

THE VERDERERS OF THE NEW FOREST

Report and Financial Statements

Year ended

31 March 2016

PKF FRANCISCLARK

Chartered accountants & business advisers

The Verderers of the New Forest

**Annual report and financial statements
for the year ended 31 March 2016**

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The Verderers of the New Forest

Report of the Verderers of the New Forest for the year ended 31 March 2016

The Verderers present their report together with the financial statements for the year ended 31 March 2016.

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

Mr Richard Deakin, Elected Verderer

Mr Anthony Gerrelli, Elected Verderer – retired 27 November 2015

Miss Dionis Macnair, Elected Verderer

Mr Clive Maton, Appointed National Park Authority Verderer – retired July 2015

Mr David Readhead, Elected Verderer

Mrs Diana Westerhoff, Appointed Natural England Verderer

Mr Barry Dowsett, Appointed Forestry Commission Verderer

Mr Richard Stride, Co-opted – retired 27 November 2015

Mr Hallam Mills, Appointed DEFRA Verderer

Mr Jim Greenwood – Elected Verderer – elected 27 November 2015

Mr Anthony Pasmore – Elected Verderer – elected 27 November 2015

Mr Edward Heron – Appointed National Park Authority Verderer – appointed 16 September 2015

Review of the Year

The Verderers report a surplus of income over expenditure on the general fund for the year of £86,464 (2015: £21,952).

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 2016 (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 June 2016 and signed on their behalf by



Dominic May
Official Verderer

The Verderers of the New Forest

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

I have audited the financial statements of The Verderers of the New Forest for the year ended 31 March 2016, which comprise the general fund and the gridding fund as set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Verderers of The New Forest, as a body. My audit work has been undertaken so that I might state to the Verderers of The New Forest those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Verderers of The New Forest as a body, for my audit work, for this report or for the opinions I have formed.

Respective responsibilities of Verderers and auditors

As explained more fully in the Statement of Verderers' Responsibilities set out on pages 1 and 2, the Verderers are responsible for the preparation of the financial statements which give a true and fair view.

My responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard – Provisions Available for Small Entities (Revised)", in the circumstances set out in note 12 to the financial statements.

Scope of the audit of the financial statements

A description of the scope of the audit of the financial statements is provided on the APB's website at 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.
- The financial statements give a true and fair view of the state of affairs of the Verderers as at 31 March 2016 and of its income and expenditure for the year then ended.

Anne-Marie Gates FCCA ACA
PKF Francis Clark
Chartered Accountants and Statutory Auditors
The George Business Centre
Christchurch Road
New Milton



Date 21 June 2016

PKF Francis Clark is a limited liability partnership registered in England and Wales (with registered number OC349116)

The Verderers of the New Forest

General Fund Balance Sheet As at 31 March 2016

	Note	2016 £	2015 £
ASSETS EMPLOYED			
Fixed Assets	3	5,846	3,848
Current assets			
Investments at cost	4	633	633
Debtors	5	53,685	29,439
Bank current accounts		309,925	593,595
Bank deposit account	6	352,000	-
Cash in hand		21	1
		716,264	623,668
Current liabilities			
Creditors: Amounts falling due within one year	7	90,073	84,678
Due to Gridding Fund		60,592	57,857
		150,665	142,535
Net current assets		565,599	481,133
Net assets		571,445	484,981
Funds employed			
Funds – General	8	417,097	331,625
Railway Fund	9	154,348	153,356
Funds		571,445	484,981

Approved on 15 June 2016 and signed on behalf of the Verderers by


 Dominic May
 Official Verderer

The Verderers of the New Forest

Income and Expenditure Account For the year ended 31 March 2016

	Note	2016 £	2015 £
Income			
Marking fees		212,623	185,253
Forestry Commission Animal Welfare Grant		37,200	37,200
Forestry Commission compensation for loss of grazing (estimate)		9,133	9,283
Adjustment for overprovision in previous year		(150)	(296)
Forestry Commission compensation for Verderers' inclosures (estimate)		9,869	9,869
Adjustment for underprovision in previous year		-	290
Forestry Commission administrative grant		64,806	64,806
Investment income		1,196	1,018
Bank deposit account interest (including short term deposit)		1,021	2,404
Telefonica and Railtrack compensation		607	607
Search fees		5,200	5,715
Other miscellaneous income		415	816
Brands		5,300	2,740
Donations		165	654
Disposal of vehicles		35,000	-
Verderers Grazing Scheme			
- Contribution for Agisters' costs		45,000	45,000
- Contribution to staff costs		13,009	10,325
- Scheme costs recharged		36,642	42,573
- Amortised contribution for Land Rovers, trailers and crush		-	21,837
		477,036	440,094
Expenditure		390,572	418,142
Net surplus for the year	8&9	86,464	21,952

The Verderers of the New Forest

Expenditure Account For the year ended 31 March 2016

	Note	2016 £	2015 £
Agisters' salaries and National Insurance		119,110	116,706
Agisters' horse expenses		22,500	22,500
Agisters' mileage		11,391	13,431
Agisters' clothing		3,258	2,430
Agisters' pension scheme		10,756	10,545
Motor expenses		23,338	12,669
Agisters' vehicle leasing		6,390	-
Depreciation motor vehicles		-	46,921
Clerical salaries and National Insurance		58,182	57,844
Casual labour		225	335
Staff pension scheme		7,669	6,721
Rent		100	-
Training		4,847	150
Cleaning		1,803	875
Water supplied to troughs		923	1,291
Insurance		11,489	12,488
Telephone less repayments		4,989	4,952
Printing, stationery, postage and advertising		10,653	14,179
Computer expenses		2,081	4,233
Legal and professional charges		3,025	3,165
Audit		4,140	4,140
Bank charges		77	32
Sundry expenses		6,785	6,861
Verderers' honorarium		5,224	5,000
Verderers' expenses		-	467
Verderers' election expenses		4,200	-
Depreciation equipment		1,040	376
Ear tags for marking cattle		2,268	2,036
Repairs to pounds – General		2,709	246
Stock related expenses		2,315	1,788
Fallen stock		-	125
Welfare		-	862
Humane killers and ammunition		834	315
Verderers Grazing Scheme		36,642	42,573
Speed Camera partnership		21,405	21,405
Income tax deducted at source		204	481
		390,572	418,142

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2016

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 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 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 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 2015 (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) (2015 : £5,000) was paid to elected Verderers. Each elected Verderer is entitled to £1,000 (2015 : £1,000) honorarium per complete year served. In addition employer's national insurance of £224 (2015 : nil) was paid.

3 Fixed assets

	Freehold Land £	Office Equipment £	Plant & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2015	322	14,929	7,694	147,347	170,292
Additions	-	432	2,606	-	3,038
Disposals		(521)	(900)	(113,086)	(114,507)
At 31 March 2016	<u>322</u>	<u>14,840</u>	<u>9,400</u>	<u>34,261</u>	<u>58,823</u>
Depreciation					
At 1 April 2015	-	14,137	4,960	147,347	166,444
For year	-	372	668	-	1,040
On disposals	-	(521)	(900)	(113,086)	(114,507)
At 31 March 2016	<u>-</u>	<u>13,988</u>	<u>4,728</u>	<u>34,261</u>	<u>52,977</u>
Net book value at 31 March 2016	<u>322</u>	<u>852</u>	<u>4,672</u>	<u>-</u>	<u>5,846</u>
Net book value at 31 March 2015	<u>322</u>	<u>792</u>	<u>2,734</u>	<u>-</u>	<u>3,848</u>

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2016 (continued)

4 Investments

	2016	2015
	£	£
The Fleming Mercantile Investment Trust Plc Ordinary shares of 25p each at cost	633	633

The market value of the shares at 31 March 2016 was £42,256 (2015: £46,250).

5 Debtors

	2016	2015
	£	£
Compensation monies due from the Forestry Commission	19,002	19,152
Other debtors	29,317	2,964
Prepayments	5,366	7,323
	<u>53,685</u>	<u>29,439</u>

6 Bank deposit accounts

	2016	2015
	£	£
Monies on 30 day deposit	352,000	-
	<u>352,000</u>	<u>-</u>

7 Creditors

	2016	2015
	£	£
Deferred Income – marking fees in advance	83,863	78,468
Trade creditors	2,070	2,070
Accruals	4,140	4,140
	<u>90,073</u>	<u>84,678</u>

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2016 (continued)

8 General Fund

	General Fund £
Balance at 1 April 2015	331,625
Surplus of income over expenditure for the year	85,472
Balance at 31 March 2016	417,097

9 Railway Fund

	Railway Fund £
Balance at 1 April 2015	153,356
Surplus of income over expenditure for the year	992
Balance at 31 March 2016	154,348

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 Contingent Asset/Liability

In a 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 2015 or 31 March 2016, 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 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 Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2016 (continued)

12 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 £36,642 (2015: £42,573) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in 2016. A grant of £nil (2015: £21,837) was received from the Verderers Grazing Scheme for the purchase of vehicles and equipment. The grant is being recognised as income over the life of those assets. A grant of £45,000 (2015: £45,000) was also receivable during the year from the Verderers Grazing Scheme, in respect of contributions towards the Agisters' costs.

In addition, £13,009 (2015: £10,325) was receivable in respect of administration staff costs.

Included in debtors are £582 (2015: £2,669) relating to amounts due from the scheme.

13 Provisions available for small entities

In common with many other organisations of this size and nature, the auditors prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

The Verderers of the New Forest

Gridding fund income and expenditure account For the year ended 31 March 2016

	Note	2016 £	2015 £
Income			
Dividends and interest:			
The Merchants' Trust plc		1,104	1,090
Astra Zeneca group plc		1,602	1,514
Murray Income Trust plc		29	28
		<hr/>	<hr/>
		2,735	2,632
		<hr/>	<hr/>

The Verderers of the New Forest

Gridding Fund Balance Sheet As at 31 March 2016

	2016	2015
	£	£
Fixed assets		
Market value £52,669 (2015: £63,959)		
Investments at cost:		
Zeneca Group plc	990	990
- 850 25p Ordinary shares		
Murray Income Trust plc	29	29
- 90 25p Ordinary shares		
The Merchants' Trust plc	1,500	1,500
- 4,600 25p stock units		
Premium Savings Bonds	286	286
	<u>2,805</u>	<u>2,805</u>
Current assets		
Due from General Fund	60,592	57,857
	<u>63,397</u>	<u>60,662</u>
Accumulated fund		
Balance at 1 April 2015	60,662	58,030
Surplus of income over expenditure for the year	2,735	2,632
	<u>63,397</u>	<u>60,662</u>

Approved on 15 June 2016 and signed on behalf of the Verderers by


Dominic May
Official Verderer