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**Company number:  
05380206 (ENGLAND AND WALES)**

**JNCC SUPPORT CO  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2006**

**MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
RUTLAND HOUSE  
MINERVA BUSINESS PARK  
LYNCH WOOD  
PETERBOROUGH  
PE2 6PZ**

**JNCC SUPPORT CO**

**COMPANY INFORMATION**

**Company number:** 05380206 (England and Wales)

**Directors:** Dr L M L Blakiston Houston (Appointed 23 March 2005)  
Mr A M G Darby OBE (Appointed 2 March 2005)  
Sir M G Doughty (Appointed 2 March 2005, resigned  
7 December 2005)  
Professor P Doyle (Appointed 2 March 2005)  
Professor D S Ingram OBE (Appointed 2 March 2005)  
Mr J Lloyd Jones OBE (Appointed 2 March 2005)  
Dr J A Markland CBE (Appointed 2 March 2005)  
Dr M E Moser (Appointed 2 March 2005)  
Dr E M Nesbit Andrews (Appointed 3 March 2005,  
resigned 30 September 2005)  
Professor R J Pentreath (Appointed 23 March 2005)  
Professor J I Sprent (Appointed 1 April 2005)  
Mr D Steer (Appointed 23 March 2005)  
Dr M A Vincent (Appointed 23 March 2005)  
Mr M J M Yeo (Appointed 23 March 2005)  
Dr J S Faulkner (Appointed 2 March 2005, resigned  
30 April 2005)  
Ms S Fowler OBE (Appointed 7 December 2005)  
Mr R A Brown (Appointed 23 March 2005)  
Mr B Riddleston (Appointed 1 October 2005)

**Secretary:** Mr D W Burton

**Registered office:** Monkstone House  
City Road  
Peterborough  
Cambridgeshire  
PE1 1JY

**Auditors:** Moore Stephens  
Chartered Accountants  
Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

**Bankers:** Lloyds Bank Plc  
30-31 Long Causeway  
Peterborough  
PE1 1YH

**JNCC SUPPORT CO**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

**CONTENTS**

	<b>Page</b>
Directors' report	1
Independent auditors report	4
Profit and loss account	6
Statement of total recognised gains and losses	7
Historical cost profits and losses	8
Balance sheet	9
Cash flow statement	10
Notes	11
 <b>For directors use only:</b>	
Detailed trading and profit and loss account	23
Schedule of overhead expenses	24

**JNCC SUPPORT CO**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

The directors present their report and the financial statements for the period ended 31 March 2006.

**Principal activities**

The principal activity of the company is to provide services to the Joint Nature Conservation Committee pursuant to Section 128 of the Environmental Protection Act 1990, (as amended by the Regulatory Reform (Joint Nature Conservation Committee) Order 2005) and, through it, to English Nature, the Countryside Council for Wales and Scottish Natural Heritage (the Country Agencies).

The company was incorporated on 2 March 2005 and commenced its activities on 1 April 2005.

**Review of business**

The directors believe that the company has made a significant contribution to nature conservation on both the national and international level via an extensive and varied programme of work.

**Future developments**

The directors do not anticipate any significant changes in the turnover or the activities of the company. The principal strategic objectives continue to be:

- Vision for nature conservation
- Provision of information
- European and international influencing
- UK co-ordination
- Nature conservation beyond territorial waters
- Nature conservation in the Overseas Territories
- UK's global impact
- Support services

**Donations**

There were no political or charitable donations during the period.

**Fixed assets**

Changes in fixed assets during the year are set out in the notes to the financial statements.

**Results and dividends**

The company has no issued share capital and consequently the question of the payment of a dividend does not arise.

**JNCC SUPPORT CO**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**Directors' interests**

The directors who served during the period were as follows:

Dr L M L Blakiston Houston (Appointed 23 March 2005)  
Mr A M G Darby OBE (Appointed 2 March 2005)  
Sir M G Doughty (Appointed 2 March 2005,  
resigned 7 December 2005)  
Professor P Doyle (Appointed 2 March 2005)  
Professor D S Ingram OBE (Appointed 2 March 2005)  
Mr J Lloyd Jones OBE (Appointed 2 March 2005)  
Dr J A Markland CBE (Appointed 2 March 2005)  
Dr M E Moser (Appointed 2 March 2005)  
Dr E M Nesbit Andrews (Appointed 3 March 2005,  
resigned 30 September 2005)  
Professor R J Pentreath (Appointed 23 March 2005)  
Professor J I Sprent (Appointed 1 April 2005)  
Mr D Steer (Appointed 23 March 2005)  
Dr M A Vincent (Appointed 23 March 2005)  
Mr M J M Yeo (Appointed 23 March 2005)  
Dr J S Faulkner (Appointed 2 March 2005,  
resigned 30 April 2005)  
Ms S Fowler OBE (Appointed 7 December 2005)  
Mr R A Brown (Appointed 23 March 2005)  
Mr B Riddleston (Appointed 1 October 2005)

The directors held no interest in the share capital of the company.

No director has been granted a right to subscribe for additional shares or debentures.

The Articles of Association of the company do not require any of the directors to retire by rotation.

**Responsibilities of the directors**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**JNCC SUPPORT CO**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**Auditors**

The auditors, Messrs Moore Stephens (Chartered Accountants) have expressed their willingness to continue in office. Resolutions will be proposed at the forthcoming Annual General Meeting, confirming their appointment and recommending that they be re-appointed for the ensuing year.

**On behalf of the board**

.....  
**D W Burton**  
**Secretary**

Monkstone House  
City Road  
Peterborough  
Cambridgeshire  
PE1 1JY

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF JNCC SUPPORT CO**

We have audited the financial statements of JNCC Support Co for the period ended 31 March 2006 on pages 6 to 22. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF JNCC SUPPORT CO**

**Opinion**

In our opinion the financial statements:

- Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2006 and of its loss for the period then ended.
- Have been properly prepared in accordance with the Companies Act 1985.
- The information given in the directors' report is consistent with the financial statements.

Moore Stephens  
Registered Auditor  
Chartered Accountants  
Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

Date: .....

**JNCC SUPPORT CO**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	Note	2006 £
<b>Turnover</b>	2	8,570,049
Cost of sales		(7,213,493)
<b>Gross profit</b>		<u>1,356,556</u>
Administrative expenses		(1,526,445)
<b>Operating loss</b>	3	<u>(169,889)</u>
Transfer from government grant reserve		102,914
<b>Loss on ordinary activities before interest</b>		<u>(66,975)</u>
Other interest receivable and similar income		18,637
Interest payable	6	(3,657)
<b>Loss suffered for the period</b>		<u><u>(51,995)</u></u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2006 therefore turnover and operating loss derive entirely from continued operations.

The annexed notes form part of these financial statements.

**JNCC SUPPORT CO**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	<b>2006</b> <b>£</b>
Loss for the financial period	(51,995)
Capital grant for purchase of assets	58,073
Loss on revaluation of assets	(8,670)
Transfer from government grant reserve	(102,914)
Total recognised gains and losses relating to and recognised in the period	<u>(105,506)</u> <u>          </u>

**JNCC SUPPORT CO**  
**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	<b>2006</b> £
Loss on ordinary activities before taxation	(51,995)
Difference between historical and actual depreciation	14,834
Difference between historical and actual amortisation	8,540
	_____
Historical cost loss on ordinary activities before taxation	(28,621)
	=====
Historical cost loss for the period retained after taxation and dividends	(28,621)
	=====

**JNCC SUPPORT CO**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2006**

	Note	2006 £	£
<b>Fixed assets</b>			
Intangible assets	7		39,218
Tangible assets	8		321,793
			<u>361,011</u>
<b>Current assets</b>			
Stocks	9	89,275	
Debtors	10	1,764,291	
Cash at bank and in hand		31,090	
		<u>1,884,656</u>	
<b>Creditors</b>			
Amounts falling due within one year	11	(1,796,330)	
			<u>88,326</u>
<b>Net current assets</b>			<u>449,337</u>
<b>Total assets less current liabilities</b>			<u>449,337</u>
<b>Provisions for liabilities and charges</b>			
	12		(1,893)
<b>Net assets</b>			<u>447,444</u>
<b>Capital and reserves</b>			
Government Grant reserve	13		361,011
Other reserves	14		138,428
Profit and loss account	15		(51,995)
<b>Shareholders' funds</b>			<u>447,444</u>

Approved by the board of directors on ..... and signed on its behalf.

.....  
**D Steer**  
**Managing Director**

The annexed notes form part of these financial statements.

**JNCC SUPPORT CO**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	<b>Note</b>	<b>2006 £</b>
<b>Net cash outflow from operating activities</b>	16	(122,318)
<b>Returns on investments and servicing of finance</b>	17	14,980
<b>Capital expenditure</b>	17	-
<b>Acquisitions and disposals</b>	17	138,428
<b>Increase in cash</b>	18	<u>31,090</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**1. Accounting policies**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and the adoption of current cost accounting for other fixed assets.

**Transfer of assets from JNCC**

On 1 April 2005 the company took over the activities of JNCC, including all of the assets and liabilities. The directors consider it appropriate to disclose the assets at their previous cost or valuation recognised by JNCC, with the corresponding effect on the Government Grant reserve, which has arisen from the adoption of Current Cost Accounting. This is to recognise that there has been no change in activities despite the difference in the legal status of the two entities.

**Turnover**

The principal element of turnover are:-

- 1) Grant in aid income entitlement for the year from the UK Country Agencies of Great Britain, for activities carried out in the year and contributions to projects.
- 2) Advice and other services.
- 3) Grants from other bodies, including the European Union.

**Depreciation of fixed assets**

Depreciation and amortisation has been computed to write off the cost or valuation (whichever is higher) of fixed assets over their expected useful lives at the following rates:-

**Intangible fixed assets:-**

Software licences	20% per annum straight line
-------------------	-----------------------------

**Tangible fixed assets:-**

Leasehold premises	over the period of the lease
Computer equipment	20% per annum straight line
Other equipment	10-20% per annum straight line
Motor vehicles	20% per annum straight line

Depreciation is charged pro-rata in the year of acquisition of an asset but none in the year of disposal.

The company carries out an impairment review on all fixed assets at regular intervals and makes any necessary adjustments to the carrying values.

**Stocks**

Stocks and work in progress are valued consistently at the lower of cost (on a first in, first out basis) or net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

**Debtors**

Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

**Research and development**

The company writes off all expenditure on research and development in the year it occurs.

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**Foreign exchange**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

**Leasing**

Leasing rentals payable on agreements which transfer substantially all the risk and rewards associated with ownership of the lessee ("finance leases") are capitalised within fixed assets, and the obligation to pay future rentals included in creditors as a liability. The interest charges implicit in such a lease are written off to the profit and loss account in proportion to the balance outstanding during the year.

All other leasing rentals ("operating leases") are written off to the profit and loss account as incurred.

**Pension costs**

The company pays pension contribution in accordance with the Cabinet Office scheme ASLC (Accruing Superannuation Liability Charges). The company is unable to identify its share of the underlying assets and liabilities of the scheme. It has therefore been accounted for as a defined contribution scheme. Further details are given in Note 21.

**Grants received**

Grants related to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relates. Government grants received of a revenue nature are credited to income for the year to which they relate. Funding received from the European Union is treated in a similar way to Government grants, in that income is matched to project expenditure during the year in which it is incurred.

**Notional costs**

In accordance with H M Treasury Guidance 'Executive NDPB Annual Reports and Accounts Guidance', the company recognises notional costs with respect to cost of capital. The financing structure of the company does not permit interest bearing debt, but to ensure that the Profit and Loss account bears an appropriate charge for the use of capital in the annual financial statements, a notional interest charge is included. In accordance with the Treasury guidance, the calculation is based on a 3.5% cost of capital on average net assets.

**Fixed Assets**

Tangible and intangible fixed assets have been valued at depreciated historical cost and, where material, values are updated annually using Price Index Numbers for Current Cost Accounting published by the Office for National Statistics.

Fixed assets costing less than £2,000 are charged to the profit and loss account in the year of purchase.

**2. Turnover**

Turnover is attributable solely to continuing operations and derives from the principal activity of the company. The whole of the turnover arises within the United Kingdom.

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

<b>3. Operating loss</b>	<b>2006</b> <b>£</b>
This is stated after charging:	
Directors' emoluments	235,046
Company contributions to money purchase schemes in relation to directors' pensions	40,671
	<hr/>
Total directors' emoluments	275,717
Auditors' remuneration	15,330
Depreciation and amortisation of owned assets	84,772
Pension costs	523,396
Operating lease rentals – land and buildings	221,145
	<hr/> <hr/>
<b>4. Directors' emoluments</b>	<b>2006</b> <b>£</b>
Directors' emoluments	235,046
Company contributions to money purchase schemes in relation to directors pensions	40,671
	<hr/> <hr/>
The above details include the following amounts in respect of the highest paid director:	
Directors emoluments'	64,969
	<hr/> <hr/>
Company contributions to money purchase schemes in relation to Directors' pensions	15,838
	<hr/> <hr/>
The number of directors accruing benefits under a money purchase scheme	3
	<hr/> <hr/>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**5. Staff costs**

The average number of persons employed by the company, including directors, during the period was as follows:

	<b>2006</b>
Executive Directors	3
Chairman and non-executive Directors	4
Management	12
Operational	69
Administration	28
IT	3
	119
	119

A further 12 directors were appointed to the board by virtue of their membership of the Joint Nature Conservation Committee. They did not receive any remuneration from the company during the period.

The aggregate payroll costs of these persons were as follows:

	<b>2006</b> <b>£</b>
Wages and salaries	3,175,493
Social security costs	240,163
Other pension costs	564,067
	3,979,723
	3,979,723

**6. Interest payable**

	<b>2006</b> <b>£</b>
Late payment interest	3,657
	3,657
	3,657

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**7. Intangible Fixed Assets**

	<b>Software licences £</b>
Cost:	
Transferred from the JNCC 1 April 2005	85,397
Additions	4,700
Permanent impairment	(13,361)
	76,736
At 31 March 2006	76,736
Amortisation:	
Transferred from the JNCC 1 April 2005	23,841
Charge for the period	17,367
Depreciation on impairment	(3,690)
	37,518
At 31 March 2006	37,518
Net Book Value:	
At 31 March 2006	39,218

Intangible assets represent the value of software licences held. These are valued using current cost accounting, where any fall in value has been treated as a permanent diminution in value.

**Historic cost note**

At the 31 March 2006	
Historic cost	110,619
Accumulated historic depreciation	(58,318)
	52,301
Historic net book value	52,301

**Cumulative provision for impairment**

At 31 March 2006	23,841
At 31 March 2005	33,672

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**8. Tangible fixed assets**

	Land and buildings £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation:					
Transferred from the JNCC 1 April 2005	401,695	144,500	278,766	21,817	846,778
Additions	-	40,962	12,411	-	53,373
Revaluations	8,993	-	(4,037)	226	5,182
Disposals	-	(5,357)	-	-	(5,357)
Permanent impairment	-	(10,601)	-	-	(10,601)
	<u>410,688</u>	<u>169,504</u>	<u>287,140</u>	<u>22,043</u>	<u>889,375</u>
Depreciation:					
Transferred from the JNCC 1 April 2005	260,701	92,563	127,457	13,090	493,811
Charge for the period	10,623	18,465	33,909	4,409	67,406
On disposals	-	(5,277)	-	-	(5,277)
Revaluations	15,856	-	(2,139)	136	13,853
Depreciation on impairment	-	(2,211)	-	-	(2,211)
	<u>287,180</u>	<u>103,540</u>	<u>159,227</u>	<u>17,635</u>	<u>567,582</u>
Net book value:					
At 31 March 2006	<u>123,508</u>	<u>65,964</u>	<u>127,913</u>	<u>4,408</u>	<u>321,793</u>
<b>Historic cost Note:</b>					
At 31 March 2006					
Historic cost	311,297	320,670	279,858	21,961	933,786
Historic depreciation	(216,335)	(242,673)	(153,298)	(17,569)	(629,875)
	<u>94,962</u>	<u>77,997</u>	<u>126,560</u>	<u>4,392</u>	<u>303,911</u>
<b>Cumulative provision for impairment</b>					
At 1 April 2005		(4,000)			(4,000)
Charge for the period		(12,390)			(12,390)
		<u>(16,390)</u>			<u>(16,390)</u>

**9. Stocks**

	<b>2006</b>
	<b>£</b>
Goods for resale	89,275
	<u>89,275</u>

**JNCC SUPPORT CO****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 MARCH 2006**

<b>10. Debtors</b>		<b>2006</b>
		<b>£</b>
Due within one year:		
Trade debtors		1,639,283
Other debtors		16,607
Prepayments		108,401
		<u>1,764,291</u>
<b>11. Creditors - amounts falling due within one year</b>		<b>2006</b>
		<b>£</b>
Trade creditors		1,408,464
Other creditors		13,770
Other taxes and social security		90,685
Accruals and deferred income		283,411
		<u>1,796,330</u>
<b>12. Provisions for liabilities</b>		<b>Pensions and similar obligations</b>
		<b>£</b>
Salary deductions withheld for the future purpose of purchasing an annuity		1,893
Balance at 31 March 2006		<u>1,893</u>
		<u>1,893</u>
<p>The pension provision represents future liabilities under a separate pension scheme described as 'by analogy to the main scheme' which was set up by Defra for Mr A Darby, Chairman of the JNCC. The full requirements of FRS 17 "Retirement Benefits" have not been applied to this arrangement owing to the immaterial amounts involved.</p>		
<b>13. Government Grant reserve</b>		<b>2006</b>
		<b>£</b>
Transferred from JNCC at 1 April 2005		414,522
Revaluations in the period		(8,670)
Capital grant received in the period		58,073
Transferred to the profit and loss account		
- depreciation for the period	(84,773)	
- release of unexpended depreciation on assets	(80)	
- impairment of asset values	(18,061)	
		<u>(102,914)</u>
Balance at 31 March 2006		<u>361,011</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

14.	<b>Other reserves</b>	<b>2006</b>	
		<b>£</b>	
	<b>Capital reserve</b>		
	The value of net assets transferred from JNCC at 1 April 2005	138,428	
	Balance at 31 March 2006	138,428	
		<u>138,428</u>	
		<u>138,428</u>	
	The capital reserve is the closing profit and loss account shown in the audited financial statements of the JNCC at 31 March 2005, which was transferred to the JNCC Support Co. at 1 April 2005.		
15.	<b>Profit and loss account</b>	<b>2006</b>	
		<b>£</b>	
	Loss suffered for the period	(51,995)	
	Balance at 31 March 2006	(51,995)	
		<u>(51,995)</u>	
		<u>(51,995)</u>	
16.	<b>Reconciliation of operating (loss) to net cash (outflow)/inflow from operating activities</b>	<b>2006</b>	
		<b>£</b>	
	Operating loss	(169,889)	
	Depreciation charges	67,405	
	Amortisation	17,367	
	Impairment of intangible fixed assets	13,362	
	Impairment of tangible fixed assets	4,700	
	Loss on sale of tangible fixed assets	80	
	Increase in stocks	(89,275)	
	Increase in debtors	(1,764,291)	
	Increase in creditors	1,796,330	
	Increase in provisions	1,893	
	Net cash flow from operating activities	(122,318)	
		<u>(122,318)</u>	
		<u>(122,318)</u>	
17.	<b>Gross cash flows</b>	<b>£</b>	<b>£</b>
	<b>Returns on investments and servicing of finance</b>		
	Interest received	18,637	
	Interest paid	(3,657)	
		<u>14,980</u>	
			<u>14,980</u>
	<b>Capital expenditure</b>		
	Payments to acquire tangible fixed assets	(53,373)	
	Payments to acquire intangible fixed assets	(4,700)	
	Capital grant in aid received	58,073	
		<u>0</u>	
			<u>0</u>
	<b>Acquisitions and disposals</b>		
	Transferred from JNCC at 1 April 2005	138,428	
		<u>138,428</u>	
			<u>138,428</u>
			<u>138,428</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

18. **Reconciliation of net cash flow to movement in net debt**

	£	£
Increase in cash in the period	31,090	
Change in net funds resulting from cash flows		31,090
<b>Movement in net funds in the period</b>		<b>31,090</b>
<b>Net funds at 31 March 2006</b>		<b>31,090</b>

19. **Analysis of net fund**

	Cash flows £	Closing balance £
<b>Net cash:</b>		
Cash at bank	30,904	30,904
Cash in hand	186	186
	<u>31,090</u>	<u>31,090</u>
<b>Net fund</b>	<u>31,090</u>	<u>31,090</u>

20. **Leasing commitments**

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as detailed below:

	<b>Land and buildings 2006 £</b>
Operating leases which expire:	
Within 2 to 5 years	174,422

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**21. Pension costs**

The scheme's actuary reviews employer contributions every four years, following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued. A supplementary contribution is payable by the employer if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the fund for benefits to past and present employees are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. There is no present indication that a supplementary contribution is required. The current rate of the employer contributions is based on the ASLC bands and rates:-

Band 1	£17,000 and under	16.2 per cent
Band 2	£17,001 to £35,000	18.6 per cent
Band 3	£35,000 to £60,500	22.3 per cent
Band 4	£60,501 and over	24.6 per cent

The pension cost charge in the profit and loss account represents contributions payable by the company to the fund and amounted to £523,396.

**22. Taxation**

In the opinion of the directors, the company is not trading with a view to profit. The directors have sought the confirmation of HM Revenue and Customs on this matter. On the assumption that this point is agreed, there is no liability to Corporation Tax for the period.

**23. Legal Status**

The company is limited by guarantee. In the event of a liquidation, the liability of each member does not exceed £1 if they are a member at the date of the liquidation, or if they cease to be a member within one year of the date of the liquidation.

**24. Related party transactions**

The company receives its grant in aid funding from English Nature, Scottish Natural Heritage and the Countryside Council for Wales (the "Country Agencies") The Country Agencies are Non - Departmental Public Bodies respectively sponsored by the Department for Environment, Food and Rural Affairs (Defra), the Scottish Executive and the Welsh Assembly. The Country Agencies are regarded as related parties. The company also receives funding from Environment and Heritage Service Northern Ireland. During the year the company has carried out a number of material transactions with these bodies in the normal course of business. The quantum of the transactions between the company and the Country Agencies was as follows:-

	Grant in aid £	Specific Project Funding £	Services purchased by the Company £
English Nature	3,602,164	237,152	133,654
Scottish Natural Heritage	1,800,131	85,923	134,505
The Countryside Council for Wales	900,699	76,343	25,359
Environment and Heritage Service Northern Ireland		234,700	

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**24. Related party transactions (Continued)**

The net revenue expenditure incurred by the Joint Nature Conservation Committee on behalf of the three Country Agencies during the period was as follows:-

£

English Nature (Defra)	5,006,340
Scottish Natural Heritage	2,501,856
The Countryside Council for Wales	1,251,804

During the period the company entered into material transactions with the following organisations in which the directors, senior members of the key management staff or other related parties have a financial interest:-

<b>Director</b>	<b>Related Body</b>	<b>Amount of services paid for by JNCC</b>	<b>Amount received by JNCC from related body</b>
Mr D Steer	National Biodiversity Network Trust (Trustee and Treasurer)	15,000	64,366
Mr M Yeo	National Biodiversity Network Trust (Trustee)	15,000	64,366
	Stichting/EEAC (Board Member and Treasurer)	17,588	677
Prof J Pentreath	Sir Alistair Hardy foundation for Ocean Science (Trustee)	9,828	-
Dr J Faulkner	Butterfly Conservation (Member)	5,500	-
	Botanical Society of the British Isles (Member)	8,000	-
Dr M Moser	RSPB (Member)	2,635	5,520
	RSPB (Council Member)	2,635	5,520
	BTO (Member)	611,007	-
	Wetlands International (Councillor of Honour)	50,000	-
Mr B Riddleston	RSPB (Trustee)	2,635	5,520
Dr L Blakiston Houston	RSPB (Member)	2,635	5,520
Dr R A Brown	BTO (Member)	611,007	-
	Butterfly Conservation (Member)	5,500	-
	Marine Conservation Society (Member)	29,385	-

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

**24. Related party transactions (Continued)**

Director	Related Body	Amount of services paid for by JNCC	Amount received by JNCC from related body
Prof D Ingram	Glasgow University (Hon Professor)	2,750	-
Mr A Darby	RSPB (Fellow and Vice-President)	2,635	5,520
	Wildfowl and Wetlands Trust (Member)	36,617	-
	BTO (Member)	611,007	-
	Game Conservancy (Member)	10,250	-

All transactions were at arms length and under normal commercial terms and were in accordance with the memorandum of agreement in respect of conservation support services.

The company also receives grants from the European Union. The directors consider the European Union to be a related party by virtue of the origins of the grant income which comes to the Country Agencies from the UK Government. The UK Government is a member of the European Union and the directors consider that the income from the European Union is attributable to the UK Government's involvement with the European Union on conservation matters.

**25. Ultimate controlling party**

12 of the 15 directors are members of the Joint Nature Conservation Committee, which administers the grant in aid funding from the Country Agencies and directs the nature of the company's activities for the benefit of the Country Agencies. For these reasons, the directors consider the Joint Nature Conservation Committee to be the ultimate controlling party.

**26. Contingent liability**

The company is the lead partner for the European Union – funded project “Mapping European Seabed Habitats” (MESH). As lead partner it receives the whole of the funding from the European Union and allocates it to the partner organisations according to their agreed entitlement, and subject to a 10% retention which is only payable on completion of the project and the issue of a satisfactory audit report by the auditors of the project. All of the partners to the project have signed an undertaking to complete their part of the project, but the company may be liable to complete the work should any partner not fulfil that obligation. The maximum liability at the date of this report is €800,000 (£569,000). The directors are not aware of any potential default and consequently no provision has been made in these financial statements.

**JNCC SUPPORT CO**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	£	£
<b>Turnover</b>		
JNCC grant in aid		6,302,994
European union fund		954,146
Contributions to projects		939,227
Royalties		4,768
Scientific advice and information		37,633
Publication sales		53,556
Other receipts		277,725
		<u>8,570,049</u>
 <b>Cost of sales</b>		
Conservation support	3,276,785	
Publicity and information	215,195	
Notional cost of capital	17,507	
Direct staff costs	3,704,006	
		<u>(7,213,493)</u>
 <b>Gross profit</b>		 1,356,556
 <b>Miscellaneous other operating income</b>		
Interest received		18,637
		<u>1,375,193</u>
 <b>Overheads</b>		
Directors' emoluments	275,717	
Other administrative costs	1,250,728	
Interest payable	3,657	
Transfer from government grant reserve	(102,914)	
		<u>(1,427,188)</u>
 <b>Loss on ordinary activities</b>		 <u>(51,995)</u>

**JNCC SUPPORT CO**  
**SCHEDULE OF OVERHEAD EXPENSES**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

	£	£
<b>Directors' emoluments</b>		
Directors' remuneration	235,046	
Directors' pension contributions	40,671	
	<hr/>	275,717
<b>Other administrative costs</b>		
Depreciation	67,405	
Loss on disposal of assets	80	
Amortisation	17,367	
Impairment of tangible fixed assets	4,700	
Impairment of intangible assets	13,361	
Auditor's remuneration	15,330	
Administration charge	6,552	
Notional costs	(17,507)	
Training	52,528	
Recruitment	26,556	
Other audit fees	31,754	
Rent	221,145	
Rates	56,240	
Light and heat	8,958	
Repairs and renewals	68,303	
Protective clothing	1,450	
Computer maintenance	27,059	
Computer equipment	83,420	
Cleaning	21,433	
Sundry expenses	3,227	
Telephone	69,766	
Printing, postage and stationery	55,719	
Subscriptions	8,456	
General insurance	5,575	
Motor expenses	17,965	
Travel and subsistence	309,498	
Entertainment	11,068	
Legal and professional fees	762	
Consultancy	62,519	
Bank charges	39	
	<hr/>	1,250,728
<b>Interest payable and similar charges</b>		
Bank interest	3,657	
	<hr/>	3,657
<b>Transfer from government grant reserve</b>		
Transfer from government grant reserve	(102,914)	
	<hr/>	(102,914)
<b>Total overhead expenses</b>		<hr/> <hr/> <b>1,427,188</b>