

The European Forum on Nature Conservation and Pastoralism Limited

Report and Financial Statements

for the year ended 31 December 2011

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

Company Information

Directors Dr D I McCracken
K I MacRae (appointed 10 September 2011)
D G L Jones
B Dunford
Dr C Hindmarch
G A R Beaufoy
X Poux

Company secretary K I MacRae

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

Bankers The Royal Bank of Scotland
Main Street
Bowmore
Isle of Islay
PA43 7JJ

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

Directors' report
for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011.

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.

After the 'quantum leap' last year, 2011 saw EFNCP consolidate 2010's gains, while taking advantage of the opportunities to strengthen and expand our activities where this was prudent. Staff numbers rose from eight to eleven, with the first colleague being taken on in Germany.

Once again a generous grant from the European Commission provided the financial backbone of our work programme. As in 2010, our country-based work concentrated on six Member States and the countries of the Western Balkans. A number of multiannual projects were completed, including work on HNV farming policy and on common land in the UK. We were however also able to strengthen links with other partners - some of the issues raised in the context of CAP reform led to significant collaboration with partners in Sweden and Estonia, for example.

2011 saw the final steps in one of our major projects for the past few years - the preparation, in collaboration with IFAB Mannheim, of a landmark book on Europe's HNV farming, with individual chapters on 35 countries. This will be available to the public in 2012.

The CAP reform provided one of the central themes of our work, both before and after the publication of the Commission's draft proposals. Once again our specific focus and specialised knowledge filled a vital gap in the overall NGO response.

Internal procedures were strengthened considerably by the introduction of an intranet site for project recording and monitoring and team building was undertaken in staff events in Spain and Bulgaria.

Once again, 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 2011 with a loss on the year, but a positive balance sheet. While one partner pulled out of jointly-funded work during the year, the big issue was again exchange rate variance, with a weak Euro at the year end reducing the Sterling value of the balance of the EU grants. This uncertainty will continue until the balance is paid in mid-2012. Securing major funding streams independent of the DG Environment grant is an essential step to improving our cashflow as well as rebuilding our balance sheet.

Directors

The directors who served during the year were:

Dr D I McCracken
K I MacRae (appointed 10 September 2011)
D G L Jones
B Dunford
Dr C Hindmarch
G A R Beaufoy
X Poux

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Directors' report
for the year ended 31 December 2011

Directors' responsibilities statement

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

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 2011, which comprise the Profit and loss account, the Balance sheet and the related notes 1 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 Directors' Responsibilities Statement set out on page 2, 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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its loss 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.

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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report.

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 2011

	<i>Note</i>	<i>2011</i> £	<i>2010</i> £
Turnover	1	11,276	29,009
Administrative expenses		(587,100)	(606,602)
Other operating income	2	564,498	601,619
		<hr/>	<hr/>
Operating (loss)/profit	3	(11,326)	24,026
Interest payable and similar charges		(3,271)	(650)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(14,597)	23,376
Tax on (loss)/profit on ordinary activities		-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	8	(14,597)	23,376
		<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 2011

	<i>Note</i>	<i>£</i>	<i>2011</i> <i>£</i>	<i>£</i>	<i>2010</i> <i>£</i>
Current assets					
Debtors	5	157,720		154,419	
Cash at bank		66,182		90,875	
		<u>223,902</u>		<u>245,294</u>	
Creditors: amounts falling due within one year					
	6	<u>(221,294)</u>		<u>(228,089)</u>	
Net current assets					
			<u>2,608</u>		<u>17,205</u>
Total assets less current liabilities					
			<u>2,608</u>		<u>17,205</u>
Capital and reserves					
Profit and loss account	8		<u>2,608</u>		<u>17,205</u>
			<u>2,608</u>		<u>17,205</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 2011

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 loss of £14,597 in the year and as at 31 December 2011 has net assets of £2,608 (2010 - £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, which may be paid retrospectively.

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 goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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>2011</i>	<i>2010</i>
	£	£
Grant funding receivable	564,234	575,693
Donations received	264	25,926
	<hr/>	<hr/>
	564,498	601,619
	<hr/> <hr/>	<hr/> <hr/>

The European Forum on Nature Conservation and Pastoralism Limited
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Notes to the financial statements
for the year ended 31 December 2011

3. Operating (loss)/profit

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

	<i>2011</i>	<i>2010</i>
	£	£
Auditors' remuneration	6,000	4,200
Difference on foreign exchange	(9,918)	7,095
	<u> </u>	<u> </u>

4. Directors' remuneration

	<i>2011</i>	<i>2010</i>
	£	£
Aggregate emoluments	141,503	70,462
	<u> </u>	<u> </u>

5. Debtors

	<i>2011</i>	<i>2010</i>
	£	£
Trade debtors	157,720	154,419
	<u> </u>	<u> </u>

6. Creditors:
Amounts falling due within one year

	<i>2011</i>	<i>2010</i>
	£	£
Trade creditors	92,879	142,274
Social security and other taxes	10,067	9,795
Other creditors	118,348	76,020
	<u> </u>	<u> </u>
	<u>221,294</u>	<u>228,089</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 2011

8. Reserves

	<i>Profit and loss account</i>
	<i>£</i>
At 1 January 2011	17,205
Loss for the year	(14,597)
	<hr/>
At 31 December 2011	2,608
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9. Related party transactions

During the year, loans advanced in 2010 of £15,000 by G Beaufoy, €10,000 by X Poux, €15,000 by G Beaufoy and £12,000 by Ms G Jones were repaid inclusive of interest at 6.5% per annum. Further loans of £25,000, £3,500 and €10,000 were received in the year from G Beaufoy, G Jones and X Poux respectively. The loan of £3,500 from G Jones was repaid in the year leaving the amounts outstanding at the year end as £25,000 to G Beaufoy and €10,000 to X Poux. G Beaufoy, G Jones and X Poux are directors of the company and Ms G Jones is a sister of G Jones.