

THE VERDERERS OF THE NEW FOREST

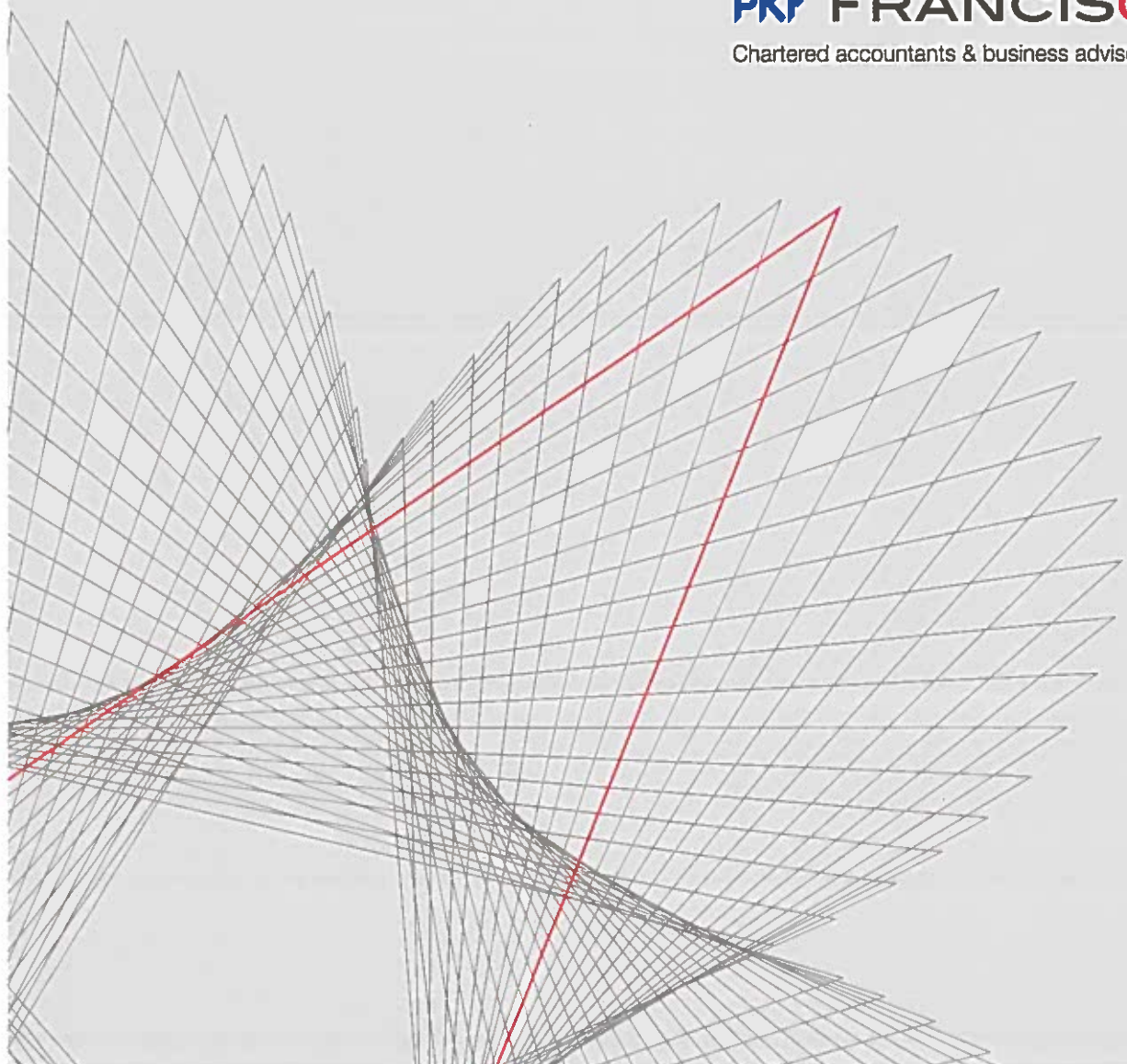
Report and Financial Statements

Year ended

31 March 2017

PKF FRANCISCLARK

Chartered accountants & business advisers



The Verderers of the New Forest

**Annual report and financial statements
for the year ended 31 March 2017**

Contents

Page:

1-2	Report of the Verderers
3-4	Report of the Independent Auditors
5	General Fund balance sheet
6	Income and Expenditure account
7	Expenditure account
8-12	General fund notes to the accounts
13-15	Gridding fund income and expenditure account

The Verderers of the New Forest

Report of the Verderers of the New Forest for the year ended 31 March 2017

The Verderers present their report together with the financial statements for the year ended 31 March 2017.

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 – Resigned 1 May 2017
Lord Manners, Official Verderer – Appointed 1 May 2017
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 £95,928 (2016: £82,470).

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 2017 (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 20 June 2017 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

I have audited the financial statements of The Verderers of the New Forest for the year ended 31 March 2017, which comprise the general fund and the gridding fund as set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 applicable law and 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable evidence that the financial statements are free from material misstatement, whether caused by fraud and error. This includes an assessment of: whether the accounting policies are appropriate to the Verderers' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Verderers; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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 2017 and of its income and expenditure for the year then ended.



Anne-Marie Gates FCCA ACA (Senior Statutory Auditor)
PKF Francis Clark, *Statutory Auditor*
The George Business Centre
Christchurch Road
New Milton
Hampshire
BH25 6QJ

Date 6-10-17

The Verderers of the New Forest

General Fund Balance Sheet As at 31 March 2017

	Note	2017 £	2016 £
ASSETS EMPLOYED			
Fixed assets	3	4,807	5,846
Current assets			
Investments at market value	4	53,246	42,256
Debtors	5	48,451	53,685
Bank current accounts		536,460	309,925
Bank deposit accounts	6	252,000	352,000
Cash in hand		63	21
		890,220	757,887
Current liabilities			
Creditors: Amounts falling due within one year	7	122,434	90,073
Due to Gridding Fund		63,597	60,592
		186,031	150,665
Net current assets		704,189	607,222
Net assets		708,996	613,068
Funds employed			
Funds – General	8	551,498	458,720
Railway Fund	9	157,498	154,348
Funds		708,996	613,068

Approved on 20th April 2017..... 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 2017

	Note	2017 £	2016 £
Income			
Marking fees		244,569	212,623
Forestry Commission Animal Welfare Grant		37,200	37,200
Forestry Commission compensation for loss of grazing (estimate)		9,133	9,183
Adjustment for overprovision in previous year		-	(200)
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		1,113	1,196
Bank deposit account interest (including short term deposit)		3,558	1,021
Telefonica and Railtrack compensation		607	607
Search fees		7,150	5,200
Other miscellaneous income		750	415
Brands		2,870	5,300
Donations		6	165
Disposal of vehicles		-	35,000
Refund received in respect of Land Rover warranties		2,110	-
Contributions towards pony collars		315	-
Verderers Grazing Scheme			
- Contribution for Agisters' costs		45,000	45,000
- Contribution to staff costs		13,659	13,009
- Scheme costs recharged		26,898	36,642
		469,613	477,036
Expenditure		373,685	394,566
Net surplus for the year	8&9	95,928	82,470

The Verderers of the New Forest

Expenditure Account For the year ended 31 March 2017

	Note	2017 £	2016 £
Agisters' salaries and National Insurance		122,150	119,110
Agisters' horse expenses		22,500	22,500
Agisters' mileage		12,571	11,391
Agisters' clothing		3,025	3,258
Agisters' pension scheme		11,030	10,756
Motor expenses		1,115	23,338
Agisters' vehicle leasing		25,560	6,390
Clerical salaries and National Insurance		66,547	58,182
Casual labour		3,514	225
Staff pension scheme		8,319	7,669
Rent		-	100
Training		-	4,847
Cleaning		2,026	1,803
Water supplied to troughs		1,103	923
Insurance		12,806	11,489
Telephone less repayments		5,798	4,989
Printing, stationery, postage and advertising		12,121	10,653
Computer expenses		1,629	2,081
Legal and professional charges		3,904	3,025
Audit		4,950	4,140
Bank charges		77	77
Sundry expenses		2,094	6,785
Verderers' honorarium		5,224	5,224
Verderers' election expenses		-	4,200
Depreciation equipment		1,039	1,040
Ear tags for marking cattle		11,300	2,268
Repairs to pounds – General		1,809	2,709
Stock related expenses		3,124	2,315
Fallen stock		290	-
Humane killers and ammunition		713	834
Verderers Grazing Scheme		26,898	36,642
Speed Camera partnership		10,703	21,405
Interest charged on late payment of Class 1A		24	-
Income tax deducted at source		1	204
Corporation tax due for the year		711	-
Increase/(reduction) in market value of investments		(10,990)	3,994
		373,685	394,566

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2017

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 market value in order to comply with the new accounting framework, FRS 102 which does not permit investments to be shown at cost as in previous years. FRS 102 states that comparative figures for investments should also be shown at market value. Therefore, the comparative figure has been restated. Note 13 provides a detailed breakdown. 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 2017 (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) (2016 : £5,000) was paid to elected Verderers. Each elected Verderer is entitled to £1,000 (2016 : £1,000) honorarium per complete year served. In addition employer's national insurance of £224 (2016 : £224) was paid.

3 Fixed assets

	Freehold Land £	Office Equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2016	322	14,840	9,400	34,261	58,823
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2017	<u>322</u>	<u>14,840</u>	<u>9,400</u>	<u>34,261</u>	<u>58,823</u>
Depreciation					
At 1 April 2016	-	13,988	4,728	34,261	52,977
For year	-	372	667	-	1,039
On disposals	-	-	-	-	-
At 31 March 2017	<u>-</u>	<u>14,360</u>	<u>5,395</u>	<u>34,261</u>	<u>54,016</u>
Net book value at 31 March 2017	<u>322</u>	<u>480</u>	<u>4,005</u>	<u>-</u>	<u>4,807</u>
Net book value at 31 March 2016	<u>322</u>	<u>852</u>	<u>4,672</u>	<u>-</u>	<u>5,846</u>

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2017 (continued)

4 Investments

	2017	2016
	£	£
The Fleming Mercantile Investment Trust Plc Ordinary shares of 25p each at market value	53,246	42,256

The cost of the shares at 31 March 2017 was £633 (2016: £633).

5 Debtors

	2017	2016
	£	£
Compensation monies due from the Forestry Commission	38,004	19,002
Other debtors	4,943	29,317
Prepayments	5,504	5,366
	<u>48,451</u>	<u>53,685</u>

6 Bank deposit accounts

	2017	2016
	£	£
Monies on deposit	252,000	352,000
	<u>252,000</u>	<u>352,000</u>

7 Creditors

	2017	2016
	£	£
Deferred income – marking fees in advance	109,735	83,863
Trade creditors	2,174	2,070
Accruals	9,814	4,140
Corporation tax	711	-
	<u>122,434</u>	<u>90,073</u>

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2017 (continued)

8 General Fund

	General Fund £
Balance at 1 April 2016	458,720
Surplus of income over expenditure for the year	92,778
Balance at 31 March 2017	<u>551,498</u>

9 Railway Fund

	Railway Fund £
Balance at 1 April 2016	154,348
Surplus of income over expenditure for the year	3,150
Balance at 31 March 2017	<u>157,498</u>

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 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 2017 is £121,410 (2016 : £146,970).

The Verderers of the New Forest

**Notes forming part of the financial statements
For the year ended 31 March 2017 (continued)**

11 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 £26,898 (2016: £36,642) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in 2017. A grant of £45,000 (2016: £45,000) was also receivable during the year from the Verderers Grazing Scheme, in respect of contributions towards the Agisters' costs.

In addition, £13,659 (2016: £13,009) was receivable in respect of administration staff costs.

Included in debtors are £1,664 (2016: £582) relating to amounts due from the scheme.

12 Transition to FRS 102

	General Fund
	£
Balance at 1 April 2015 – as originally reported	331,625
Remeasurement of investments	45,617
As restated at 1 April 2015	<u>377,242</u>
Balance at 1 April 2016 – as originally reported	417,097
Remeasurement of investments – brought forward	45,617
Remeasurement of investments – in the year	(3,994)
As restated at 1 April 2016	<u>458,720</u>

Remeasurement relates to investments now shown at market value instead of at cost.

The Verderers of the New Forest

Gridding fund income and expenditure account For the year ended 31 March 2017

	Note	2017 £	2016 £
Income			
Dividends and interest:			
The Merchants' Trust plc		1,109	1,104
Astra Zeneca group plc		1,861	1,602
Murray Income Trust plc		35	29
		<u>3,005</u>	<u>2,735</u>
Increase/(decrease) in market value of investments		13,724	(11,290)
		<u>16,729</u>	<u>(8,555)</u>
Surplus/(deficit) of income over expenditure			

The Verderers of the New Forest

Gridding Fund Balance Sheet As at 31 March 2017

	2017	2016
Fixed assets		
Cost £2,805 (2016: £2,805)		
Investments at market value:		
Zeneca Group plc	41,756	33,171
- 850 25p Ordinary shares		
Murray Income Trust plc	753	582
- 90 25p Ordinary shares		
The Merchants' Trust plc	23,598	18,630
- 4,600 25p stock units		
Premium Savings Bonds	286	286
	66,393	52,669
Current assets		
Due from General Fund	63,597	60,592
	129,990	113,261
Accumulated fund		
Balance at 1 April 2016	113,261	121,816
Surplus/(Deficit) of income over expenditure for the year	16,729	(8,555)
	129,990	113,261

Approved on 20th June 2017 and signed on behalf of the Verderers by


 Lord Manners
 Official Verderer

The Verderers of the New Forest
Notes forming part of the Gridding Fund
For the year ended 31 March 2017

1 Transition to FRS 102

	Accumulated Fund £
Balance at 1 April 2015 – as originally reported	60,662
Remeasurement of investments	61,154
As restated at 1 April 2015	<u>121,816</u>
Balance at 1 April 2016 – as originally reported	63,397
Remeasurement of investments – brought forward	61,154
Remeasurement of investments in the year	(11,290)
As restated at 1 April 2016	<u>113,261</u>

Remeasurement relates to investments now shown at market value instead of at cost.

