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**JNCC SUPPORT CO.**

**COMPANY BOARD**

**ADOPTION OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR JNCC SUPPORT CO FOR THE YEAR ENDED 31 MARCH 2008**

**Paper by Brian Lawrence**

1. It is the responsibility of the Company Board to approve the Directors' Report and Financial Statements for the company so that the Company Secretary may deliver the accounts and reports to the Registrar at Companies House.
2. Under the governance arrangements for the company the Audit and Risk Management Committee is required to examine the Directors' Report and Financial Statements and letter of representation and make comments to the Board on any concerns that it may have over the accounts or letter prior to the Board approving them.
3. Copies of the Directors' Report and Financial Statements, attached at Annex 1, are being circulated to the members of the Audit and Risk Management Committee at the same time as to Board Members. The Audit and Risk Management Committee will discuss the Report and Statements at its meeting on 18 June, and any concerns raised will be reported to the Board meeting.
4. Attached at Annex 2 is the letter of representation which is to be signed by the Managing Director on behalf of the Board, confirming that the Board is satisfied as to the completeness of information provided and disclosures given to the external auditors.
5. The Board is asked to **approve** the Directors' Report and Financial Statements and letter of representation for the year ended 31 March 2008.

**ANNEX 1**

**ANNEX 2**

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

**JNCC SUPPORT CO  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

**MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
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 (Resigned 29 February 2008)  
Dr P Bridgewater (Appointed 1 October 2007)  
Mr R A Brown  
Mr P J Casement (Appointed 1 March 2008)  
Mr P A Christensen  
Mr D J Crawley (Appointed 2 April 2007)  
Mr A M G Darby OBE (Resigned 30 September 2007)  
Professor P Doyle  
Mr D A Hill  
Professor D S Ingram OBE (Resigned 31 March 2008)  
Mr J Lloyd Jones OBE  
Dr I M Joyce (Appointed 2 January 2008)  
Mr D E Pritchard  
Mr B Riddleston (Resigned 31 December 2007)  
Mr D Steer  
Mr A Thin (Appointed 26 July 2007)  
Professor M B Usher  
Dr M A Vincent  
Professor L M Warren  
Mr M J M Yeo

**Secretary:** Mrs S E McQueen

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

**Auditors:** Moore Stephens  
Registered Auditors  
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 2008**

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**JNCC SUPPORT CO**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

The directors present their report and the financial statements for the year ended 31 March 2008.

**Principal activities**

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

**Review of business**

The directors believe that the company is continuing to make a significant contribution to nature conservation on both the national and international level via an extensive and varied programme of work. All of the Key Performance Indicators have been met. The company has achieved a small profit and continues to demonstrate a high level of control over the management of public monies for which it has stewardship responsibilities.

The company allocates resources against existing income streams. The board assesses the potential impact of financial and non financial risk on a continuing basis, through the company's system of internal controls and an overview from the Audit and Risk Management Committee which is chaired by a non executive director and reports direct to the board. The directors are not aware of any significant risk which may have an impact on the ability of the company to continue to operate at the current level of activity.

**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 of 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 and charitable donations in the year.

**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 YEAR ENDED 31 MARCH 2008**

**Directors' interests**

The directors who served during the year were as follows:

Dr L M L Blakiston Houston (Resigned 29 February 2008)  
Dr P Bridgewater (Appointed 1 October 2007)  
Mr R A Brown  
Mr P J Casement (Appointed 1 March 2008)  
Mr P A Christensen  
Mr D J Crawley (Appointed 2 April 2007)  
Mr A M G Darby OBE (Resigned 30 September 2007)  
Professor P Doyle  
Mr D A Hill  
Professor D S Ingram OBE (Resigned 31 March 2008)  
Mr J Lloyd Jones OBE  
Dr I M Joyce (Appointed 2 January 2008)  
Mr D E Pritchard  
Mr B Riddleston (Resigned 31 December 2007)  
Mr D Steer  
Mr A Thin (Appointed 26 July 2007)  
Professor M B Usher  
Dr M A Vincent  
Professor L M Warren  
Mr M J M Yeo

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and maintained in the financial statements;
- 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 to 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.

Amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transactions or arrangement, in accordance with generally accepted accounting principles or practice. In the case of each of the persons who are directors at the time when the directors report is approved:

- so far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Messrs Moore Stephens (Chartered Accountants) have expressed their willingness to continue in office. Following the passage of the Companies Act 2006 the Comptroller and Auditor General is empowered to audit the JNCC Support Co's financial statements as from the year ending 31 March 2009. The audit of the financial statements for the year ending 31 March 2009 will therefore be undertaken by the National Audit Office.

**On behalf of the board**

.....  
**Mrs S E McQueen**  
**Secretary**

.....  
Monkstone House  
City Road  
Peterborough  
Cambridgeshire  
PE1 1JY

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

We have audited the financial statements of JNCC Support Co for the year ended 31 March 2008 on pages 6 to 24. These financial statements have been prepared under 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you, if in our opinion, 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 read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 SHAREHOLDERS 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 2008 and of its profit for the year 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  
Chartered Accountants  
Registered Auditors  
Rutland House  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6PZ

Date: .....

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**JNCC SUPPORT CO**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
<b>Turnover</b>	2	9,540,146	8,777,497
Cost of sales		(7,820,415)	(7,305,516)
<b>Gross profit</b>		1,719,731	1,471,981
Administrative expenses		(1,821,357)	(1,647,698)
<b>Operating loss</b>	3	(101,626)	(175,717)
Transfer from Government Grant reserve		98,153	117,528
<b>Loss on ordinary activities before interest</b>		(3,473)	(58,189)
Other interest receivable and similar income		25,173	18,883
Interest payable	6	(3)	-
<b>Profit/(loss) on ordinary activities before taxation</b>		21,697	(39,306)
Tax on profit on ordinary activities		-	-
<b>Profit/(loss) for the year</b>		21,697	(39,306)

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2008 therefore turnover and operating profit 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 YEAR ENDED 31 MARCH 2008**

	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
Profit/(loss) for the financial year	21,697	(39,306)
Capital grant for purchase of assets	40,057	139,512
Gain/(loss) on revaluation of assets	9,360	(4,610)
Transfer from Government grant reserve	(98,153)	(117,528)
Total recognised gains and losses relating to and recognised in the year	<u>(27,039)</u>	<u>(21,932)</u>

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**JNCC SUPPORT CO****NOTE OF HISTORICAL COST PROFITS AND LOSSES****FOR THE YEAR ENDED 31 MARCH 2008**

	<b>2008</b>	<b>2007</b>
	£	£
Profit/(Loss) on ordinary activities before taxation	21,697	(39,306)
Difference - historical and actual depreciation	22,289	(48)
Difference - historical and actual amortisation	(6,094)	(9,665)
Historical cost profit/(loss) on ordinary activities before taxation.	<u>37,892</u>	<u>(49,019)</u>
Historical cost profit/(loss) for the year retained after taxation and dividends	<u>37,892</u>	<u>(49,019)</u>

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**JNCC SUPPORT CO****BALANCE SHEET****AS AT 31 MARCH 2008**

	Note	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		84,498		86,623
Tangible assets	8		249,761		296,372
			<u>334,259</u>		<u>382,995</u>
<b>Current assets</b>					
Stocks	9	61,539		78,326	
Debtors	10	945,480		1,064,183	
Cash at bank and in hand		272,015		435,525	
		<u>1,279,034</u>		<u>1,578,034</u>	
<b>Creditors</b>					
Amounts falling due within one year	11	(1,209,536)		(1,527,715)	
			<u>69,498</u>		<u>50,319</u>
<b>Net current assets</b>					
			<u>403,757</u>		<u>433,314</u>
<b>Total assets less current liabilities</b>					
<b>Provisions for liabilities</b>	12		(674)		(3,192)
			<u>403,083</u>		<u>430,122</u>
<b>Net assets</b>					
			<u><u>403,083</u></u>		<u><u>430,122</u></u>
<b>Capital and reserves</b>					
Government grant reserve	13		334,259		382,995
Other reserves	14		138,428		138,428
Profit and loss account	15		(69,604)		(91,301)
			<u>403,083</u>		<u>430,122</u>
<b>Shareholders' funds</b>					
			<u><u>403,083</u></u>		<u><u>430,122</u></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**  
**CASHFLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
<b>Net cash (outflow)/inflow from operating activities</b>	16	(188,680)	385,552
<b>Returns on investments and servicing of finance</b>	17	25,170	18,883
<b>(Decrease)/Increase in cash</b>		<u>(163,510)</u>	<u>404,435</u>

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**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**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.

**Turnover**

The principal elements of turnover are:-

- 1) Grant in aid income entitlement for the year from the GB Conservation bodies and the Department of the Environment in Northern Ireland, 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.

Turnover is stated net of VAT and trade discounts.

**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

A full year's depreciation is charged 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 adjustment to the carrying values.

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.

**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.

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**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.

**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 contributions in accordance with the Cabinet Office scheme ASLC (Accruing Superannuation Liability Charges), a defined benefit scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme. It has therefore accounted for the cost on the basis of the contributions required under the rules of the 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.

**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 YEAR ENDED 31 MARCH 2008**

**3. Operating loss**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Directors' emoluments	274,610	248,254
Company contributions to money purchase schemes in relation to directors' pensions	46,285	42,673
	<u>320,895</u>	<u>290,927</u>
Total directors' emoluments		
Auditors' remuneration	28,967	12,212
Depreciation and amortisation of owned assets	98,153	123,247
Pension costs	695,232	596,959
Operating lease rentals – land and buildings	277,040	250,505
	<u><u>277,040</u></u>	<u><u>250,505</u></u>

**4. Directors' emoluments**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	274,610	248,254
Company contributions to money purchase schemes in relation to directors pensions	46,285	42,673
	<u><u>46,285</u></u>	<u><u>42,673</u></u>

The above details include the following amounts in respect of the highest paid director:

Directors' emoluments	89,881	70,584
-----------------------	--------	--------

The above amounts include back pay in respect of previous years in the sum of £3,045 (2007 : £ Nil)

Company contributions to money purchase schemes in relation to directors pensions	22,111	17,999
	<u><u>22,111</u></u>	<u><u>17,999</u></u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**5. Staff costs**

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

	<b>2008</b>	<b>2007</b>
Executive Directors	3	3
Chairmen and non-executive Directors	5	4
Management	13	12
Operational	80	72
Administration	29	29
IT	3	3
	<u>133</u>	<u>123</u>

The aggregate payroll costs of these persons were as follows:

	<b>2008</b> £	<b>2007</b> £
Wages and salaries	3,618,979	3,299,674
Social security costs	276,370	255,391
Other pension costs	695,232	639,632
	<u>4,590,581</u>	<u>4,194,697</u>

**6. Interest payable**

	<b>2008</b> £	<b>2007</b> £
Interest payable - bank loans and overdraft and other loans repayable within five years	3	-
	<u>=</u>	<u>=</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**7. Intangible Fixed Assets**

	<b>Software Licences £</b>
Cost:	
At 1 April 2007	145,729
Additions	23,204
Revaluations	(5,176)
	163,757
At 31 March 2008	163,757
Amortisation:	
At 1 April 2007	59,106
Charge for the Year	26,247
Depreciation on revaluation	(6,094)
	79,259
At 31 March 2008	79,259
Net Book Value:	
At 31 March 2008	84,498
	84,498
At 31 March 2007	86,623
	86,623
<p>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.</p>	
<b>Historical cost note</b>	
At the 31 March 2008:	£
Historic cost	211,219
Accumulated historic depreciation	(119,166)
	92,053
Historic net book value	92,053
Cumulative provision for impairment	
At 31 March 2008	42,075
	42,075
At 31 March 2007	33,672
	33,672

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**8. Tangible fixed assets**

	Land and buildings £	Computer Equipment £	Fixtures and fittings £	Total £
Cost or valuation:				
At 1 April 2007	417,317	191,596	260,855	869,768
Additions	6,629	10,224	-	16,853
Revaluations	-	8,923	21,808	30,731
Disposals	-	(24,998)	-	(24,998)
At 31 March 2008	<u>423,946</u>	<u>185,745</u>	<u>282,663</u>	<u>892,354</u>
Depreciation:				
At 1 April 2007	302,869	120,228	150,299	573,396
Charge for the year	18,011	23,957	29,938	71,906
On disposals	-	(24,998)	-	(24,998)
Transfers	-	7,643	14,646	22,289
At 31 March 2008	<u>320,880</u>	<u>126,830</u>	<u>194,883</u>	<u>642,593</u>
Net book value:				
At 31 March 2008	<u>103,066</u>	<u>58,915</u>	<u>87,780</u>	<u>249,761</u>
At 31 March 2007	<u>114,448</u>	<u>71,368</u>	<u>110,556</u>	<u>296,372</u>
<b>Historic cost note:</b>				
	£	£	£	£
At 31 March 2008				
Historical cost	324,555	342,276	260,500	927,331
Historical depreciation	(250,035)	(277,419)	(178,095)	(705,549)
Historical net book value	<u>74,520</u>	<u>64,857</u>	<u>82,405</u>	<u>221,782</u>
<b>Cumulative provision for impairment</b>				
		£	£	£
At 1 April 2007		(12,012)	(3,719)	(15,731)
Charge for the year		-	-	-
At 31 March 2008		<u>(12,012)</u>	<u>(3,719)</u>	<u>(15,731)</u>

**9. Stocks**

	2008 £	2007 £
Finished goods	61,539	78,326
	<u>61,539</u>	<u>78,326</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

<b>10. Debtors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Due within one year:		
Trade debtors	811,626	944,524
Other debtors	12,010	11,076
Prepayments	121,844	108,583
	<u>945,480</u>	<u>1,064,183</u>
	<u><u>945,480</u></u>	<u><u>1,064,183</u></u>
<b>11. Creditors - amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade creditors	639,582	1,022,768
Other creditors	165,768	142,170
Other taxes and social security	101,813	96,163
Accruals and deferred income	302,373	266,614
	<u>1,209,536</u>	<u>1,527,715</u>
	<u><u>1,209,536</u></u>	<u><u>1,527,715</u></u>
<b>12. Provisions for liabilities</b>		<b>Pensions and similar obligations</b>
		<b>£</b>
Balance at 1 April 2007		3,192
Utilised for the year in profit and loss account		<u>(2,518)</u>
Balance at 31 March 2008		<u><u>674</u></u>
<p>The pension provision brought forward 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. During the year Mr A Darby retired as Chairman and Mr P Bridgewater was appointed. The pension provision carried forward represents future liabilities in respect of Mr P Bridgewater. 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>2008</b>
	<b>£</b>	<b>£</b>
		<b>£</b>
Balance at 1 April 2007		382,995
Capital grant received in the period		40,057
Gain on revaluation of assets		9,360
Depreciation for the year		<u>(98,153)</u>
Balance at 31 March 2008		<u><u>334,259</u></u>



**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

<b>14. Other reserves</b>	<b>2008</b> <b>£</b>	
<b>Capital reserve</b>		
Transferred from JNCC at 1 April 2005		138,428
At 1 April 2007 and 31 March 2008		<u>138,428</u>
<b>15. Profit and loss account</b>	<b>2008</b> <b>£</b>	
Balance at 1 April 2007		(91,301)
Profit retained for the year		21,697
Balance at 31 March 2008		<u>(69,604)</u>
<b>16. Reconciliation of operating (loss) to net cash (outflow)/inflow from operating activities</b>	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
Operating loss	(92,266)	(169,417)
Depreciation charges	71,906	78,974
Revaluation/impairment of intangible fixed assets	(918)	(14,282)
Revaluation/impairment of tangible fixed assets	(8,442)	4,610
Amortisation	26,247	44,273
Profit on sale of tangible fixed assets	-	(2,347)
Decrease in stocks	16,787	10,949
Decrease in debtors	118,703	700,108
(Decrease) in creditors	(318,179)	(268,615)
(Decrease)/Increase in provisions	(2,518)	1,299
Net cash flow from operating activities	<u>(188,680)</u>	<u>385,552</u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

17. **Gross cash flows**

	2008 £	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>			
Interest received	25,173		18,883
Interest paid	(3)		-
	<u>25,170</u>	<u>25,170</u>	<u>18,883</u>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	(16,853)		(62,116)
Payments to acquire intangible fixed assets	(23,204)		(77,396)
Capital grant in aid received	40,057		139,512
	<u>-</u>	<u>-</u>	<u>-</u>

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

	2008 £	2008 £	2007 £
(Decrease)/Increase in cash in the year	<u>(163,510)</u>		<u>404,435</u>
Change in net funds resulting from cash flows		(163,510)	404,435
<b>Movement in net funds in the year</b>		<u>(163,510)</u>	<u>404,435</u>
<b>Net funds at 1 April 2007</b>		435,525	31,090
<b>Net funds at 31 March 2008</b>		<u><u>272,015</u></u>	<u><u>435,525</u></u>

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**19. Analysis of net fund**

	Opening balance £	Cash flows £	Closing balance £
<b>Net cash:</b>			
Cash at bank	435,338	(163,973)	271,365
Cash in hand	187	463	650
	<u>435,525</u>	<u>(163,510)</u>	<u>272,015</u>
<b>Net fund</b>	<u>435,525</u>	<u>(163,510)</u>	<u>272,015</u>

**20. Leasing commitments**

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings 2008 £	Land and buildings 2007 £
Operating leases which expire:		
Within one year	-	31,724
Within 2 to 5 years	236,313	193,267
	<u>236,313</u>	<u>224,991</u>

**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. The current rate of the employer contributions is based on the ASLC bands and rates:-

Band 1	£19,000 and under	17.1 per cent
Band 2	£19,001 to £39,000	19.5 per cent
Band 3	£39,001 to £66,500	23.2 per cent
Band 4	£66,501 and over	25.5 per cent

The pension cost charge in the profit and loss account represents contributions payable by the company to the fund and amounted to £695,232 (2007: £596,959).

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**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 year.

**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.

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**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**24. Related party transactions**

The company receives its grant in aid funding from Natural England (formerly 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 of 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 £
Natural England	2,952,000	229,017	92,631
Defra	1,920,000	359,594	-
Scottish Natural Heritage	1,738,000	105,532	100,393
The Countryside Council for Wales	869,000	51,503	30,809
Department for the Environment in Northern Ireland	434,000	10,000	-

The net revenue expenditure incurred by the Joint Nature Conservation Committee on behalf of the GB Conservation Bodies and the Department for the Environment in Northern Ireland during the year was as follows:

	<b>2008</b>	<b>2007</b>
Natural England (Defra)	3,598,000	5,042,000
Scottish Natural Heritage	2,339,000	2,320,000
Defra	2,117,000	-
The Countryside Council for Wales	1,059,000	1,161,000
Department for the Environment in Northern Ireland	529,000	446,000

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

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

<b>Individual staff / Council Member</b>	<b>Corporate related body</b>	<b>Paid by JNCC</b>		<b>Paid to JNCC</b>	
		<b>07/08</b>	<b>(06/07)</b>	<b>07/08</b>	<b>(06/07)</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Mr D Steer</b>	National Biodiversity Network Trust (Trustee & Treasurer)	74	(47)	79	(63)
<b>Ms L Warren</b>	British Geological Survey (NERC)	413	(21)	0	(32)
	Environment Agency (Board Member)	10	(24)	25	(3)

The above information relates to contracts in excess of £25,000. Any contract for a lesser sum is not considered to be material in the context of these financial statements.

The directors consider a financial interest to be the ability to influence the company in placing a contract with a party with whom they have a position of influence, or the ability to influence the performance of that contract by the contractor.

**JNCC SUPPORT CO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2008**

**25. 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 €312,074 (£231,996) (2007: €376,000 (£255,500)). The directors are not aware of any potential default and consequently no provision has been made in these financial statements.

**26. Ultimate controlling party**

14 of the 17 current 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 benefits of the Country Agencies. For these reasons, the directors consider the Joint Nature Conservation Committee to be the ultimate controlling party.

**JNCC SUPPORT CO**  
**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2008**

	<b>2008</b>		<b>2007</b>	
	£	£	£	£
<b>Turnover</b>				
JNCC grant in aid		7,872,946		6,837,409
European Union fund		463,979		721,480
Contributions to projects		956,176		1,024,651
Royalties		3,282		3,394
Scientific advice and information		18,119		26,985
Publication sales		55,630		50,213
Other receipts		170,014		113,365
		<u>9,540,146</u>		<u>8,777,497</u>
<b>Cost of sales</b>				
Conservation support	3,338,144		3,188,104	
Publicity and information	212,801		213,587	
Notional cost of capital	14,581		15,309	
Direct staff costs	4,254,889		3,888,516	
		<u>(7,820,415)</u>		<u>(7,305,516)</u>
<b>Gross profit</b>		1,719,731		1,471,981
<b>Miscellaneous other operating income</b>				
Interest received		25,173		18,883
		<u>1,744,904</u>		<u>1,490,864</u>
<b>Overheads</b>				
Directors' emoluments	320,895		290,927	
Other administrative costs	1,500,462		1,356,771	
Interest payable and similar charges	3		-	
Transfer from Government Grant reserve	(98,153)		(117,528)	
		<u>(1,723,207)</u>		<u>(1,530,170)</u>
<b>Profit/(loss) on ordinary activities</b>		<u>21,697</u>		<u>(39,306)</u>



**JNCC SUPPORT CO**  
**SCHEDULE OF OVERHEAD EXPENSES**  
**FOR THE YEAR ENDED 31 MARCH 2008**

	2008		2007	
	£	£	£	£
<b>Directors' emoluments</b>				
Directors' remuneration	274,610		248,254	
Directors' pension	46,285		42,673	
		<u>320,895</u>		<u>290,927</u>
<b>Other administrative costs</b>				
Temporary staff	14,797		15,254	
Depreciation	71,906		78,974	
Profit on disposal of assets	-		(2,347)	
Amortisation	26,247		44,273	
Impairment of tangible fixed assets	-		4,610	
Impairment on intangible assets	-		(14,282)	
Auditor's remuneration	28,967		12,212	
Administration charge	-		2,486	
Notional cost of capital	(14,581)		(15,309)	
Training	39,100		62,599	
Recruitment	29,883		39,537	
Other audit fees	40,084		37,697	
Rent	277,040		250,505	
Rates	58,428		57,170	
Light and heat	16,082		13,773	
Repairs and renewals	142,890		79,253	
Protective clothing	1,744		567	
Computer maintenance	42,857		44,050	
Computer equipment	79,378		90,443	
Cleaning	22,411		18,823	
Sundry expenses, less recoveries	4,082		(789)	
Telephone	73,230		61,207	
Printing, postage and stationery	44,928		33,725	
Subscriptions	18,255		9,134	
General insurance	6,722		5,793	
Motor expenses	7,315		7,012	
Travel and subsistence	404,124		308,413	
Entertainment	17,022		24,990	
Legal and professional fees	5,514		3,966	
Consultancy	40,671		81,304	
Bank charges	1,366		1,728	
		<u>1,500,462</u>		<u>1,356,771</u>
<b>Interest payable and similar charges</b>				
Bank interest	3		-	
		<u>3</u>		<u>-</u>
Transfer from Government Grant reserve	(98,153)		(117,528)	
		<u>(98,153)</u>		<u>(117,528)</u>
<b>Total overhead expenses</b>		<u><u>1,723,207</u></u>		<u><u>1,530,170</u></u>

12. The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, other than as disclosed in the financial statements.
13. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and all guarantees that we have given to third parties. In particular we confirm that we are not aware of any claim arising on the company from the MESH project.
14. There have been no events subsequent to the balance sheet date that require adjustments of or disclosure in the financial statements.
15. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
16. To the best of our knowledge and belief, the information disclosed in the financial statements in respect of parties which control the company is complete and accurate.
17. To the best of our knowledge and belief, there were no material transactions with related parties at any time during the year which fall to be disclosed.
18. In particular, no director, shadow director, their connected persons or other officers had any indebtedness, agreement concerning indebtedness or disclosable interest in a transaction with the company at any time during the year, other than as indicated in the financial statements.
19. Except as disclosed in the financial statements, the results for the year were not materially affected by:
  - a. any change in accounting policies;
  - b. transactions of a type not usually undertaken by the company or group;
  - c. circumstances of an exceptional or non-recurrent nature; or
  - d. charges or credits relating to prior periods.
20. There is no pending or potential litigation against the company and there are no contingencies of a material amount for which provision has not been made in the financial statements.
21. We confirm that we have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date on which the financial statements are to be approved.
  - ii) we do not consider that any disclosures are required in the financial statements in relation to the adoption of the going concern basis in order to show a true and fair view.
22. We confirm that we have considered all entries appearing on the attached profit reconciliation and have authorised such adjustments to be made. We take full responsibility for such adjustments and therefore confirm that the auditors have not undertaken any management role in connection with the conduct of the audit.
23. In our opinion, the items included in the attached unadjusted error schedule are not material, and therefore do not require adjustment to be made to the financial statements.

Would you please confirm by signing below, that this is an accurate statement of representations made.

Yours faithfully

*Moore Stephens*

**Moore Stephens**

We confirm that this is an accurate record of verbal representations made for the purpose of the audit.

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

Signed on behalf of the board of  
JNCC Support Co

On \_\_\_\_\_ (date)



The Directors  
JNCC Support Co  
Monkstone House,  
City Road,  
Peterborough,  
PE1 1JY

Rutland House  
Minerva Business Park  
Lynch Wood  
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Dear Sirs,

During the course of the audit you have provided verbal representations as listed below in connection with the audit of the financial statements of JNCC Support Co for the year ended 31 March 2008 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the company for the period then ended in accordance with UK generally accepted accounting practice.

1. We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements which give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.
2. We acknowledge as directors our responsibilities for the design and implementation of internal control in order to prevent and detect fraud.
3. We confirm that we have disclosed separately to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We confirm that we are not aware of any instance of fraud, and have no suspicions of any fraud, involving members of management or employees who have a significant role in internal control.
5. We confirm that we have neither knowledge nor suspicion of fraud in any circumstances where such fraud or suspected fraud could have a material effect on the financial statements.
6. We confirm that we are not aware of any allegations of fraud or suspected fraud with a potential effect on the financial statements which have been communicated to us by employees, former employees, regulators or other third parties.
7. We confirm to you that we have disclosed to you all known instances of actual or possible non-compliance with laws and regulations, where such instances have or could have an effect upon the financial statements.
8. We confirm the completeness of the information provided to you regarding the identification of related parties.
9. The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
  - a. losses arising from sale and purchase commitments;
  - b. agreements and options to buy back assets previously sold;
  - c. assets pledged as collateral.
10. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
11. We have no plans to abandon activities or other plans or intentions that will result in any excess or obsolete stocks, and no stock is stated at an amount in excess of net realisable value.

Dickon Sandbach FCA  
Anthony Cushing FCCA  
Robert Foster FCA  
Michael Lumsden ACA  
Andy Hancock FCCA  
Gerard Mallaghan FCA  
Fred Murphy FCA  
Keith Parter FCA  
Adrian Urquhart FCA  
Andy Page FCA  
Nick Bairstow FCA  
Peter Simons FCA ATH  
Oliver Starkie FCA ATH  
Philip Walding FCA

*Associates*  
Carolyn Rossiter ACA  
Simon Reid FCA  
Janita Mackin ACA  
April Foster ACCA  
Lynne Henbury ACA

*Offices:*  
Corby  
Kettering  
Northampton  
Peterborough

Registered to carry on  
audit work and  
regulated for a range of  
investment business activities  
by the Institute of  
Chartered Accountants  
in England and Wales

*An independent member firm  
of Moore Stephens  
International Limited -  
members in principal cities  
throughout the world*



12. The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, other than as disclosed in the financial statements.
13. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and all guarantees that we have given to third parties. In particular we confirm that we are not aware of any claim arising on the company from the MESH project.
14. There have been no events subsequent to the balance sheet date that require adjustments of or disclosure in the financial statements.
15. The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
16. To the best of our knowledge and belief, the information disclosed in the financial statements in respect of parties which control the company is complete and accurate.
17. To the best of our knowledge and belief, there were no material transactions with related parties at any time during the year which fall to be disclosed.
18. In particular, no director, shadow director, their connected persons or other officers had any indebtedness, agreement concerning indebtedness or disclosable interest in a transaction with the company at any time during the year, other than as indicated in the financial statements.
19. Except as disclosed in the financial statements, the results for the year were not materially affected by:
  - a. any change in accounting policies;
  - b. transactions of a type not usually undertaken by the company or group;
  - c. circumstances of an exceptional or non-recurrent nature; or
  - d. charges or credits relating to prior periods.
20. There is no pending or potential litigation against the company and there are no contingencies of a material amount for which provision has not been made in the financial statements.
21. We confirm that we have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date on which the financial statements are to be approved.
  - ii) we do not consider that any disclosures are required in the financial statements in relation to the adoption of the going concern basis in order to show a true and fair view.
22. We confirm that we have considered all entries appearing on the attached profit reconciliation and have authorised such adjustments to be made. We take full responsibility for such adjustments and therefore confirm that the auditors have not undertaken any management role in connection with the conduct of the audit.
23. In our opinion, the items included in the attached unadjusted error schedule are not material, and therefore do not require adjustment to be made to the financial statements.

Would you please confirm by signing below, that this is an accurate statement of representations made.

Yours faithfully

*Moore Stephens*

**Moore Stephens**

We confirm that this is an accurate record of verbal representations made for the purpose of the audit.

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

Signed on behalf of the board of  
JNCC Support Co

On \_\_\_\_\_ (date)