agisters' vehicle leasing		25,560	25,560
Clerical salaries and National Insurance		71,461	66,431
Casual labour		1,970	805
Staff pension scheme		8,358	8,361
Welfare		600	580
Cleaning		487	208
Water supplied to troughs and trough maintenance		1,366	1,095
Insurance		14,880	13,797
Telephone less repayments		6,393	5,951
Printing, stationery, postage and advertising		13,720	7,194
Computer expenses		6,336	3,223
Legal and professional charges		9,333	4,126
Audit		5,400	5,400
Bank charges		92	77
Sundry expenses		4,137	7,501
Verderers' honorarium		5,206	5,221
Verderers' election expenses		10,338	-
Depreciation equipment		2,991	2,106
Ear tags for marking cattle		4,464	431
Repairs to pounds – General		3,618	14,006
Stock related expenses		610	4,876
Fallen stock		-	290
Humane killers and ammunition		1,000	1,178
Verderers Grazing Scheme		30,144	26,781
Speed Camera partnership		-	10,703
Corporation tax due for the year		417	73
Contribution towards demolition of Swan Green pavilion		15,000	-
Decrease/(increase) in market value of investments		2,137	(6,385)
		434,392	385,872

# The Verderers of the New Forest

Notes forming part of the financial statements  
For the year ended 31 March 2019

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## 1 Accounting policies

### *Basis of preparation*

The accounts are prepared under the historical cost convention, modified to include certain items at fair value. They comprise the general and gridding fund but do not include the accounts of 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 possible, to the service levels of the employees concerned.

### *Investments*

Investments are valued at market 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 income and expenditure account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the income and expenditure 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.

## The Verderers of the New Forest

Notes forming part of the financial statements  
For the year ended 31 March 2019 (continued)

### 1 Accounting policies (continued)

All other leases are treated as operating leases. Their annual rentals are charged to the income and expenditure 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 income and expenditure account in the same year as the related expenditure.

### 2 Verderers' honorarium

During the year, honorarium of £5,000 (gross) (2018 : £5,000) was paid to elected Verderers. Each elected Verderer is entitled to £1,000 (2018 : £1,000) honorarium per complete year served. In addition employer's national insurance of £206 (2018 : £221) was paid.

### 3 Fixed assets

	Freehold Land £	Office Equipment £	Plant and equipment £	Trailers £	Total £
<b>Cost</b>					
At 1 April 2018	322	18,957	7,822	34,261	61,362
Additions	-	4,595	-	-	4,595
Disposals	-	-	-	-	-
<b>At 31 March 2019</b>	<u>322</u>	<u>23,552</u>	<u>7,822</u>	<u>34,261</u>	<u>65,957</u>
<b>Depreciation</b>					
At 1 April 2018	-	15,649	4,484	34,261	54,394
For year	-	2,323	668	-	2,991
On disposals	-	-	-	-	-
<b>At 31 March 2019</b>	<u>-</u>	<u>17,972</u>	<u>5,152</u>	<u>34,261</u>	<u>57,385</u>
<b>Net book value at 31 March 2019</b>	<u>322</u>	<u>5,580</u>	<u>2,670</u>	<u>-</u>	<u>8,572</u>
<b>Net book value at 31 March 2018</b>	<u>322</u>	<u>3,308</u>	<u>3,338</u>	<u>-</u>	<u>6,968</u>

## The Verderers of the New Forest

Notes forming part of the financial statements  
For the year ended 31 March 2019 (continued)

### 4 Investments

	2019	2018
	£	£
The Fleming Mercantile Investment Trust Plc Ordinary shares of 2.5p each (2018 25p each) at market value	57,494	59,631

The cost of the shares at 31 March 2019 was £633 (2018: £633).

### 5 Debtors

	2019	2018
	£	£
Compensation monies due from the Forestry Commission	39,856	38,979
Other debtors	1,146	3,014
Prepayments	6,253	6,145
	<u>47,255</u>	<u>48,138</u>

### 6 Bank deposit accounts

	2019	2018
	£	£
Monies on deposit	456,160	-
	<u>456,160</u>	<u>-</u>

### 7 Creditors

	2019	2018
	£	£
Deferred income – marking fees in advance	72,390	82,376
Trade creditors	2,229	2,187
Accruals	5,400	5,040
Other creditors	15,000	-
Corporation tax	489	73
	<u>95,508</u>	<u>89,676</u>

## The Verderers of the New Forest

Notes forming part of the financial statements  
For the year ended 31 March 2019 (continued)

### 8 General Fund

	<b>General Fund</b>
	<b>£</b>
Balance at 1 April 2018	334,339
Surplus of income over expenditure for the year	48,744
Transfer to reserve fund	-
<b>Balance at 31 March 2019</b>	<b>383,083</b>

### 9 Railway Fund

	<b>Railway Fund</b>
	<b>£</b>
Balance at 1 April 2018	156,491
Surplus of income over expenditure for the year	766
<b>Balance at 31 March 2019</b>	<b>157,257</b>

The Railway Fund arose from the sale of railway cottages in previous years, and the money is held in a separate bank account. The money cannot be used for day-to-day running expenses. The money must be used for the benefit of commoning.

### 10 Reserve Fund

	<b>Reserve Fund</b>
	<b>£</b>
Balance at 1 April 2018	300,000
Transfer from general fund	-
<b>Balance at 31 March 2019</b>	<b>300,000</b>

The Reserve Fund has been created as it is considered prudent to anticipate that financial difficulties may be encountered at the end of the Higher Level Scheme and E U subsidies.

## The Verderers of the New Forest

Notes forming part of the financial statements  
For the year ended 31 March 2019 (continued)

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### 11 Commitments

The Verderers have leased five Land Rovers for use by the Agisters. The leasing agreement runs for six years from 1 January 2016 to 31 December 2021. The annual commitment under this lease is £5,112 per Land Rover and £25,560 for the five Land Rovers. The total commitment under this lease at 31 March 2019 is £70,290 (2018: £95,850).

### 12 Staff numbers

The average number of staff employed by the Verderers was 7 (2018 : 7).

### 13 Related party transactions

The Higher Level Stewardship Scheme (of which the Verderers Grazing Scheme is a part) is a land management scheme funded by Natural England and jointly administered by the Verderers, the Forestry Commission and the New Forest National Park Authority. The following transactions were incurred with the Verderers Grazing Scheme:

During the year, the Verderers charged £30,144 (2018: £26,781) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in the year ended 31 March 2019. A grant of £45,000 (2018: £45,000) was also receivable during the year from the Verderers Grazing Scheme, in respect of contributions towards the Agisters' costs.

In addition, £14,342 (2018: £14,342) was receivable in respect of administration staff costs.

Included in debtors are £1,146 (2018: £3,014) 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 2019

	Note	2019 £	2018 £
<b>Income</b>			
Dividends and interest:			
The Merchants' Trust plc		1,183	1,132
Astra Zeneca group plc		1,829	1,721
Murray Income Trust plc		29	31
		<u>3,041</u>	<u>2,884</u>
Increase/(decrease) in market value of investments		10,214	(935)
		<u>13,255</u>	<u>1,949</u>
Surplus of income over expenditure			



## The Verderers of the New Forest

### Gridding Fund Balance Sheet As at 31 March 2019

	2019	2018
<b>Fixed assets</b>		
Cost £2,805 (2018: £2,805)		
<b>Investments at market value:</b>		
Zeneca Group plc	52,148	41,612
- 850 25p Ordinary shares		
Murray Income Trust plc	754	708
- 90 25p Ordinary shares		
The Merchants' Trust plc	22,770	23,138
- 4,600 25p stock units		
	75,672	65,458
<b>Current assets</b>		
Due from General Fund	69,522	66,481
	145,194	131,939
<b>Accumulated fund</b>		
Balance at 1 April 2018	131,939	129,990
Surplus of income over expenditure for the year	13,255	1,949
	145,194	131,939

Approved on 19 June 2019 and signed on behalf of the Verderers by

  
 Lord Manners  
 Official Verderer

