

# **THE VERDERERS OF THE NEW FOREST**

**Annual Report and Financial Statements  
Year ended 31 March 2020**

# **The Verderers of the New Forest**

## **Annual report and financial statements for the year ended 31 March 2020**

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# **The Verderers of the New Forest**

## **Report of the Verderers of the New Forest for the year ended 31 March 2020**

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The Verderers present their report together with the financial statements for the year ended 31 March 2020.

### **Principal activity**

The role of the Verderers of the New Forest is 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 also act as regulators of development. They work in conjunction with Natural England, the New Forest National Park Authority and with Forestry England, 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 MBE, 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 - retired July 2019  
Mr Richard Manley, Appointed DEFRA Verderer – appointed July 2019  
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 £40,257 (2019: £49,510).

### **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 2020 (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.

#### **Post balance sheet events**

We have considered the impact of Covid 19 in the current year. Due to the nature of the organisation we consider the pandemic will have no material effect.

The report on behalf of the Verderers of the New Forest was approved on 7 December 2020 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 2020, 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 2020 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 22 December 2020

# The Verderers of the New Forest

## General Fund Balance Sheet As at 31 March 2020

	Note	2020 £	2019 £
<b>ASSETS EMPLOYED</b>			
<b>Fixed assets</b>	3	7,040	8,572
<b>Current assets</b>			
Investments at market value	4	43,757	57,494
Debtors	5	27,738	47,255
Bank current accounts		209,056	435,760
Monies on deposit	6	759,886	456,160
Cash in hand		54	129
		<u>1,040,491</u>	<u>996,798</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	7	94,285	95,508
Due to Gridding Fund		72,649	69,522
		<u>166,934</u>	<u>165,030</u>
<b>Net current assets</b>		<u>873,557</u>	<u>831,768</u>
<b>Net assets</b>		<u>880,597</u>	<u>840,340</u>
<b>Funds employed</b>			
Funds – General	8	122,227	383,083
Railway Fund	9	158,370	157,257
Reserve Fund	10	600,000	300,000
<b>Funds</b>		<u>880,597</u>	<u>840,340</u>

Approved on 7 December 2020 and signed on behalf of the Verderers by

Lord Manners  
Official Verderer

## The Verderers of the New Forest

### Income and Expenditure Account For the year ended 31 March 2020

	Note	2020 £	2019 £
<b>Income</b>			
Marking fees		286,388	259,187
Forestry England Animal Welfare Grant		37,200	37,200
Forestry England compensation for loss of grazing		9,108	10,058
Adjustment for underprovision in previous year		25	177
Forestry England compensation for Verderers' inclosures		9,869	9,869
Adjustment for underprovision in previous year		-	-
Forestry England administrative grant		64,806	64,806
Investment income		1,679	1,501
Bank deposit account interest (including short term deposit)		3,726	2,193
Telefonica and Railtrack compensation		607	607
Search fees		4,100	5,050
Other miscellaneous income		112	468
Brands		2,140	3,140
Contributions towards pony collars		168	160
Verderers Grazing Scheme			
- Contribution for Agisters' costs		45,000	45,000
- Contribution to staff costs		15,812	14,342
- Scheme costs recharged		24,577	30,144
		505,317	483,902
<b>Expenditure</b>		465,060	434,392
<b>Net surplus for the year</b>		40,257	49,510
<b>Allocated to</b>			
General fund	<b>8</b>	39,144	48,744
Railway fund	<b>9</b>	1,113	766
		40,257	49,510

## The Verderers of the New Forest

### Expenditure Account For the year ended 31 March 2020

	Note	2020 £	2019 £
Agisters' salaries and National Insurance		135,150	132,011
Agisters' horse expenses		27,500	22,500
Agisters' mileage		16,475	18,010
Agisters' clothing		1,740	553
Agisters' pension scheme		12,184	11,883
Motor expenses		3,936	3,417
Agisters' vehicle leasing		25,560	25,560
Clerical salaries and National Insurance		69,288	71,461
Casual labour		2,270	1,970
Staff pension scheme		10,143	8,358
Welfare		630	600
Cleaning		1,463	487
Water supplied to troughs and trough maintenance		1,447	1,366
Insurance		16,150	14,880
Telephone less repayments		5,943	6,393
Printing, stationery, postage and advertising		23,593	13,720
Computer expenses		5,955	6,336
Legal and professional charges		13,011	9,333
Audit		5,520	5,400
Bank charges		77	92
Sundry expenses (inc. contributions to external reports)		9,362	4,137
Verderers' honorarium		5,194	5,206
Verderers' election expenses		-	10,338
Depreciation equipment		3,294	2,991
Ear tags for marking cattle		1,355	4,464
Repairs to pounds – General		1,215	3,618
Stock related expenses		4,435	610
Training		800	-
Humane killers and ammunition		940	1,000
Verderers Grazing Scheme		24,577	30,144
Speed Camera partnership		21,405	-
Corporation tax due for the year		710	417
Contribution towards demolition of Swan Green pavilion		-	15,000
Decrease/(increase) in market value of investments		13,738	2,137
		465,060	434,392

# The Verderers of the New Forest

## Notes forming part of the financial statements For the year ended 31 March 2020

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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 England*

Grants and compensation monies receivable from the Forestry England 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) (2019 : £5,000) was paid to elected Verderers. Each elected Verderer is entitled to £1,000 (2019 : £1,000) honorarium per complete year served. In addition employer's national insurance of £194 (2019 : £206) was paid.

### 3 Fixed assets

	Freehold Land £	Office Equipment £	Plant and equipment £	Trailers £	Total £
<b>Cost</b>					
At 1 April 2019	322	23,552	7,822	34,261	65,957
Additions	-	1,523	238	-	1,761
Disposals	-	-	-	-	-
<b>At 31 March 2020</b>	<b>322</b>	<b>25,075</b>	<b>8,060</b>	<b>34,261</b>	<b>67,718</b>
<b>Depreciation</b>					
At 1 April 2019	-	17,972	5,152	34,261	57,385
For year	-	2,596	697	-	3,293
On disposals	-	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>20,568</b>	<b>5,849</b>	<b>34,261</b>	<b>60,678</b>
<b>Net book value at 31 March 2020</b>	<b>322</b>	<b>4,507</b>	<b>2,211</b>	<b>-</b>	<b>7,040</b>
Net book value at 31 March 2019	322	5,580	2,670	-	8,572

## The Verderers of the New Forest

### Notes forming part of the financial statements For the year ended 31 March 2020 (continued)

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#### 4 Investments

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The Fleming Mercantile Investment Trust Plc Ordinary shares of 2.5p each at market value	43,757	57,494
	<hr/>	<hr/>

The cost of the shares at 31 March 2020 was £633 (2019: £633).

#### 5 Debtors

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Compensation monies due from Forestry England	18,978	39,856
Other debtors	2,230	1,146
Prepayments	6,530	6,253
	<hr/>	<hr/>
	27,738	47,255
	<hr/>	<hr/>

#### 6 Bank deposit accounts

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Monies on deposit	759,886	456,160
	<hr/>	<hr/>
	759,886	456,160
	<hr/>	<hr/>

#### 7 Creditors

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income – marking fees in advance	70,690	72,390
Trade creditors	2,367	2,229
Accruals	5,520	5,400
Other creditors	15,000	15,000
Corporation tax	708	489
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	94,285	95,508
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# The Verderers of the New Forest

## Notes forming part of the financial statements For the year ended 31 March 2020 (continued)

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### 8 General Fund

	<b>General Fund</b>
	<b>£</b>
Balance at 1 April 2019	383,083
Surplus of income over expenditure for the year	39,144
Transfer to reserve fund	(300,000)
<b>Balance at 31 March 2020</b>	<b>122,227</b>

### 9 Railway Fund

	<b>Railway Fund</b>
	<b>£</b>
Balance at 1 April 2019	157,257
Surplus of income over expenditure for the year	1,113
<b>Balance at 31 March 2020</b>	<b>158,370</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 2019	300,000
Transfer from general fund	300,000
<b>Balance at 31 March 2020</b>	<b>600,000</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 2020 (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 2020 is £44,730 (2019: £70,290).

### 12 Staff numbers

The average number of staff employed by the Verderers was 7 (2019 : 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, Forestry England and the New Forest National Park Authority. The following transactions were incurred with the Verderers Grazing Scheme:

During the year, the Verderers charged £24,577 (2019: £30,144) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in the year ended 31 March 2020. A grant of £45,000 (2019: £45,000) was also receivable during the year from the Verderers Grazing Scheme, in respect of contributions towards the Agisters' costs.

In addition, £15,812 (2019: £14,342) was receivable in respect of administration staff costs.

Included in debtors are £2,230 (2019: £1,146) 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 2020

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	Note	2020 £	2019 £
<b>Income</b>			
Dividends and interest:			
The Merchants' Trust plc		1,237	1,183
Astra Zeneca group plc		1,859	1,829
Murray Income Trust plc		31	29
		<hr/>	<hr/>
		3,127	3,041
		<hr/>	<hr/>
Increase/(decrease) in market value of investments		2,165	10,214
		<hr/>	<hr/>
		5,292	13,255
		<hr/>	<hr/>
Surplus of income over expenditure			

# The Verderers of the New Forest

## Gridding Fund Balance Sheet As at 31 March 2020

	2020	2019
<b>Fixed assets</b>		
Cost £2,805 (2019: £2,805)		
Investments at market value:		
Zeneca Group plc	60,843	52,148
- 850 25p Ordinary shares		
Murray Income Trust plc	618	754
- 90 25p Ordinary shares		
The Merchants' Trust plc	16,376	22,770
- 4,600 25p stock units		
	<u>77,837</u>	<u>75,672</u>
<b>Current assets</b>		
Due from General Fund	72,649	69,522
	<u>150,486</u>	<u>145,194</u>
<b>Accumulated fund</b>		
Balance at 1 April 2019	145,194	131,939
Surplus of income over expenditure for the year	5,292	13,255
	<u>150,486</u>	<u>145,194</u>

Approved on 7 December 2020 and signed on behalf of the Verderers by

Lord Manners  
Official Verderer