

**FILE COPY**

**THE VERDERERS OF THE NEW FOREST**

**HIGHER LEVEL STEWARDSHIP SCHEME**

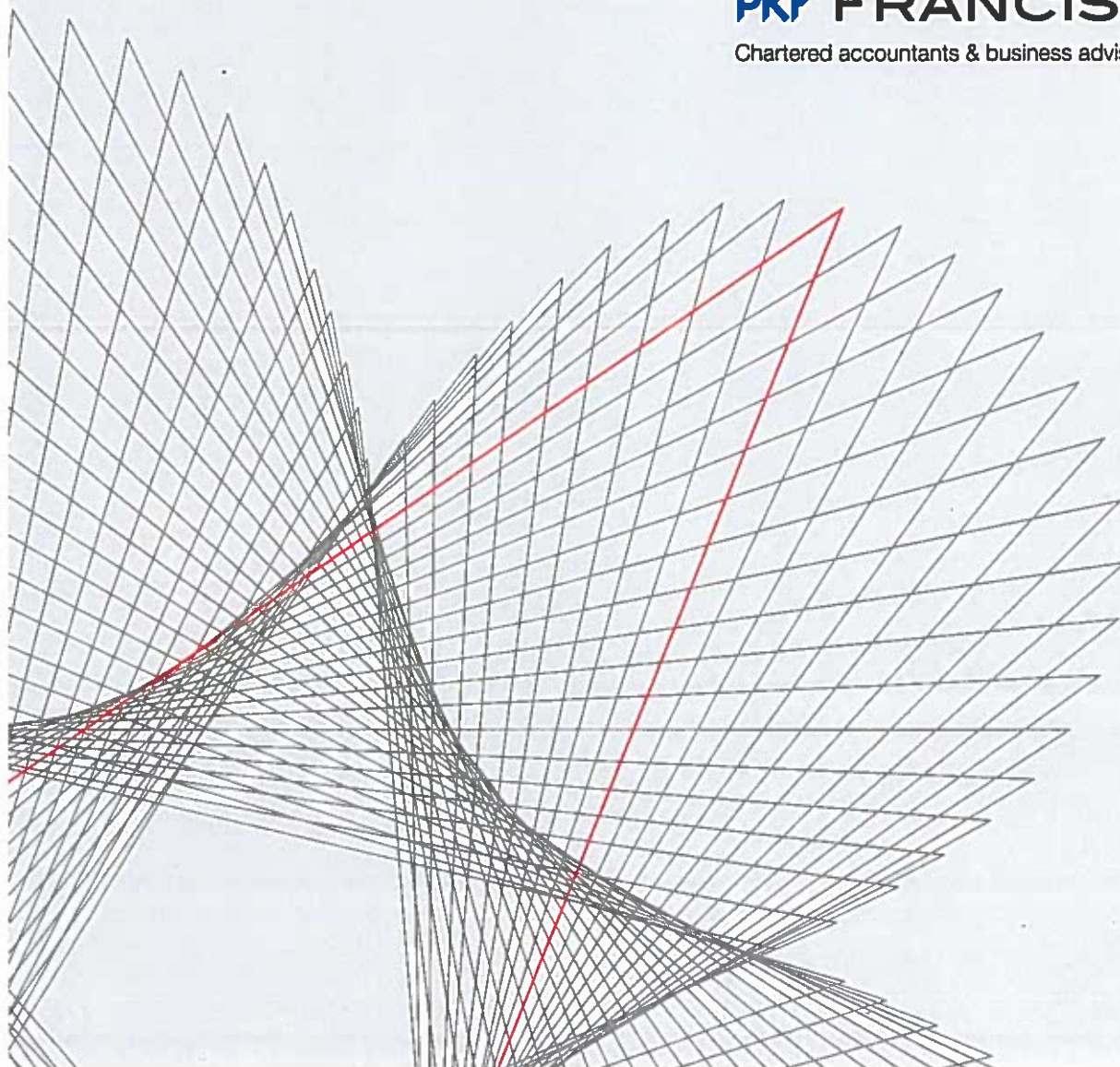
**Reference AG00350016 "The HLS Scheme"**

**Statement of Accounts for the year ended**

**31 December 2017**

**PKF FRANCISCLARK**

Chartered accountants & business advisers





# **The Verderers of the New Forest Higher Level Stewardship Scheme**

## **Statement of accounts for the year ended 31 December 2017**

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## The Verderers of the New Forest Higher Level Stewardship Scheme

### Scheme details

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**Scheme name:** The Verderers of the New Forest Higher Level Stewardship Scheme

**Number:** AG00350016

**For the year to 31 December 2017**

**Board**

**Voting Members**  
Verderers of the New Forest  
New Forest National Park Authority  
Forestry Commission

**Non-voting Members**  
Natural England Hants & IOW  
Commoners Defence Association

The Verderers of the New Forest have entered into an agreement with Natural England to carry out environmental land management and capital works in the New Forest.

The objectives of the HLS Scheme will be implemented by a partnership of the Verderers of the New Forest, The New Forest National Park Authority and the Forestry Commission.

#### *Financial Review*

The Scheme has an excess of expenditure over income/income over expenditure for the year of £(148,973) (2016 : £36,333). The Scheme's assets and liabilities are reflected in the balance sheet on page 3.

## The Verderers of the New Forest Higher Level Stewardship Scheme

### Income and Expenditure Account For the year ended 31 December 2017

	2017			2016
	£	£	£	£
<b>Income</b>				
Income from Natural England – annual entitlement		1,998,844		2,028,895
Other income		937		200
Commons payments to 2016 VGS				
- Waterslade Farm	438		-	
- Wellow PC	-		2,493	
- Minstead Estate	-		2,909	
- Hampshire County Council	-		3,378	
- National Trust	-		38,552	
		438		47,332
Commons payments to 2017 VGS				
- Waterslade Farm	-		-	
- Wellow PC	2,493		-	
- Minstead Estate	-		-	
- Hampshire County Council	3,378		-	
- National Trust	42,364		-	
		48,235		-
<b>Total income</b>		2,048,454		2,076,427
<b>Expenditure</b>				
Forestry Commission managed project expenditure				
- Annual programme		1,268,403		1,155,653
New Forest National Park Authority managed project expenditure		86,735		85,010
Verderers managed project expenditure		766,147		729,295
Verderers managed project expenditure – Commons		47,422		41,446
<b>Total project costs</b>		2,168,707		2,011,404
<b>Administrative costs</b>				
Administration charge from Forestry Commission		26,500		26,500
Independent Accountant's Fee		2,220		2,190
		28,720		28,690
		(148,973)		36,333
<b>(Deficit)/Surplus for the year</b>		(148,973)		36,333

## The Verderers of the New Forest Higher Level Stewardship Scheme

### General Fund Balance Sheet

As at 31 December 2017

	Note	2017	2016
		£	£
<b>Current assets</b>			
Accrued income from Natural England		1,988,205	2,031,080
Accrued income from Third Parties		3,812	38,552
Cash at bank and in hand		379,816	315,593
		<u>2,371,833</u>	<u>2,385,225</u>
<b>Current liabilities</b>			
Accruals		2,220	2,190
Due to Verderers of the New Forest		16,278	62,414
Due to National Park Authority		86,735	-
Due to Forestry Commission		1,041,544	946,592
		<u>1,146,777</u>	<u>1,011,196</u>
<b>Net scheme assets</b>		<u>1,225,056</u>	<u>1,374,029</u>
<b>Represented by:</b>			
<b>Funds</b>			
Brought forward		1,374,029	1,337,696
Arising in the year		(148,973)	36,333
<b>Funds</b>		<u>1,225,056</u>	<u>1,374,029</u>

The notes on page 4 form part of these financial statements.

Approved on ..... and signed on behalf of the Board of the Verderers of the New Forest Higher Level Stewardship Scheme by

Lord Manners  
Official Verderer



## The Verderers of the New Forest Higher Level Stewardship Scheme

Notes to the accounts  
For the period ended 31 December 2017

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### 1 Accounting policies

#### *Basis of preparation*

The accounts are prepared under the historical cost convention.

#### *Income*

Income from Natural England is recognised in the year to which the Scheme relates. Grants received after the year end that relate to the scheme year are reflected in income as accrued income. Any income (allocated from the year's grant) that relates to project expenditure incurred after the year end is included in creditors as deferred income. Any unallocated income is carried forward in accumulated fund. Any other income is recognised when receivable.

#### *Expenditure*

Expenditure is accounted for on the accruals basis and is recognised in the year the costs are incurred by the scheme and the project partners. Any costs not paid or paid to third parties or reimbursed to the partners before the year end are accrued and included in creditors and accruals.

### 2 Related party transactions

New Forest National Park Authority and the Forestry Commission are partners to the Scheme. Each partner manages a number of projects and is reimbursed by the Verderers for the expenditure incurred. Amounts paid or payable to the parties were as follows:

	2017	2016
	£	£
Forestry Commission	1,294,903	1,182,153
New Forest National Park Authority	86,735	85,010

The amounts payable included in the above are separately disclosed in the balance sheet.

Amounts paid to individual Verderers from the Verderers' Grazing Scheme totalled £3,514 in the year.



## The Verderers of the New Forest Higher Level Stewardship Scheme

Accountants Report on the unaudited statement of accounts for the year ended  
31 December 2017

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In accordance with the letter of engagement letter we have compiled the financial information of the Verderers of the New Forest Higher Level Stewardship Scheme for the year ended 31 December 2017 from the accounting records and information and explanations you have given us.

The financial information has been compiled on the accounting basis set out in note 1 and is not intended to achieve full compliance with United Kingdom generally accepted accounting policies.

Our report has been prepared under the terms of our engagement with the Board of HLS and for no other purpose. No person is entitled to rely on this report other than the Board of HLS or any person expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for the report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute.

You have approved the financial information and have acknowledged your responsibility for it, for the appropriateness of the accounting policies adopted and for providing all information and explanations necessary for its compilation.

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial information.

**DRAFT**

**THE ACCOUNTS HAVE NOT BEEN SIGNED BY THE ACCOUNTANTS**

Date .....

PKF Francis Clark is the trading name of PKF Francis Clark Limited, a limited company registered in England and Wales (registered number 09080678)



## The Verderers of the New Forest - Higher Level Scheme

The Official Verderer  
The Queen's House  
Lyndhurst  
Hampshire  
SO43 7NH

PKF Francis Clark  
Chartered Accountants  
The George Business Centre  
Christchurch Road  
New Milton  
Hampshire  
BH25 6QJ

Dear Sirs

### **Financial Statements of The Verderers of the New Forest - Higher Level Scheme For the year ended 31 December 2017**

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

#### **1. Responsibility for the Financial Statements**

I acknowledge as Official Verderer my responsibility for the financial statements which you have prepared at my request and in particular confirm that I have selected suitable accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent.

I also acknowledge my responsibilities for:-

- a) Keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Higher Level Scheme
- b) Safeguarding the assets of the Higher Level Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **2. Assets**

All assets are included in and noted on the accounts and I have no reason to believe that any material items have been omitted.

I confirm that at the year end £1,988,205 was due to the Higher Level Scheme from Natural England.

#### **3. Liabilities**

All liabilities of the Higher Level Scheme of which I have knowledge are included in the appropriate classifications and I have no knowledge of any pending litigation or other claims against the Higher Level Scheme or any contingent liabilities or capital commitments. No liabilities are 'secured' by reason of suppliers restricting the transfer of title to goods supplied.



**4. Expenditure**

Expenditure has been properly allocated.

**5. Completeness of Information**

All the accounting records have been made available to you for the purpose of preparing the financial statements and all the transactions undertaken by the Higher Level Scheme have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Board meetings (held during the year and up to the date of this letter) have been made available to you.

**6. Going Concern**

I confirm that, in my considered opinion, the Higher Level Scheme is able to continue for the foreseeable future and for at least one year from the date of this letter. In arriving at this opinion, I have considered the Higher Level Scheme's current financial position, its current level of activity and all other relevant information.

**7. Post Balance Sheet Events**

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto, nor which affect the Higher Level Scheme's ability to continue trading as a going concern. Should any such material events occur, I will advise you accordingly.

**8. Transactions with Higher Level Scheme Board Members**

The Higher Level Scheme Board members received no remuneration from the Higher Level Scheme during the year.

At the year end, £16,278 was due to the Verderers of the New Forest, £1,041,544 was due to the Forestry Commission and £86,735 was due to the National Park Authority. These organisations are members of the Higher Level Scheme.


**9. Related Party Transactions**

I confirm that I have disclosed to you all related party transactions relevant to the Higher Level Scheme and that I am not aware of any further related party matters that require disclosure.

**10. Laws and Regulations**

I confirm that there are no Laws or Regulations that are central to the Higher Level Scheme's ability to conduct its business that may have an impact on amounts or disclosures in the financial statements.

Yours faithfully

  
.....  
Official Verderer

.....  
Date

