

**EUROPEAN FORUM ON NATURE CONSERVATION
AND PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER 2004**

LANGDOWNS DFK

Chartered Accountants & Registered Auditors

Fleming Court

Leigh Road

Eastleigh

Southampton

SO50 9PD

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2004**

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**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors

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Dr. D. I. McCracken
Dr. E. M. Bignal
Dr. R. Luick
Ms N. Yellachich
Dr. O.P. Ostermann
Ms A. Bamber Jones
Mr D. G. L. Jones

Company secretary

Dr. E. M. Bignal

Registered office

Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

Auditors

Langdowns DFK
Chartered Accountants
& Registered Auditors
Fleming Court
Leigh Road
Eastleigh
Southampton
SO50 9PD

Bankers

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

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2004

The directors present their report and the financial statements of the company for the year ended 31st December 2004.

PRINCIPAL ACTIVITIES

The business is conducted on a non-profit making basis, the principle activity of which is to increase the understanding of the high nature conservation and cultural value of certain farming systems.

DIRECTORS

The directors who served the company during the year were as follows:

Dr. D. I. McCracken
Dr. E. M. Bignal
Dr. R. Luick
Ms N. Yellachich
Dr. O.P. Ostermann
Ms A. Bamber Jones
Mr D. G. L. Jones

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Langdowns DFK as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

DR. E. M. SIGNAL
Company Secretary

Approved by the directors on

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EUROPEAN FORUM ON NATURE CONSERVATION AND PASTORALISM
LIMITED**

YEAR ENDED 31ST DECEMBER 2004

We have audited the financial statements of European Forum on Nature Conservation and Pastoralism Limited for the year ended 31st December 2004 on pages 6 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 8.

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 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 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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 United Kingdom Auditing Standards 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.

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EUROPEAN FORUM ON NATURE CONSERVATION AND PASTORALISM
LIMITED** *(continued)*

YEAR ENDED 31ST DECEMBER 2004

GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the uncertainty as to the going concern position of the business. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Fleming Court
Leigh Road
Eastleigh
Southampton
SO50 9PD

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LANGDOWNS DFK
Chartered Accountants
& Registered Auditors

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST DECEMBER 2004

	Note	Year to 31 Dec 04 £	Period from 1 Apr 03 to 31 Dec 03 £
TURNOVER		52,636	103,637
Administrative expenses		98,730	112,361
OPERATING DEFICIENCY	3	(46,094)	(8,724)
Interest receivable		238	197
DEFICIENCY ON ORDINARY ACTIVITIES BEFORE TAXATION		(45,856)	(8,527)
DEFICIENCY FOR THE FINANCIAL YEAR		(45,856)	(8,527)

The notes on pages 8 to 9 form part of these financial statements.

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31ST DECEMBER 2004

	Note	2004 £	£	2003 £	£
CURRENT ASSETS					
Debtors	4	20,796		51,872	
Cash at bank		27,407		34,329	
		<u>48,203</u>		<u>86,201</u>	
CREDITORS: Amounts falling due within one year					
	5	59,465		51,607	
NET CURRENT (LIABILITIES)/ASSETS					
			<u>(11,262)</u>		<u>34,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>(11,262)</u>		<u>34,594</u>
RESERVES					
Income and expenditure account	8		(11,262)		34,594
(DEFICIENCY)/MEMBERS' FUNDS					
			<u>(11,262)</u>		<u>34,594</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the and are signed on their behalf by:

DR. D. I. McCracken
Director

The notes on pages 8 to 9 form part of these financial statements.

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

1. GOING CONCERN

The company experienced a deficiency this year after the grant applied for in respect of the 31st December 2003 accounts was not fully received. This was due to a lower level of eligible expenditure actually undertaken compared to the grant accrued for in the 31st December 2003 accounts. This was an isolated occurrence and is not expected to happen again.

In the period since the 31st December 2004 the company has been able to return to a positive net asset position through some fully funded projects. The board therefore feel confident that the company can continue in existence for the foreseeable future.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the income and expenditure account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Foreign currencies

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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

3. OPERATING DEFICIT

Operating deficit is stated after charging:

	Year to 31 Dec 04	Period from 1 Apr 03 to 31 Dec 03
	£	£
Auditors' fees	2,100	2,100
Net loss on foreign currency translation	267	—

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2004

4. DEBTORS

	2004	2003
	£	£
Trade debtors	<u>20,796</u>	<u>51,872</u>

5. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	–	55
Trade creditors	57,365	49,452
Other creditors	2,100	2,100
	<u>59,465</u>	<u>51,607</u>

6. RELATED PARTY TRANSACTIONS

During the year ended 31st December 2004 £8,263 (period April to December 2003: - £21,938) was charged by Dr.E.Signal, a director of the company, for consultancy fees. The balance owing to Dr. E. Signal at the year end was £3,273 (2003: - £9,690).

7. COMPANY LIMITED BY GUARANTEE

The company is limited by £1 guarantee given by each of the members.

8. INCOME AND EXPENDITURE ACCOUNT

	Year to	Period from
	31 Dec 04	1 Apr 03 to
	£	31 Dec 03
		£
Balance brought forward	34,594	43,121
Accumulated deficiency for the financial year	(45,856)	(8,527)
Balance carried forward	<u>(11,262)</u>	<u>34,594</u>

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE
MANAGEMENT INFORMATION
YEAR ENDED 31ST DECEMBER 2004**

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 4 to 5.**

**EUROPEAN FORUM ON NATURE CONSERVATION AND
PASTORALISM LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST DECEMBER 2004

	Year to 31 Dec 04		Period from 1 Apr 03 to 31 Dec 03	
	£	£	£	£
TURNOVER				
Sales		52,636		103,637
OVERHEADS				
Production of publications	8,566		13,561	
Computer running costs	194		194	
Meeting costs	2,560		223	
Travel and subsistence	24,846		10,735	
Telephone	357		576	
Office expenses	–		1,316	
Printing, stationery and postage	879		751	
Web development and management	–		2,140	
Sundry expenses	44		–	
Consultancy fees	57,248		80,064	
Accountancy fees	3,690		2,744	
Bank charges	79		57	
Foreign currency losses	267		–	
		98,730		<u>112,361</u>
OPERATING DEFICIT		(46,094)		<u>(8,724)</u>
Bank interest receivable		238		<u>197</u>
DEFICIT ON ORDINARY ACTIVITIES		<u>(45,856)</u>		<u>(8,527)</u>