

THE VERDERERS OF THE NEW FOREST

**Annual Report and Financial Statements
Year ended 31 March 2021**

The Verderers of the New Forest

Annual report and financial statements for the year ended 31 March 2021

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The Verderers of the New Forest

Report of the Verderers of the New Forest for the year ended 31 March 2021

The Verderers present their report together with the financial statements for the year ended 31 March 2021.

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 – retired November 2020

Mr David Readhead, Elected Verderer

Mrs Diana Westerhoff, Appointed Natural England Verderer

Mr Barry Dowsett, Appointed Forestry England Verderer

Mr Richard Manley, Appointed DEFRA Verderer

Mr Jim Greenwood – Elected Verderer

Mr Anthony Pasmore – Elected Verderer

Dr Graham Ferris – Co-opted Elected Verderer – appointed January 2021

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 £128,241 (2020: £40,257).

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 have considered the impact of Covid 19 and conclude that the pandemic has no effect on going concern.

The Verderers of the New Forest

Report of the Verderers of the New Forest for the year ended 31 March 2021 (continued)

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 15 September 2021 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

Opinion

We have audited the financial statements of the Verderers of the New Forest for the year ended 31 March 2021 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 2021 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

In auditing the financial statements, we have concluded that the Verderers use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Verderers ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Verderers with respect to going concern are described in the relevant sections of this report.

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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Verderers. We gained an understanding of the Verderers as part of this assessment to identify the key laws and regulations affecting the Verderers. As part of this, we reviewed the Verderers website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were health and safety regulations and breaches of The General Data Protection Regulation (GDPR).

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring the Verderers comply with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Verderers and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

The Verderers of the New Forest

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

Discussed with management if any health and safety incidents have been recorded during the year, of which there were none.

Review of the GDPR policy and enquiries to management as to the occurrence of any reportable breaches, of which there were none.

Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance, of which there were none.

Reviewed Court minutes.

Reviewed estimates and judgements made in the accounts for any indication of bias, of which there were none.

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. 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 5 October 2021

The Verderers of the New Forest

General Fund Balance Sheet As at 31 March 2021

	Note	2021 £	2020 £
ASSETS EMPLOYED			
Fixed assets	3	3,747	7,040
		_____	_____
Current assets			
Investments at market value	4	64,618	43,757
Debtors	5	29,862	27,738
Bank current accounts		328,635	209,056
Monies on deposit	6	760,502	759,886
Cash in hand		54	54
		_____	_____
		1,183,671	1,040,491
		_____	_____
Current liabilities			
Creditors: Amounts falling due within one year	7	102,889	94,285
Due to Gridding Fund		75,691	72,649
		_____	_____
		178,580	166,934
		_____	_____
Net current assets		1,005,091	873,557
		_____	_____
Net assets		1,008,838	880,597
		_____	_____
Funds employed			
Funds – General	8	250,342	122,227
Railway Fund	9	158,496	158,370
Reserve Fund	10	600,000	600,000
		_____	_____
Funds		1,008,838	880,597
		_____	_____

Approved on 15 September 2021 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 2021

	Note	2021 £	2020 £
Income			
Marking fees		294,435	286,388
Forestry England Animal Welfare Grant		37,200	37,200
Forestry England compensation for loss of grazing		9,108	9,108
Adjustment for underprovision in previous year		-	25
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	1,679
Bank deposit account interest (including short term deposit)		617	3,726
Telefonica and Railtrack compensation		607	607
Search fees		5,000	4,100
Other miscellaneous income		5,855	112
Brands		3,520	2,140
Contributions towards pony collars		-	168
Verderers Grazing Scheme			
- Contribution for Agisters' costs		45,000	45,000
- Contribution to staff costs		15,812	15,812
- Scheme costs recharged		28,241	24,577
		521,749	505,317
Expenditure		393,508	465,060
Net surplus for the year		128,241	40,257
Allocated to			
General fund	8	128,115	39,144
Railway fund	9	126	1,113
		128,241	40,257

The Verderers of the New Forest

Expenditure Account For the year ended 31 March 2021

	Note	2021 £	2020 £
Agisters' salaries and National Insurance		138,473	135,150
Agisters' horse expenses		27,500	27,500
Agisters' mileage		14,871	16,475
Agisters' clothing		645	1,740
Agisters' pension scheme		12,488	12,184
Motor expenses		1,695	3,936
Agisters' vehicle leasing		25,560	25,560
Clerical salaries and National Insurance		72,050	69,288
Casual labour		1,180	2,270
Staff pension scheme		10,590	10,143
Welfare		-	630
Cleaning		54	1,463
Water supplied to troughs and trough maintenance		1,588	1,447
Insurance		18,330	16,150
Telephone less repayments		6,026	5,943
Printing, stationery, postage and advertising		4,756	23,593
Computer expenses		4,263	5,955
Legal and professional charges		2,877	13,011
Audit		6,060	5,520
Bank charges		92	77
Sundry expenses (inc. contributions to external reports)		4,549	9,362
Verderers' honorarium		7,754	5,194
Verderers' election expenses		-	-
Depreciation equipment		3,294	3,294
Ear tags for marking cattle		5,405	1,355
Repairs to pounds – General		7,144	1,215
Stock related expenses		7,387	4,435
Training		-	800
Humane killers and ammunition		1,380	940
Verderers Grazing Scheme		28,241	24,577
Speed Camera partnership		-	21,405
Corporation tax due for the year		117	710
Contribution towards demolition of Swan Green pavilion		-	-
(Increase)/decrease in market value of investments		(20,861)	13,738
		393,508	465,060

The Verderers of the New Forest

Notes forming part of the financial statements For the year ended 31 March 2021

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 2021 (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 £7,500 (gross) (2020 : £5,000) was paid to elected Verderers. Each elected Verderer is entitled to £1,500 (2020 : £1,000) honorarium per complete year served. In addition employer's national insurance of £254 (2020 : £194) was paid.

3 Fixed assets

	Freehold Land £	Office Equipment £	Plant and equipment £	Trailers £	Total £
Cost					
At 1 April 2020	322	25,075	8,060	34,261	67,718
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2021	322	25,075	8,060	34,261	67,718
Depreciation					
At 1 April 2020	-	20,568	5,849	34,261	60,678
For year	-	2,596	697	-	3,293
On disposals	-	-	-	-	-
At 31 March 2021	-	23,164	6,546	34,261	63,971
Net book value at 31 March 2021	322	1,911	1,514	-	3,747
Net book value at 31 March 2020	322	4,507	2,211	-	7,040

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2021 (continued)

4 Investments

	2021	2020
	£	£
The Fleming Mercantile Investment Trust Plc Ordinary shares of 2.5p each at market value	64,618	43,757

The cost of the shares at 31 March 2021 was £633 (2020: £633).

5 Debtors

	2021	2020
	£	£
Compensation monies due from Forestry England	18,978	18,978
Other debtors	3,524	2,230
Prepayments	7,360	6,530
	<u>29,862</u>	<u>27,738</u>

6 Bank deposit accounts

	2021	2020
	£	£
Monies on deposit	760,502	759,886
	<u>760,502</u>	<u>759,886</u>

7 Creditors

	2021	2020
	£	£
Deferred income – marking fees in advance	75,104	70,690
Trade creditors	2,408	2,367
Accruals	6,000	5,520
Other creditors	19,260	15,000
Corporation tax	117	708
	<u>102,889</u>	<u>94,285</u>

The Verderers of the New Forest

Notes forming part of the financial statements For the year ended 31 March 2021 (continued)

8 General Fund

	General Fund
	£
Balance at 1 April 2020	122,227
Surplus of income over expenditure for the year	128,115
Transfer to reserve fund	-
Balance at 31 March 2021	250,342

9 Railway Fund

	Railway Fund
	£
Balance at 1 April 2020	158,370
Surplus of income over expenditure for the year	126
Balance at 31 March 2021	158,496

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

	Reserve Fund
	£
Balance at 1 April 2020	600,000
Transfer from general fund	-
Balance at 31 March 2021	600,000

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 2021 (continued)

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 2021 is £19,170 (2020: £44,730).

12 Staff numbers

The average number of staff employed by the Verderers was 7 (2020 : 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 £28,241 (2020: £24,577) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in the year ended 31 March 2021. A grant of £45,000 (2020: £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 (2020: £15,812) was receivable in respect of administration staff costs.

Included in debtors are £3,524 (2020: £2,230) 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 2021

	Note	2021 £	2020 £
Income			
Dividends and interest:			
The Merchants' Trust plc		1,251	1,237
Astra Zeneca group plc		1,760	1,859
Murray Income Trust plc		31	31
		<hr/>	<hr/>
		3,042	3,127
		<hr/>	<hr/>
Increase/(decrease) in market value of investments		7,018	2,165
		<hr/>	<hr/>
Surplus of income over expenditure		10,060	5,292
		<hr/>	<hr/>

The Verderers of the New Forest

Gridding Fund Balance Sheet As at 31 March 2021

	2021	2020
Fixed assets		
Cost £2,805 (2020: £2,805)		
Investments at market value:		
Zeneca Group plc	61,600	60,843
- 850 25p Ordinary shares		
Murray Income Trust plc	761	618
- 90 25p Ordinary shares		
The Merchants' Trust plc	22,494	16,376
- 4,600 25p stock units		
	<u>84,855</u>	<u>77,837</u>
Current assets		
Due from General Fund	75,691	72,649
	<u>160,546</u>	<u>150,486</u>
Accumulated fund		
Balance at 1 April 2020	150,486	145,194
Surplus of income over expenditure for the year	10,060	5,292
	<u>160,546</u>	<u>150,486</u>

Approved on 15 September 2021 and signed on behalf of the Verderers by

Lord Manners
Official Verderer