

The European Forum on Nature Conservation and Pastoralism Limited

Report and Financial Statements

for the year ended 31 December 2010

The European Forum on Nature Conservation and Pastoralism Limited
(A company limited by guarantee)

Company Information

Directors

Dr D I McCracken
Dr E M Bignal (resigned 10 September 2010)
Dr R Luick (resigned 10 September 2010)
D G L Jones
B Dunford
Dr C Hindmarch
G A R Beaufoy (appointed 10 September 2010)
X Poux (appointed 10 September 2010)

Company secretary

Dr D I McCracken

Company number

03150755

Registered office

97 Oakwell Court
Hamsterley Vale
Derwentside
Co Durham
NE17 7BE

Auditors

Ernst & Young LLP
Barony House
Stoneyfield Business Park
Stoneyfield
Inverness
Scotland
IV2 7PA

The European Forum on Nature Conservation and Pastoralism Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010.

Principal activities and review of the year

The principal activity of the company in the year under review was that of a non-profit making organisation with its main aim being to increase the understanding of the high nature conservation and culture value of certain farming systems.

2010 saw a quantum leap in the scale of European Forum on Nature Conservation and Pastoralism Limited's activities, thanks to a substantial increase in expenditure made possible by a more proactive approach to fundraising and, in particular, to a substantial grant from the European Commission (DG Environment).

For the first time in many years, the Forum employed staff, with eight people in post by the end of the year. They were based in the UK, in France and in Bulgaria, where we opened a branch.

We undertook project work in seven countries as well as on a EU level, including research on HNV farmland identification and needs. The flagship event was the international conference in Sibiu, Romania, organised in partnership with our local member, Fundatia Adept, which had speeches from both agriculture and environment EU Commissioners. Other notable events took place in Normandy, France; Gyimes, Romania and Vilm, Germany.

We developed a major policy document on HNV farmland support as well as specific recommendations on a number of detailed aspects of policy and attended 16 EU advisory meetings.

We undertook an external evaluation of our internal procedures and are taking forward the recommendations made.

Cashflow remains a difficult issue, both at the start of the year before grant advances are received and at the year end while the balance of funding is awaited. We are grateful for loan assistance from a number of friends of the Forum.

We end 2010 with a surplus and a positive balance sheet. Some funding is already in place for 2011. Although the Board endeavors to minimise the risk by appropriate management of income and expenditure, exchange rate variance remains a major uncertainty; we will redouble our efforts to increase the strength of our balance sheet in 2011 by increasing the volume of receipts from donations and surplus-generating activities.

Directors

The directors who served during the year were:

Dr D I McCracken
Dr E M Bignal (resigned 10 September 2010)
Dr R Luick (resigned 10 September 2010)
D G L Jones
B Dunford
Dr C Hindmarch
G A R Beaufoy (appointed 10 September 2010)
X Poux (appointed 10 September 2010)

The European Forum on Nature Conservation and Pastoralism Limited
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Directors' report
for the year ended 31 December 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

D G L Jones
Director

The European Forum on Nature Conservation and Pastoralism Limited
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Independent auditors' report to the members of The European Forum on Nature Conservation and Pastoralism Limited

We have audited the financial statements of The European Forum on Nature Conservation and Pastoralism Limited for the year ended 31 December 2010, set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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 explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The European Forum on Nature Conservation and Pastoralism Limited
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Independent auditors' report to the members of The European Forum on Nature Conservation and Pastoralism Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime.

Peter Mearns (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP
Statutory Auditor
Inverness
Date:

The European Forum on Nature Conservation and Pastoralism Limited
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Profit and loss account
for the year ended 31 December 2010

	<i>Note</i>	<i>2010</i> £	<i>2009</i> £
Turnover	1	29,009	52
Administrative expenses		(606,602)	(58,444)
Other operating income	2	601,619	41,009
		<hr/>	<hr/>
Operating profit/(loss)	3	24,026	(17,383)
Interest payable and similar charges		(650)	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		23,376	(17,383)
Tax on profit/(loss) on ordinary activities		-	-
		<hr/>	<hr/>
Profit/(loss) for the financial year	8	23,376	(17,383)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 9 form part of these financial statements.

The European Forum on Nature Conservation and Pastoralism Limited
(A company limited by guarantee)
Registered number: 03150755

Balance sheet
as at 31 December 2010

	<i>Note</i>	<i>£</i>	<i>2010</i> <i>£</i>	<i>£</i>	<i>2009</i> <i>£</i>
Current assets					
Debtors	5	154,419		10,913	
Cash at bank		90,875		13,295	
		<u>245,294</u>		<u>24,208</u>	
Creditors: amounts falling due within one year					
	6	<u>(228,089)</u>		<u>(30,379)</u>	
Net current assets/(liabilities)			<u>17,205</u>		<u>(6,171)</u>
Total assets less current liabilities			<u>17,205</u>		<u>(6,171)</u>
Capital and reserves					
Profit and loss account	8		<u>17,205</u>		<u>(6,171)</u>
			<u>17,205</u>		<u>(6,171)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

D G L Jones
Director

The notes on pages 7 to 9 form part of these financial statements.

The European Forum on Nature Conservation and Pastoralism Limited
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Notes to the financial statements
for the year ended 31 December 2010

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Fundamental accounting concept

The company recorded a profit of £23,376 in the year and as at 31 December 2010 has net assets of £17,205. The directors have reviewed budgets for a period of at least 12 months from the date of signing these financial statements and have concluded that sufficient cash flow should be available to enable the company to continue to trade and meet its liabilities as they fall due.

The company applies for project funding each year from bodies such as the EU. Future projects to be carried out are dependent on obtaining grant funding, which cannot be guaranteed. The cost base of the company is flexible, so as to match the level of activity carried out. The company is in receipt of short term unsecured loans from related parties to bridge funding gaps while awaiting grant payments.

The directors believe that it is therefore appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services provided in connection to its non-profit making activities.

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the Profit and loss account.

1.5 Government grants

EU and UK government grants relating to the principal activities of the company are credited to the Profit and loss account as the project progresses so as to match the grant receivable with the related expenditure.

2. Other operating income

	<i>2010</i>	<i>2009</i>
	£	£
Grant funding receivable	575,693	41,009
Donations received	25,926	-
	<u>601,619</u>	<u>41,009</u>

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Notes to the financial statements
for the year ended 31 December 2010

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	<i>2010</i>	<i>2009</i>
	£	£
Auditors' remuneration	4,200	-
Difference on foreign exchange	7,095	6,675
	<u>11,295</u>	<u>6,675</u>

4. Directors' remuneration

	<i>2010</i>	<i>2009</i>
	£	£
Aggregate emoluments	70,462	-
	<u>70,462</u>	<u>-</u>

5. Debtors

	<i>2010</i>	<i>2009</i>
	£	£
Trade debtors	154,419	10,913
	<u>154,419</u>	<u>10,913</u>

6. Creditors:
Amounts falling due within one year

	<i>2010</i>	<i>2009</i>
	£	£
Trade creditors	142,274	28,323
Social security and other taxes	9,795	-
Other creditors	76,020	2,056
	<u>228,089</u>	<u>30,379</u>

7. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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Notes to the financial statements
for the year ended 31 December 2010

8. Reserves

	<i>Profit and loss account</i> £
At 1 January 2010	(6,171)
Profit for the year	23,376
	<hr/>
At 31 December 2010	17,205
	<hr/> <hr/>

9. Related party transactions

During the year, loans of £15,000 were advanced by G Beaufoy and X Poux. G Beaufoy and Ms G Jones also advanced loans of €15,000 and £12,000 respectively. These loans are repayable in mid 2011 at an interest rate of 6.5% per annum. The amount of interest payable by the company in the year ended 31 December 2010 was £305 to G Beaufoy, £71 to X Poux and £109 to Ms G Jones. G Beaufoy and X Poux are directors of the company and Ms G Jones is a sister of G Jones, director.

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Detailed trading and profit and loss account
for the year ended 31 December 2010

	<i>Page</i>	<i>2010</i> £	<i>2009</i> £
Turnover		29,009	52
Other operating income	11	601,619	41,009
		<hr/>	<hr/>
		630,628	41,061
Less: Overheads			
Administration expenses	11	(606,602)	(58,444)
		<hr/>	<hr/>
Operating profit/(loss)		24,026	(17,383)
Interest payable		(650)	-
		<hr/>	<hr/>
Profit/(loss) for the year		<u>23,376</u>	<u>(17,383)</u>

The European Forum on Nature Conservation and Pastoralism Limited
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Schedule to the detailed accounts
for the year ended 31 December 2010

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Other operating income		
Grant income	575,693	41,009
Sundry income	25,926	-
	<hr/>	<hr/>
	601,619	41,009
	<hr/> <hr/>	<hr/> <hr/>

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Administration expenses		
Subcontractors	178,188	33,640
Staff salaries	260,212	-
Travel and subsistence	100,677	4,386
Other direct costs	40,465	12,274
Other direct costs - auditors' remuneration	4,200	-
Difference on foreign exchange	7,095	6,675
Overheads	6,136	1,469
Rent & equipment	9,629	-
	<hr/>	<hr/>
	606,602	58,444
	<hr/> <hr/>	<hr/> <hr/>