

THE VERDERERS OF THE NEW FOREST

**Annual Report and Financial Statements
Year ended 31 March 2024**

The Verderers of the New Forest

Annual report and financial statements
for the year ended 31 March 2024

Contents

Page:

1-2	Report of the Verderers
3-6	Report of the Independent Auditors
7	General Fund balance sheet
8	Income and Expenditure account
9	Expenditure account
10-14	General fund notes to the accounts
15-16	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 2024

The Verderers present their report together with the financial statements for the year ended 31 March 2024.

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

Mr Edward Heron, Official Verderer
Mr Richard Deakin, Elected Verderer
Mr David Readhead, Elected Verderer
Mr Robert Stride, Elected Verderer
Mr Clive Chatters, Appointed Natural England Verderer
Mr Mark Gammon, Appointed Forestry England Verderer
Mr Richard Manley, Appointed DEFRA Verderer
Mr Anthony Pasmore, Elected Verderer
Dr Graham Ferris, Co-opted Elected Verderer
Miss Ann Sevier MBE – Appointed National Park Authority Verderer

Review of the Year

The Verderers report a deficit of income over expenditure on the general fund for the year of £56,475 (2023: £75,597).

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 2024 (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 18th September and signed on their behalf by



Mr Edward Heron
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 2024 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 2024 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.

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.

The Verderers of the New Forest

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

Discussed with management if any health and safety incidents have been recorded during the year.

Completed a proof in total review of marking fees.

Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

Reviewed Court minutes.

Reviewed estimates and judgements made in the accounts for any indication of bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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.



Daniel Tout FCA (Senior Statutory Auditor)
PKF Francis Clark, *Statutory Auditor*
Towngate House
2 – 8 Parkstone Road
Poole
Dorset
BH15 2PW

Date 29 October 2024

The Verderers of the New Forest

General Fund Balance Sheet As at 31 March 2024

	Note	2024 £	2023 £
ASSETS EMPLOYED			
Fixed assets	3	412	442
Current assets			
Investments at market value	4	57,240	50,371
Debtors	5	44,646	36,434
Bank current accounts		115,694	211,136
Monies on deposit	6	784,626	766,205
Cash in hand		124	24
		1,002,330	1,064,170
Current liabilities			
Creditors: Amounts falling due within one year	7	74,123	82,792
Due to Gridding Fund		85,363	82,089
		159,486	164,881
Net current assets		842,844	899,289
Net assets		843,256	899,731
Funds employed			
Funds – General	8	79,864	140,103
Railway Fund	9	163,392	159,628
Reserve Fund	10	600,000	600,000
Funds		843,256	899,731

Approved on 18th September and signed on behalf of the Verderers by

Mr Edward Heron
Official Verderer



The Verderers of the New Forest

Income and Expenditure Account For the year ended 31 March 2024

	Note	2024 £	2023 £
Income			
Marking fees		218,404	208,418
Forestry England Animal Welfare Grant		37,200	37,200
Forestry England compensation for loss of grazing		9,633	9,508
Adjustment for underprovision in previous year		125	-
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		1,895	1,755
Bank deposit account interest (including short term deposit)		18,423	5,470
Telefonica and Railtrack compensation		607	607
Search fees		4,430	4,150
Other miscellaneous income		-	-
Brands		2,660	2,490
Contributions towards pony collars		403	404
Verderers Grazing Scheme			
- Contribution for Agisters' costs		57,000	45,000
- Contribution to staff costs		15,812	15,812
- Scheme costs recharged		31,370	30,436
		472,637	435,925
Expenditure		529,112	511,522
Net (deficit) for the year		(56,475)	(75,597)
Allocated to			
General fund	8	(60,239)	(76,681)
Railway fund	9	3,764	1,084
		(56,475)	(75,597)

The Verderers of the New Forest

Expenditure Account For the year ended 31 March 2024

	Note	2024	2023
		£	£
Agisters' salaries and National Insurance		170,475	164,997
Agisters' horse expenses		30,425	27,500
Agisters' mileage		18,741	24,560
Agisters' clothing		1,104	2,958
Agisters' pension scheme		15,292	14,388
Motor expenses		4,586	16,032
Agisters' vehicle leasing		53,331	25,799
Clerical salaries and National Insurance		80,538	76,936
Casual labour		1,370	900
Staff pension scheme		11,755	11,431
Welfare		720	330
Cleaning		989	985
Water supplied to troughs and trough maintenance		1,465	1,749
Insurance		23,570	27,063
Telephone less repayments		4,509	6,137
Printing, stationery, postage and advertising		8,772	8,588
Computer expenses		6,003	5,859
Legal and professional charges		15,141	18,082
Audit		6,270	5,994
Bank charges		124	153
Sundry expenses (inc. contributions to external reports)		3,842	4,592
Verderers' honorarium		8,012	8,012
Verderers' election expenses		-	1,228
Depreciation equipment		30	1,078
Ear tags for marking cattle		5,558	4,463
Repairs to pounds – General		4,061	1,159
Stock related expenses		9,730	548
Fallen stock		240	-
Training		774	297
Humane killers and ammunition		1,980	1,946
Verderers Grazing Scheme		31,370	30,436
Speed Camera partnership		11,704	11,704
Corporation tax due for the year		3,500	1,039
(Increase)/decrease in market value of investments		(6,869)	4,579
		529,112	511,522

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2024

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, a deferral of income 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 2024 (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) (2023 : £7,500) was paid to elected Verderers. Each elected Verderer is entitled to £1,500 (2023 : £1,500) honorarium per complete year served. In addition employer's national insurance of £512 (2023 : £512) was paid.

3 Fixed assets

	Freehold Land £	Office Equipment £	Plant and equipment £	Trailers £	Total £
Cost					
At 1 April 2023	322	25,075	8,060	34,261	67,718
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2024	<u>322</u>	<u>25,075</u>	<u>8,060</u>	<u>34,261</u>	<u>67,718</u>
Depreciation					
At 1 April 2023	-	25,075	7,940	34,261	67,276
For year	-	-	30	-	30
On disposals	-	-	-	-	-
At 31 March 2024	<u>-</u>	<u>25,075</u>	<u>7,970</u>	<u>34,261</u>	<u>67,306</u>
Net book value at 31 March 2024	<u>322</u>	<u>-</u>	<u>90</u>	<u>-</u>	<u>412</u>
Net book value at 31 March 2023	<u>322</u>	<u>-</u>	<u>120</u>	<u>-</u>	<u>442</u>

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2024 (continued)

4 Investments

	2024	2023
	£	£
The Fleming Mercantile Investment Trust Plc Ordinary shares of 2.5p each at market value	57,240	50,371
	57,240	50,371

The cost of the shares at 31 March 2024 was £633 (2023: £633).

5 Debtors

	2024	2023
	£	£
Compensation monies due from Forestry England	19,503	19,378
Other debtors	1,854	8,512
Prepayments	23,289	8,544
	44,646	36,434
	44,646	36,434

6 Bank deposit accounts

	2024	2023
	£	£
Monies on deposit	784,626	766,205
	784,626	766,205
	784,626	766,205

7 Creditors

	2024	2023
	£	£
Deferred income – marking fees in advance	61,620	73,144
Trade creditors	2,733	2,615
Accruals	6,270	5,994
Other creditors	-	-
Corporation tax	3,500	1,039
	74,123	82,792
	74,123	82,792

The Verderers of the New Forest

Notes forming part of the financial statements
For the year ended 31 March 2024 (continued)

8 General Fund

	General Fund £
Balance at 1 April 2023	140,103
(Deficit) of income over expenditure for the year	(60,239)
Transfer to reserve fund	-
Balance at 31 March 2024	<u>79,864</u>

9 Railway Fund

	Railway Fund £
Balance at 1 April 2023	159,628
Surplus of income over expenditure for the year	3,764
Balance at 31 March 2024	<u>163,392</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 Reserve Fund

	Reserve Fund £
Balance at 1 April 2023	600,000
Transfer from general fund	-
Balance at 31 March 2024	<u>600,000</u>

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 2024 (continued)

11 Staff numbers

The average number of staff employed by the Verderers was 7 (2023 : 7).

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, 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 £31,370 (2023: £30,436) of expenses to the Verderers Grazing Scheme, being expenses incurred on its behalf in the year ended 31 March 2024. A grant of £57,000 (2023: £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 (2023: £15,812) was receivable in respect of administration staff costs.

Included in debtors are £1,854 (2023: £1,942) 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 2024

	Note	2024 £	2023 £
Income			
Dividends and interest:			
The Merchants' Trust plc		1,302	1,263
Astra Zeneca group plc		1,936	2,033
Murray Income Trust plc		36	32
		3,274	3,328
(Decrease)/increase in market value of investments		(5,653)	8,576
		(2,379)	11,904
(Deficit)/surplus of income over expenditure			

The Verderers of the New Forest

Gridding Fund Balance Sheet As at 31 March 2024

	2024	2023
Fixed assets		
Cost £2,805 (2023: £2,805)		
Investments at market value:		
Zeneca Group plc	90,738	94,724
- 850 25p Ordinary shares		
Murray Income Trust plc	745	756
- 90 25p Ordinary shares		
The Merchants' Trust plc	24,380	26,036
- 4,600 25p stock units		
	115,863	121,516
Current assets		
Due from General Fund	85,363	82,089
	201,226	203,605
Accumulated fund		
Balance at 1 April 2023	203,605	191,701
(Deficit)/surplus of income over expenditure for the year	(2,379)	11,904
	201,226	203,605

Approved on 18th September and signed on behalf of the Verderers by

Mr Edward Heron
Official Verderer