

**Joint Nature Conservation Committee
and JNCC Support Co**

Annual Report and Accounts for Year Ending
31 March 2015



HC 152

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Annual Report and Accounts for year ending 31 March 2015**

Report presented to Parliament pursuant to paragraph 18 of Schedule 4 of the Natural Environment and Rural Communities Act 2006.

Accounts presented to Parliament pursuant to Article 6 of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009.

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JNCC SUPPORT CO
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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Chair's and Chief Executive's Foreword

During 2014/15 JNCC successfully implemented a diverse programme of work relating to UK and international nature conservation. Our evidence and advice enabled our funding and sponsoring bodies (the Department for Environment, Food and Rural Affairs, the Scottish Government, the Welsh Government, and the Northern Ireland Executive) to meet their legislative and policy priorities, and also generated significant economic value.

The provision of up-to-date UK biodiversity data remained at the heart of our activities in 2014/15. These data are used for a wide range of purposes, including meeting reporting obligations under EU Directives, informing policy development, and helping developers and regulators meet environmental requirements. JNCC's approach is highly cost-effective, through economies of scale and the use of volunteer recorders (with an estimated annual added value of over £5 million).

- ◆ Through partnerships with non-governmental organisations we provided updated information on status and trends of 288 terrestrial species (birds, butterflies and mammals) across the UK.
- ◆ We evolved our approaches to meet changing policy requirements and to utilise technological advances. We finalised plans for the launch of a new UK-wide plant surveillance programme in 2015 and advised on the use of remote-sensed data for multi-purpose habitat maps.
- ◆ In the marine environment, we undertook surveys to test monitoring options in English and Scottish waters. We completed a prioritised plan for monitoring offshore marine protected areas, and made substantial progress in developing advice to Governments on options for monitoring seabirds.

We continued to maintain and develop UK standards and solutions concerning biodiversity evidence and its application. Consistent, streamlined and cost-effective approaches enable a wide range of users to collect and use evidence in a standard way, provide certainty and clarity for government and industry, and inform regulation, management, use and protection of the environment.

- ◆ We published revised guidelines for the selection of Sites of Special Scientific Interest in England, Scotland and Wales for lowland grasslands.
- ◆ We published an annual update of the UK biodiversity indicators, containing information on progress towards meeting EU and international goals and providing an authoritative picture of the health of the environment in the UK.
- ◆ To meet the requirements of the EU Marine Strategy Framework Directive and other legislation, we commissioned research to improve the UK's ability to undertake marine biodiversity assessments, and provided technical advice on biodiversity indicators.
- ◆ We provided strategic advice to address key nature conservation challenges associated with offshore industry (e.g. in relation to seabirds and windfarms) through development and leadership of collaborative research projects, and engagement in externally-led collaborative projects and fora.

During the year we continued to advise governments on the identification of marine protected areas to meet the requirements of UK legislation and the EU Habitats and Birds

Directives. As well as protecting vulnerable habitats and species, marine protected areas are incorporated into marine plans, which will manage demands for the use of the marine environment, and incorporate environmental protection into decision making.

- ◆ We provided formal advice to Defra on a second tranche of Marine Conservation Zones (including seven offshore sites, and supported Defra in their public consultation.
- ◆ Scottish Government designated 30 Nature Conservation Marine Protected Areas (including 13 sites in offshore waters), based on advice from JNCC and Scottish Natural Heritage.
- ◆ We provided advice to governments on proposals for draft Special Areas of Conservation for harbour porpoise, to meet the requirements of the EU Habitats Directive.

JNCC provided advice to government to ensure cost-effective UK compliance with international and EU environmental obligations.

- ◆ We participated in and supported the UK delegations to key meetings of two major multilateral environmental agreements (the 12th Conference of the Parties to the Convention on Biological Diversity and the 11th Conference of the Parties to the Convention on Migratory Species).
- ◆ We worked with partners to achieve environmental priorities in the UK's Overseas Territories, for example by managing a "green economy" project in the Turks and Caicos and supporting the Anguillan Government in undertaking a National Ecosystem Assessment.

Our achievements reflect the hard work and enthusiasm of our staff throughout the year. Mutually supportive partnerships have also contributed to our successes: with the country nature conservation bodies in England, Scotland, Wales and Northern Ireland, with UK and devolved government bodies, and with non-governmental organisations. We thank all of them.

Looking forward, JNCC will deliver a demanding work programme for 2015/16, as described in our business plan. We will be flexible and responsive to reflect changing political circumstances and to meet the ongoing drive for increased efficiency and reduced costs.

In 2014/15 we initiated a revision of our long-term strategy that will be completed in the coming year, in consultation with Governments and partners. Our evolving strategy reflects the importance of framing nature conservation and environmental management within new approaches that take account of the wide range of benefits that nature provides for society. We will continue to build on our strengths: our UK remit, our strong technical expertise, our skills at partnership working, and our success in operating at the science-policy interface. We propose to develop our evidence activities to support a natural capital and ecosystems services approach. Associated with this, we intend to broaden our customer and resource base to include a wider range of decision-takers in the public and private sectors, and optimise partnership working.

Professor CA Gilligan (Chair)

Mr MJM Yeo (Chief Executive)

Roimh-ràdh a' Chathraiche agus an Àrd-Oifigear

Tro 2014/15 chuir an JNCC prògram obrach ioma-fhillte an gnìomh a bha buntainn ri glèidhteachas nàdar san RA agus thall thairis. Thug ar fianais agus ar comhairle an cothrom do ar luchd-maoineachaidh am prìomhachasan a thaobh poilisidh agus an lagh a thoirt gu buil ('s iad sin Roinn an RA airson an Àrainneachd a' Bhìdh agus Cùisean Dùthchail, Riaghaltas na h-Alba, Riaghaltas na Cuimrigh agus Riaghaltas Èirinn a Tuath) agus chruthaich e cuideachd luach eaconamaiceach nach bu bheag.

Bha fiosrachadh ùraichte air bith-iomadachd aig teis-mheadhan na bha sinn a' dèanamh ann an 2014/15. Tha an fhiosrachadh seo ga chleachdadh airson diofar adhbharan, nam measg riatanasan a thaobh Riaghailtean an Aonaidh Eòrpaich airson aithisgean choinneamhan, a' comhairleachadh leasachaidh poilisidh, agus a bhith toirt cuideachadh do luchd-leasachaidh agus riaghlaichean a thaobh feumalachdan na h-àrainneachd. Tha dòigh-obrach an JNCC gu math cosg-èifeachdach, tro bhith cùramach a thaobh meud agus le bhith cleachdadh luchd-obrach saor-thoileach (le luach a bharrachd de chòrr is £5 millean).

- ◆ Tro chom-pàirteachas le buidhnean neo-riaghaltasach thabhainn sinne fios ùraichte air inbhe agus pàtrain de 288 gnè talmhainn (eòin, dealain-dè agus mamalan) air feadh na RA.
- ◆ Dh'atharraich sinn ar dòighean-obrach airson coinneachadh ri atharrachaidhean poilisidh agus airson feum nas fhèarr a dhèanamh de dh'adhartasan ann an teicneòlas. Chuir sinn crìoch air planaichean airson prògram tomhais a thèid a ruith air feadh an RA ann an 2015 agus chomhairlich sinn air dàta air astar a chleachdadh airson mapaichean iomadh-cleachdaidh àrainn.
- ◆ Ann an àrainn na mara ghabh sinn os laimh sgrùdaidhean airson dòighean sgrùdaidh a ghabhail os laimh ann an uisgeachan Shasainn agus Alba. Chuir sinn crìoch air plana prìomhachais airson àitean dìon mara far-chladach agus rinn sinn adhartas nach bu bheag air riaghlatastan a chomhairleachadh air mar a bu chòir sùil a chumail air eòin-mara.

Chùm sinn oirnn le inbhe agus fuasglaidhean na RA a ghlèidheadh agus a leasachadh a thaobh teisteanas bith-iomadachd agus a chur an sàs. Tha dòighean-obrach cunbhalach, simplidh agus èifeachdach a thaobh cosgais a' leigeil le measgachadh farsaing de dhaoine fianaisean a chleachdadh san aon dòigh, a' toirt dearbhadh agus soillearachd don dà chuid an riaghaltas agus gnìomhachasan, agus a bhith ag earalachadh riaghailt, luchd-stiùiridh, cleachdadh agus dìon na h-àrainneachd.

- ◆ Dh'fhoillsich sinn molaidhean ùraichte airson a bhith a' taghadh Ionadan de Shuim Shònraichte Shaidheansail ann an Sasainn, Alba, agus a' Chuimrigh airson raointean-feòir ìosal.
- ◆ Dh'fhoillsich sinn an fhiosrachadh as ùire am bliadhna-sa air comharran bith-iomadachd an RA, anns a bheil fios air adhartasan a thaobh a bhith coinneachadh ri amasan eadar-nàiseanta agus an AE agus a bhith tairgse beachd aithnichte air staid dha-rìribh na h-àrainneachd san RA.
- ◆ Airson iarrtasan an AE air Riaghailt Frèam Ro-innleachd Mara agus laghan eile, chuir sinne rannsachadh air dòigh airson 's gum biodh an RA nas comasaiche air sgrùdaidhean bith-iomadachd mara a thoirt os-làimh, agus fios teicnigeach a thoirt seachad air taisbeanaidhean bith-iomadachd.

- ◆ Tha sinne a' toirt seachad comhairle ro-innleachdail a thaobh prìomh dhùbhlain dìon nàdar co-cheangailte ri gnìomhachasan far-chladach (m.e co-cheangailte ri eòin-mara agus tuathanasan gaoithe) tro leasachadh agus ceannas phròiseactan, agus a bhith an sàs ann an co-obrachadh phròiseactan agus fòraman.

Tron bhliadhna lean sinn oirnn a' comhairleachadh riaghaltasan air dearbhadh-ionannachd roinnean dìon mara airson cumail ri iarrtasan lagha an RA agus an AE a thaobh Riaghailtean Àrainnean agus Eòin. A thuilleadh air a bhith dìon àrainnean agus seòrsachan, tha roinnean dìon mara gan tarraing a-steach do phlanaichean mara, a chuidicheas ann a bhith cumail smachd air iarrtasan cleachdaidh àrainn na mara, agus nì e cinnteach gun tèid feart a ghabhail do dhìon àrainneachd nuair a thèid co-dhùnaidhean an dèanamh.

- ◆ Tha sinne a' toirt comhairle fhoirmeil seachad do Defra air an darna roinn de Roinnean Glèidhteachais Mara (nam measg seachd làraich far-chladach, agus a' toirt taic do Defra nan co-chomhairle phoblach.
- ◆ Chomharraich Riaghaltas na h-Alba 30 Roinnean Dìon Mara Glèidhteachs Nàdar (nam measg 13 làraich ann an uisgeachan far-chladach), ri linn chomhairle bhon JNCC agus Dualchas Nàdar na h-Alba.
- ◆ Tha sinne a' toirt comhairle do riaghaltasan air molaidhean airson Ionadan Sònraichte airson Glèidhteachas airson pèileagan-caladh, airson cumail ri iarrtasan Riaghailt Àrainn an AE.

Tha an JNCC a' toirt comhairle do riaghaltasan airson dèanamh cinnteach gum bi gèilleadh cosg-èifeachdach aig an RA ri molaidhean àrainneachd an AE agus gu h-eadar-nàiseanta.

- ◆ Ghabh sinn pàirt agus thug sinn taic do bhuidhnean-riochdachaidh an RA aig dà choinneamh chudromach a thaobh aontaidhean àrainneachd iom-fhillte (an 12mh Co-labhairt de Phàrtaidhean chun Cho-chruinneachadh air Bith-iomadachd Bith-eòlasach agus an 11mh Co-chruinneachadh de Phàrtaidhean chun Cho-chruinneachadh air Gnèithean Imrich).
- ◆ Dh'obraich sinn le luchd-com-pàirt airson prìomhachasan àrainneachd a bhuileachadh ann an Ranntairean Thall-thairis na RA, mar eisimpleir a' stiùireadh phròiseact "eaconamaidh uaine" anns na h-Eileanan Turcach is Caiceo agus a' toirt taic do Riaghaltas Anguilla ann a bhith gabhail os-làimh Measadh Èiceo-shiostam Nàiseanta.

Tha na choilean sinn a' sealltainn ar saothair agus diorras ar luchd-obrach tron bhliadhna. Tha luchd-com-pàirt taiceil air cur ris an obair sin: le na buidhnean glèidhteachais nàdar dùthchail ann an Sasainn, Alba, a' Chuimrigh agus Èirinn a Tuath, leis an RA agus buidhnean riaghaltais thiomnaichte, agus le buidhnean neo-riaghaltasach. Tha sinn fad nur comainn.

A' toirt sùil air adhart, libhrigidh an JNCC prògram-obrach làn airson 2015/16, mar a chaidh a mhineachadh nar plana gnothaich. Bidh sinn sùbailte agus co-fhreagrach ann a bhith mothachail air atharraichean a dh'fhaodadh a thighinn nar suidheachadh poilitigeach agus ann a bhith strì ri bhith cumail ri iarrtasan a thig oirnn airson a bhith dol am meud a thaobh èifeachdachd agus strì ri cosgaisean a chumail sìos.

Ann an 2014/15 thug sinn ath-sgrùdadh air ar ro-innleachd san ùine-fhada a thig gu crìoch air a' bhliadhna ri thighinn, le comhairleachadh le Riaghaltasan agus luchd-com-pàirt. Tha ar ro-innleachd èabhlaideachaidh a' sealltainn cho cudromach 's a tha e gun tèid glèidhteachas

nàdar agus stiùireadh àrainneachd a dhion taobh a-staigh dòighean-obrach ùr a bhios mothachail air na h-iomadh buannachdan a tha nàdar a' tabhainn dhan chinne-daoine uile. Cumaidh sinn oirnn leis na rudan a shoirbhich: ar raon-ùghdarras san RA, ar sàr n-eòlas teicnigeach, ar sgilean ann a bhith ag obair ann an com-pàirteachas agus ar soirbheachas ann a bhith ag obair aig eadar-aghaidh poileasaidh saidheans. Tha sinn a' moladh gun cumamaid oirnn le ar n-obair fianais airson taic a chumail ri dòighean-obrach nàdarra a thaobh èiceo-shiostaman agus ionmhais. Còmhla-ris a seo, tha sinn an dòchas ar stòran-dàta a leudachadh a thaobh luchd-ceannach agus goireasan airson luchd-co-dhùnaidh fhastadh às na roinnean phoblach agus phrìobhaideach, agus a h-uile cothrom a ghabhail air obair-com-pàirteachaidh.

Oll CA Gilligan (Cathraiche)

Mgr MJM Yeo (Àrd-Oifigear)

Rhagair y Cadeirydd a'r Prif Weithredwr

Yn ystod 2014/2015 aeth JNCC i'r afael yn llwyddiannus â rhaglen waith hynod o amrywiol yn ymwneud a gwaith cadwraeth natur ym Mhrydain a thu hwnt. Bu i'n cyllidwyr a'n noddwyr (Adran Bwyd, Amgylchedd a Materion Gwledig Llywodraeth Prydain, Llywodraeth Cymru, Llywodraeth yr Alban a Gweithrediaeth Gogledd Iwerddon) allu cwrdd â'u blaenoriaethau yn ymwneud â pholisïau a deddfwriaeth oherwydd ein tystiolaeth a'n cyngor. Bu iddyn nhw allu cynhyrchu gwerth economaidd sylweddol ar gyfrif hyn hefyd.

Roedd darparu gwybodaeth gyfoes am fioamrywiaeth ym Mhrydain wrth galon ein gwaith unwaith eto yn 2015/15. Caiff y data hwn ei ddefnyddio am resymau amrywiol, gan gynnwys cwrdd â gofynion cofnodi yn unol â Gorchymynion yr Undeb Ewropeaidd, dylanwadu ar ddatblygiadau polisi a helpu datblygwyr a rheoleiddwyr i gwrdd â gofynion amgylcheddol. Mae JNCC yn gwneud hyn i gyd mewn ffordd hynod o gost effeithiol. Yn wir, mae natur effeithlon prosesu sympiau mawr o ddata a'r ffaith ein bod yn defnyddio gwirfoddolwyr i gofnodi'r wybodaeth yn rhoi gwerth ychwanegol blynyddol o fwy na £5 miliwn i'n gwaith.

- ◆ Law yn llaw â mudiadau anllywodraethol rydym ni wedi darparu gwybodaeth gyfoes ar statws a thueddiadau 288 o rywogaethau (adar, gloÿnnod byw a mamaliaid) sy'n byw ar ynysoedd Prydain.
- ◆ Bu inni addasu'n ffyrdd o weithio i gwrdd â newidiadau mewn polisi ac i fanteisio ar y dechnoleg ddiweddaraf. Bu i ni orffen gweithio ar gynlluniau i lansio cynllun newydd i arsylwi planhigion ar draws Prydain yn 2015. At hyn, bu i ni roi cyngor ynghylch defnyddio data wedi ei gasglu o hirbell er myn llunio mapiau cynefin amlwrpas.
- ◆ Gwnaethom arolygon ynghylch y dulliau gorau o fonitro yn nyfroedd yr Alban a Lloegr. Bu inni gwblhau cynllun blaenoriaethol ar gyfer monitro ardaloedd gwarchoddedig ar y môr, a bu inni lamu ymlaen wrth ddatblygu cyngor i'w roi i Lywodraethau gwledydd Prydain ynglŷn â'r dewis sydd ar gael o ran monitro adar y môr.

Bu i ni barhau i gynnal a datblygu'r ffordd mae gwledydd Prydain yn mynd ati i gasglu a defnyddio tystiolaeth ynghylch bioamrywiaeth a'r safonau ynghlwm â hynny. Drwy fabwysiadu trefn gyson, effeithlon a chost effeithiol mae modd i gyrff ac asiantaethau o bob math gasglu a defnyddio data mewn ffordd safonol. Golyga hyn fod yna ddata eglur a manwl gywir i lywodraethau a diwydiannau droi ato. Mae hefyd yn sicrhau y caiff yr amgylchedd ei ddefnyddio, ei drin a'i warchod yn briodol.

- ◆ Bu i ni gyhoeddi canllawiau diwygiedig ynghylch adnabod pa laswelltiroedd isel yng Nghymru, Lloegr a'r Alban y dylid eu dynodi yn Fannau o Ddiddordeb Gwyddonol Arbennig.
- ◆ Bu i ni gyhoeddi diweddariad blynyddol o'r nodweddion hynny sy'n dangos cyfoeth neu ddiffyg bioamrywiaeth ym Mhrydain. Roedd hyn yn cynnwys gwybodaeth am y cynnydd tuag at gwrdd â thargedau Ewropeaidd a rhyngwladol ac yn rhoi darlun awdurdodol o iechyd amgylcheddol Prydain.
- ◆ I gwrdd â gofynion Gorchymyn Strategaeth Fframwaith Morol yr Uned Ewropeaidd a darnau eraill o ddeddfwriaeth, bu i ni gomisiynu gwaith ymchwil fydd yn galluogi Prydain i wneud gwell asesiadau bioamrywiaeth morol. Bu i ni hefyd ddarparu cyngor technegol ynghylch arwyddion bioamrywiaeth.

- ◆ Bu i ni ddarparu cyngor strategol er mwyn mynd i'r afael â'r heriau allweddol mae cadwraeth natur yn ei wynebu gan ddiwydiannau oddi ar yr arfordir (e.e. adar y môr a ffermydd gwynt). Fel rhan o hyn buom yn datblygu ac arwain prosiectau ymchwil ar y cyd ac yn cyfrannu at wahanol brosiectau a fforddau allanol.

Eleni bu i ni barhau i gynghori llywodraethau gwledydd Prydain ynghylch dynodi rhannau o'r môr yn ardaloedd gwarchoddedig. Byddai hyn yn fodd o gwrdd â gofynion deddfwriaeth Brydeinig a Gorchmynion yr Undeb Ewropeaidd ynghylch diogelu adar a chynefinoedd. Mae sefydlu ardaloedd morol gwarchoddedig yn fodd o warchod cynefinoedd a rhywogaethau bregus. Hefyd, yn ychwanegol at hyn fe gaiff ardaloedd o'r fath eu hymgorffori i gynlluniau morol. Y cynlluniau hyn sy'n gosod rheolau ynghylch defnyddio a gwarchod y moroedd, a'r cynlluniau hyn hefyd sy'n sicrhau bod lles yr amgylchedd yn cael sylw wrth wneud penderfyniadau.

- ◆ Bu i ni roi cyngor ffurfiol i Defra ynghylch sefydlu ail gyfran o Ardaloedd Cadwraeth Morol (gan gynnwys saith safle oddi ar yr arfordir. Bu i ni gefnogi Defra yn eu hymgyngoriad cyhoeddus ynghylch hyn.)
- ◆ Bu i Lywodraeth yr Alban ddynodi 30 o ardaloedd morol yn fannau Cadwraeth Natur Gwarchoddedig (gan gynnwys 13 safle oddi ar yr arfordir), yn seiliedig ar gyngor gan JNCC a Threftadaeth Naturiol yr Alban.
- ◆ Bu i ni gynghori llywodraethau gwledydd Prydain ar gynigion ddrafft ynghylch sefydlu Ardaloedd Cadwraeth Arbennig i lamhidyddion yr harbwr er mwyn cwrdd â gofynion Gorchymyn Cynefinoedd yr Undeb Ewropeaidd.

Bu i JNCC gynghori llywodraeth Prydain ynghylch sut i sicrhau cydymffurfiaeth â gofynion amgylcheddol yr Undeb Ewropeaidd.

- ◆ Bu i ni gefnogi a chyfrannu at waith y dirprwyaethau Prydeinig fu mewn cyfarfodydd allweddol lle arwyddwyd dau gytundeb amgylcheddol pwysig gan sawl corff gwahanol (deuddegfed Gynhadledd aelodau'r Confensiwn Bioamrywiaeth Fiolegol ac unfed Gynhadledd ar ddeg aelodau'r Confensiwn Rhywogaethau Mudol.)
- ◆ Bu i ni weithio gyda phartneriaid i gyflawni blaenoriaethau amgylcheddol yn nhrefedigaethau tramor Prydain, er enghraifft, drwy reoli prosiect 'economi gwyrdd' ar ynysoedd y Twrcs a'r Caicos a chefnogi llywodraeth Angullia i wneud Asesiad Ecosystem Genedlaethol.

Mae ein llwyddiannau yn tystio i waith caled a brwdfrydedd ein staff drwy'r flwyddyn ac i'r cydweithio hapus fu rhyngom ni a chyrrff cadwraethol cenedlaethol Cymru, Lloegr, Yr Alban a Gogledd Iwerddon, adrannau o Lywodraeth Prydain, y llywodraethau datganoledig a chyrrff anllywodraethol. Diolch iddyn nhw i gyd.

Wrth edrych ymlaen i'r dyfodol bydd JNCC yn gweithredu rhaglen waith heriol yn 2015/2016, fel mae ein cynllun busnes yn ei nodi. Byddwn yn hyblyg er mwyn ymateb i natur gyfnewidiol y byd gwleidyddol ac i gwrdd â'r pwyslais cynyddol ar weithio'n fwy effeithiol gyda llai o arian.

Yn 2014/15 bu i ni ddechrau adolygu'n strategaeth hirdymor. Bydd hyn wedi ei gwblhau yn y flwyddyn sydd ar ddod yn dilyn ymgynghori gyda llywodraethau gwledydd Prydain a phartneriaid eraill. Mae ein strategaeth yn esblygu ac mae hyn yn dangos pwysigrwydd mynd i'r afael â chadwraeth natur a rheolaeth amgylcheddol mewn ffordd newydd sy'n cwmpasu'r holl fanteision mae natur yn ei roi i gymdeithas. Byddwn yn parhau i adeiladu ar

ein cryfderau: ein gwaith ym Mhrydain, ein harbenigedd technegol, ein sgiliau cydweithio a'n llwyddiant yn ymwneud â'r meysydd hynny lle mae gwyddoniaeth a pholisïau yn gorgyffwrdd. Rydym yn bwriadu datblygu'n gwaith o gasglu tystiolaeth er mwyn hyrwyddo ffordd o weithio sy'n rhoi pwyslais ar gyfalaf naturiol a gwasanaethau'n ymwneud â'r ecosystem. Mewn perthynas â hyn, rydym ni'n gobeithio datblygu mwy o adnoddau ac ennill mwy o gwsmeriaid fel bod yna ystod ehangach o bobl yn y sector preifat a chyhoeddus yn gwneud penderfyniadau ynglŷn â'r maes amgylcheddol. Bydd hyn yn fodd o fanteisio i'r eithaf ar gydweithio hefyd.

Yr Athro CA Gilligan (Cadeirydd)

Mr MJM Yeo (Prif Weithredwr)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

Joint Committee and Support Company

The Joint Nature Conservation Committee, originally established under the Environmental Protection Act 1990 and starting operations on 1 April 1991, was reconstituted by the Natural Environment and Rural Communities Act 2006.

The Joint Committee comprises 14 members: a Chair and five independent members appointed by the Secretary of State for Environment, Food and Rural Affairs; the Chair of the Council for Nature Conservation and the Countryside (Northern Ireland); the Chair or Deputy Chair of Natural Resources Wales, Natural England and Scottish Natural Heritage; and one other member from each of these bodies. The term of appointments for the Chair and independent members is initially for three years. The Chair and independent members may be considered for re-appointment for one further term. Members from the UK nature conservation bodies may continue as members of the Committee as long as they retain their membership of the Councils or Boards of their respective bodies.

Support is provided to the Joint Committee by JNCC Support Co, a company limited by guarantee. The company was established with the consent of the Secretary of State for Environment, Food and Rural Affairs under the provisions of Schedule 4 Para 13 (1) of the Natural Environment and Rural Communities Act 2006. The members of the company are the Joint Committee members. When a member ceases to be a member of the Joint Committee he or she is no longer eligible to be a member of the company. The Company Board comprises all members of JNCC Support Co together with the Chief Executive.

The Committee has adopted the Guidance on Codes of Practice for Board Members of Public Bodies issued by the Cabinet Office, for the purposes of corporate governance.

JNCC Support Co information

Company number: 05380206 (England and Wales)

Headquarters and registered office

Joint Nature Conservation Committee
Monkstone House, City Road, Peterborough, PE1 1JY
Tel: +44 (0)1733 562626 Fax: +44 (0)1733 555948
Web: www.jncc.defra.gov.uk

Aberdeen office

Joint Nature Conservation Committee
Inverdee House, Baxter Street, Aberdeen, AB11 9QA
Tel: +44 (0)1224 266564 Fax: +44 (0)1224 896170

Senior JNCC staff in 2014/15

Chief Executive	Mr MJM Yeo
Director of Evidence and Advice	Mr PM Rose
Director of Corporate Services	Mrs SE McQueen
Director of Marine Advice	Dr JC Goold
Director of Marine Evidence	Dr SD Gibson

Company directors in 2014/15

Mr PM Archdale (until 31 January 2015)
Professor IJ Bateman (from 19 November 2014)
Dr P Bridgewater (Chair, until 31 May 2014)
Dr R Brown
Mr GRJ Duke
Professor CA Galbraith (from 19 November 2014)
Professor CA Gilligan (Chair, from 1 June 2014)
Professor DA Hill
Dr J Horwood (from 12 June 2014)
Professor MJ Kaiser
Dr HA Kirkpatrick
Professor PJ Matthews
Mr JW Ross
Dr S Walker
Professor LM Warren
J Webb (until 31 August 2014)
Mr MJM Yeo *

* Executive director

Company secretary

Mrs SE McQueen

Donations

There were no political or charitable donations made in the financial year ending 31 March 2015.

Personal data

There were no losses of personal data in the financial year ending 31 March 2015.

Financial instruments

JNCC is not exposed to significant liquidity, interest rate or exchange rate risk.

Events since the end of the financial year

There are no events that have happened since the end of the financial year to materially affect the contents of these financial statements. The Annual Report and Accounts were authorised for issue on 4 June 2015.

Results and dividends

The company has no issued share capital and consequently the question of the payment of a dividend does not arise. Any surplus at the year end is transferred to the forthcoming year and applied to meet the objectives of the company.

Directors' interests

As the company has no share capital, directors have no rights to subscribe for additional shares or debentures.

The articles of association do not require any of the directors to retire by rotation. However, directors have to retire if they are no longer members of the company. A member will cease to be a member of the company if they cease to be a member of the Joint Committee.

A register of the interests of all Company Board members is held by the Company Secretary and may be viewed during office hours at the company's registered office or by request to Ms K Meadows, Monkstone House, City Road, Peterborough, PE1 1JY or communications@jncc.gov.uk

Sickness absence

In 2014/15 the average sickness absence per full-time employee was 3.3 days (3.3 days in 2013/14). This compares favourably with the latest published average level of absence for the civil service which is 7.4 days per staff year¹.

Pension liabilities

Full details of pension liabilities and their accounting treatment is given in the accounting policies note, on page 41 of this report.

Responsibilities of the Chief Executive

The Chief Executive of JNCC (Mr MJM Yeo) is the Accounting Officer for JNCC, appointed by the Permanent Secretary of the Department for Environment, Food and Rural Affairs.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safekeeping JNCC Support Co's assets, are set out in *Managing Public Money* published by the Treasury.

¹ <http://www.civilservice.gov.uk/about/improving/health-and-wellbeing/sickness-absence>

Auditors

Following the passing of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 the Comptroller and Auditor General (C&AG) is empowered to audit JNCC Support Co's financial statements. The C&AG's certificate and report commence on page 35. The audit fee charged in the Profit and Loss Account was £18,500 (£18,500 in 2013/14). The auditor received no fees for non-audit services.

The Directors confirm that:

- ◆ there is no relevant audit information of which the auditor is unaware; and
- ◆ they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the JNCC's auditor is aware of that information.

Mr MJM Yeo
Chief Executive
On behalf of the board of directors
4 June 2015

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015. This report should be read in conjunction with the Governance Statement shown on pages 18 to 27 and the Directors' report on page 9.

JNCC Support Co – history and objectives

The Joint Nature Conservation Committee (JNCC) is the statutory adviser to the UK Government and devolved administrations on UK and international nature conservation. Its work contributes to maintaining and enriching biological diversity, conserving geological features and sustaining natural systems.

JNCC delivers the UK and international responsibilities of the Council for Nature Conservation and the Countryside, Natural Resources Wales, Natural England and Scottish Natural Heritage.

Guided by our vision and mission, through the provision of evidence, information and advice JNCC makes a distinctive contribution to three inter-related strategic goals:

- i. decisions affecting the natural environment are informed by a sound UK, EU and global evidence base;
- ii. the UK government and devolved administrations meet their international obligations and achieve favourable outcomes for biodiversity in the UK, its Overseas Territories and internationally;
- iii. the UK's offshore marine waters are healthy, clean and biologically diverse.

Business model

JNCC, originally established under the Environmental Protection Act 1990, was reconstituted by the Natural Environment and Rural Communities Act 2006. JNCC Support Co is a company limited by guarantee established in 2005 whose principal activity is the provision of support to the JNCC.

JNCC Support Co is funded primarily by grant-in-aid.

The total budget for JNCC is set each year by Ministers of the Department for Environment, Food and Rural Affairs (Defra) after consultation and in agreement with their Scottish, Welsh and Northern Irish colleagues.

The budget for 2014/15 comprised four parts, as determined by the funding review that followed the Triennial Review of JNCC in the summer of 2013:

- ◆ UK co-ordination work funded through Natural England, Scottish Natural Heritage and Natural Resources Wales (the GB conservation bodies) and the Department of the Environment in Northern Ireland;
- ◆ reserved work funded by Defra;
- ◆ marine work, also funded by Defra; and
- ◆ governance and corporate services, funded by all funding bodies, in proportion to their contributions to the other three funding streams.

Under the provisions of the Government's alignment process all JNCC's grant-in-aid, including that funded by devolved administrations through the UK conservation bodies, is channelled through Defra and therefore counts towards Defra's Departmental Expenditure Limit.

Funding from other sources, which is usually linked to specific projects, is detailed in the accounts.

Risks

Any significant risks identified by management considered likely to affect the performance of the business have been reported as part of the Governance Statement commencing on page 18 of this report.

Review of business

During the financial year ending 31 March 2015 the company made a significant contribution to nature conservation on both the national and international level through an extensive and varied programme of work. Nineteen of the 21 priority performance measures were either achieved or made substantial progress in the year, with completion expected in early 2015/16. Further details of performance against priority performance measures are given on pages 57-63.

For the year-ending 31 March 2015 the company made a surplus of £135,780 (surplus of £222,898 in 2013/14). The surplus contributed towards an increase in total reserves which stand at £382,018 as at 31 March 2015 (£246,238 as at 31 March 2014).

The underspend represents approximately 1% of the overall budget for the year and relates mainly to contracts slipping towards the end of the year and completing in early 2015/16, and to efforts to reduce expenditure in line with Government policy.

The company continues to receive contributions to projects from other organisations in addition to its grant-in-aid. These vary from year to year and show a decrease in the year ended 31 March 2015 compared to the previous year.

Comparison of outturn against budget

The company continues to demonstrate a high level of control over the management of public monies for which it has stewardship responsibilities, and this is shown when the actual spend is compared to the budget for the year. The table below shows that spend was £265k less than the original budget, representing a variance of less than 3% for the year. This underspend is mainly due to JNCC curtailing the level of expenditure in the second half of the year in line with a request received from Defra. The amount of grant-in-aid drawn down was also less than budget, leading to the overall underspend against income received of £136k.

All figures in £,000	Original budget*	Outturn	Variance between outturn and original budget	Revised budget*
Revenue expenditure**	11,044	10,847	197	11,131
Capital expenditure	0	7	(7)	-
Total expenditure	11,044	10,854	190	
Less: Non-grant-in-aid income	(879)	(954)	75	(942)
Total spend to be met from grant-in-aid	10,165	9,900	265	10,189
Grant-in-aid received (excluding capital adjustments)	10,165	(10,009)	156	(10,002)
(Surplus)/Deficit	0	(109)	(109)	0
Net movement to provisions	0	(27)	(27)	0
(Surplus)/Deficit	0	(136)	(136)	0

* The original budget is based on the JNCC business plan for 2014/15 as approved by Defra and devolved administrations. The revised budget is a final variation of the original budget, adjusted over the course of the year, which is reported to Defra.

** The revenue budget shown excludes £500k transferred directly to Cefas by Defra on behalf of JNCC.

Future developments

A work programme for 2015/16 has been prepared, taking into account the views of Defra and the devolved administrations on priorities. In developing the plan the following factors have been taken into account:

- i. the need to make significant reductions in UK Co-ordination spend and to accommodate unavoidable increases in costs (e.g. salary costs);
- ii. the need to prepare for likely cuts in public sector funding in 2016/17 and beyond;
- iii. the developing views on JNCC's future strategic direction.

In 2015/16, our performance will be measured primarily in terms of delivering outputs of advice, information and services, described in terms of 13 priority performance measures set out in JNCC's business plan. Following final consultation with Defra and the devolved administrations, the plan will be submitted to ministers for approval after the General Election in May 2015.

The work described in the business plan for 2015/16 will contribute to the achievement of the national and international obligations of the UK Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive. Our aim is to continue to be trusted by the four administrations to provide impartial advice based on robust science and evidence. We will adopt a flexible approach to enable us to be responsive to changing requirements, including future financial pressures and the outcome of the General Election in May 2015.

Key features of the work programme, reflected in the proposed priority performance measures are as follows:

- ◆ core JNCC functions concerned with biodiversity evidence, UK standards, and international advice have, where possible, been maintained;
- ◆ reductions in UK Co-ordination spend have been made to reflect the reduction in funding;
- ◆ several important areas of new and evolving work have been included, for example a new UK-wide National Plant Monitoring Scheme, enhanced work on use of Earth Observation data, and support for UK participation in the EU LIFE programme;
- ◆ there is a strong focus on helping governments to meet key marine priorities, in particular finalising the identification of marine protected areas (MCZs, SPAs, harbour porpoise SACs) and implementing the Marine Strategy Framework Directive;
- ◆ investment has been allocated to begin implementation of JNCC's new strategy, including developing our understanding of natural capital, identifying and pursuing funding opportunities, and developing supporting strategies.

JNCC will continue to promote a culture of collaborative working and joined-up approaches to the conservation of biodiversity. We will work directly with a large number of other organisations in Government and in civil society, and through this collaborative approach help to:

- ◆ achieve coherence in nature conservation policy and implementation at different geographical scales and across sectors;
- ◆ enable the country conservation bodies and others to contribute to the developing agendas around natural capital, ecosystem services and the ecosystem approach to deliver an enhanced natural environment;
- ◆ ensure the necessary coordination to achieve the successful and timely delivery of nature conservation priorities at a time of reducing resources;
- ◆ maximise returns from investments in research, monitoring and surveillance in order to provide a strong and cost-effective evidence base, including evidence on the relationships between the natural environment, society and the economy.

Going concern

The balance sheet at 31 March 2015 shows the reserves of the company as £382,018 (2013/14: £246,238). The future financing of the JNCC is to be met by grant-in-aid from Defra and the devolved administrations. Grant-in-aid for the year ending 31 March 2016, taking into account the amounts required to meet JNCC's liabilities falling due in that year, has already been included in Defra's and the devolved administrations' estimates for that year. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

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.

Our staff

During the year ending 31 March 2015 JNCC Support Co employed, on average, 169 full-time equivalent staff, based in offices in Peterborough and Aberdeen, with an out-posted member of staff in the Falkland Islands. Our staff bring together scientific and technical

expertise, extensive knowledge of policy at global, European and national levels, and skills in working with other organisations.

Appointments are made in line with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition. We promote equality of opportunity for all staff, irrespective of their gender, sexual orientation, marital status, age, disability, race, religion or belief. We seek to provide learning and development opportunities for all staff to maximise effectiveness, increase performance and develop staff for the future. Further details regarding JNCC's remuneration policies can be found in the remuneration report on page 28.

Conditions of employment, policies and procedures are available on the JNCC website, www.jncc.defra.gov.uk. A performance management system was in operation throughout the year ending 31 March 2015.

We set out to be a socially responsible organisation, providing flexibility to enable our staff to combine work with family responsibilities and to contribute to the communities they live in.

JNCC employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). Details of the scheme and the company's liabilities in this regard can be found in the remuneration report and account policies note.

The breakdown of staffing by gender for the year was as follows:

	Male	Female
Directors of the company (Joint Committee members and Chief Executive)	12	2
Executive directors	3	1
Remaining staff	60	112

Mr MJM Yeo
Chief Executive
On behalf of the board of directors
4 June 2015

Annual Governance Statement for the Joint Nature Conservation Committee for the year ending 31 March 2015

1. Introduction

As Chief Executive and Accounting Officer I am responsible for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of JNCC, whilst safeguarding the public funds and the assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. I am required to provide assurances of operating sound systems of internal control and to set out how these duties have been discharged.

As Chief Executive I am responsible for all executive matters carried out by the JNCC support company. In my Accounting Officer role I have responsibilities (and associated powers) to advise the Joint Committee and to take action if I feel that the Committee makes any decisions that would infringe their governance or statutory responsibilities.

This governance statement sets out how JNCC has managed and controlled resources during the year. It provides assurance on how corporate governance has been carried out and how JNCC has managed significant organisational risks and addressed control issues.

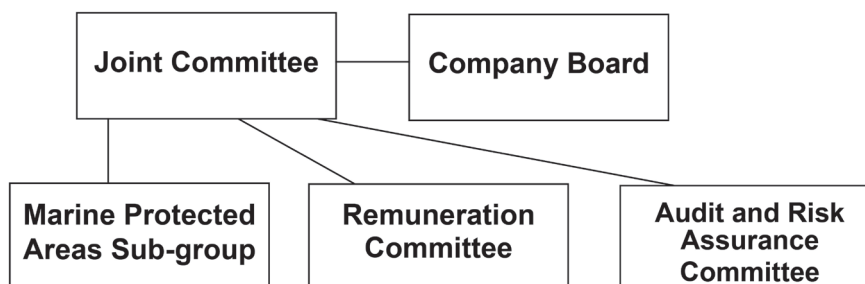
2. Effectiveness of governance arrangements

The governance framework

JNCC is a non-departmental public body that advises the UK Government and devolved administrations on UK-wide and international nature conservation.

JNCC is led by the Joint Committee, which brings together members from the nature conservation bodies for England, Scotland, Wales and Northern Ireland and independent members appointed by the Secretary of State for the Environment, Food and Rural Affairs under an independent Chair.

Governance arrangements for the JNCC, and the relationship between the JNCC, UK government departments, devolved administrations and the country nature conservation bodies, are described in an Accountability Framework, Management Statement and Financial Memorandum (revised in April 2011). These are available to download from www.jncc.defra.gov.uk. A diagram of the governance structure is presented below.



During 2014/15 JNCC's Accountability Framework, Management Statement and Financial Memorandum were reviewed with a view to amalgamating them into a single framework document. This new document will set out the broad framework within which the JNCC will operate. Final approval of this document is expected after the General Election in 2015.

JNCC's Triennial Review was published in June 2013. The report concluded that JNCC is very much valued for its record of delivering Government environmental priorities and is generally respected by its partners and customers. It contained six conclusions intended to improve JNCC's efficient delivery of the UK's environmental priorities in the face of future challenges. Implementation of the Triennial Review conclusions was reviewed in 2014 and a summary has been published on JNCC's website. Excellent progress has been made in implementing all of the conclusions, leading to tangible benefits in JNCC's ability to deliver government priorities. Positive feedback has been received from several key stakeholders.

3. Joint Committee

The Joint Committee has overall responsibility for fulfilling the statutory functions of the JNCC, maintaining an effective framework of corporate governance, and promoting the efficient and effective use of resources. The Joint Committee sets the strategic direction for the JNCC and endorses the organisation's corporate and business plans for final approval by Defra and devolved ministers.

The Joint Committee consists of 14 non-executive members. The membership of the Committee is defined in Schedule 4 of the Natural Environment and Communities Act 2006. The Committee was chaired by Professor Peter Bridgewater for the period 1 April to 31 May 2014. On 1 June, a new Chair, Professor Chris Gilligan was appointed. Two new independent members, Professor Colin Galbraith and Professor Ian Bateman, joined the Committee in November 2014.

One of the conclusions from JNCC's Triennial Review was that government administrations and JNCC should explore options to ensure that the membership of the Joint Committee and its ways of working allowed the views of all sponsor bodies to be represented, in particular Northern Ireland. In 2014/15, JNCC addressed this issue by widening the participation of Northern Ireland bodies in Joint Committee business. Representatives from the Northern Ireland Environment Agency and the Marine Division of the Department of Environment in Northern Ireland now attend Joint Committee meetings alongside the formal Committee members from the Council for Nature Conservation and the Countryside. These arrangements have been successful in improving relationships with Northern Irish institutions and enabling them to have a stronger role in JNCC governance.

Conflicts of interests declared by Joint Committee members are managed by the Chair to ensure any necessary separation of the topic and the individual. During the year no material conflicts have been reported.

In 2014/15, the Joint Committee met four times. Key items of business during the year included:

- ◆ overseeing delivery of the 2014/15 business plan through the scrutiny of quarterly performance reports, and endorsing the draft business plan for 2015/16;
- ◆ reviewing JNCC's strategy;
- ◆ providing strategic oversight of the organisation's scientific work, including conservation thinking on protected areas in the UK, and evidence requirements for the living environment;

- ◆ making decisions on key nature conservation issues, including proposals for Special Areas of Conservation for harbour porpoise in UK waters and for offshore Marine Conservation Zones;
- ◆ undertaking an annual review of significant risks;
- ◆ reviewing reports from Committee sub-committees.

Attendance at the Joint Committee, Company Board and its sub-committee meetings has ensured quoracy requirements have been met throughout 2014/15. The table below details attendance at Joint Committee meetings during the year:

Joint Committee Member	Possible Joint Committee meetings	Attended
Professor Chris Gilligan (Independent, Chair)	4	4
Mr Peter Archdale (CNCC)	3	3
Professor Ian Bateman (Independent)	1	1
Dr Bob Brown (Independent)	4	2
Guy Duke (Independent)	4	4
Professor Colin Galbraith (Independent)	1	1
Professor David Hill (NE)	4	2
Dr Joe Horwood (NE)	4	4
Professor Michel Kaiser (Independent)	4	4
Dr Hilary Kirkpatrick (CNCC)	4	4
Professor Peter Matthews (NRW)	4	2
Mr Ian Ross (SNH)	4	2
Dr Susan Walker (SNH)	4	4
Professor Lynda Warren (NRW)	4	2
Judith Webb (Independent)	1	1

The Joint Committee undertake an assessment of their performance every three years. The last assessment was undertaken in October 2012 and the next assessment is due in October 2015. Outcomes are published on the JNCC website.

Support is provided to the Joint Committee by a company limited by guarantee, JNCC Support Co, which was incorporated on 2 March 2005.

The Joint Committee has established three sub-committees for important business areas.

- ◆ The Audit and Risk Assurance Committee (ARAC) supports me as the Chief Executive and the Joint Committee in their responsibilities for issues of risk management, control and governance. It reviews work plans for, and reports from, internal and external audit, and advises on the identification and management of risks. It meets quarterly and its meetings are attended by a member of Defra's internal audit and assurance team and a representative from the National Audit Office (NAO). ARAC's membership consisted of two Joint Committee members and two independent members in 2014/15. ARAC currently undertakes assessments of

its performance triennially; the latest review took place in February 2015, with the findings reported in March 2015. The overall conclusion was that the ARAC is effective. Actions were agreed to improve communication between ARAC and the Joint Committee and to formalise members' induction and appraisal procedures. Following the review, ARAC members agreed to undertake an annual self-assessment with the next one taking place in March 2016. An annual report from ARAC to the Joint Committee is presented each June.

- ◆ The Remuneration Committee sets the overall pay remit for staff employed by the company on the Joint Committee's behalf (with the approval of Defra and Treasury as required) and sets and reviews the terms and conditions and performance objectives for the Chief Executive.
- ◆ The Marine Protected Areas Sub-Group advises the Joint Committee, and in some cases makes decisions on the Joint Committee's behalf, on matters relating to the identification of marine protected areas (primarily in offshore waters) and the achievement of an ecologically coherent site network in UK waters.

A time-limited Strategy Sub-Group of the Joint Committee was formed in September 2014. This sub-group, chaired by Professor Gilligan, was charged with developing proposals by March 2015 for a high-level strategy for JNCC. The group met three times in 2014/15 and its report was discussed by the Joint Committee in March 2015.

4. Company Board

The Joint Committee has delegated the operational delivery of JNCC's functions and duties to the Company through me as Chief Executive. The Company Board comprises Joint Committee members and me as Chief Executive.

The Company Board meets annually in June to approve the Annual Report and Accounts.

5. Executive governance

The Executive Management Board (EMB) comprises me as Chief Executive and four executive directors. It is responsible for supporting me, in my role as Accounting Officer and company director, and for directing and managing the affairs of the company to deliver the Joint Committee's annual business plan within a framework of effective controls.

During 2014/15, EMB:

- ◆ held formal business meetings every six weeks to oversee corporate performance, agree policies and approaches, and undertake forward planning. Attendance at meetings was generally good with only three apologies during the year;
- ◆ held several informal strategy sessions to discuss issues of strategic importance;
- ◆ held weekly update meetings to allow members to keep abreast of 'live' issues.

EMB is supported by a number of internal management groups. Comprehensive schedules of delegation are in place.

The JNCC's system of internal financial control is based on a framework of regular management information, administration procedures including the segregation of duties, and a system of delegation and accountability. In 2014/15 JNCC's financial scheme of delegation was reviewed and will be rolled out in 2015/16.

In 2014/15, internal audit of the JNCC and JNCC Support Co was carried out by KPMG, under the provisions of their framework agreement with Defra. The Head of Internal Audit role was undertaken by KPMG. KPMG submitted regular reports in accordance with the requirements of Government Internal Audit Standards. Internal audit activity is targeted at assessing the adequacy and effectiveness of the systems of internal control and governance in the areas reviewed. The areas for review were determined by reference to the levels of risk in the corporate risk register and through discussion with executive directors, senior managers and members of ARAC. For 2014/15 the Head of Internal Audit's opinion was that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control, and that the Executive Management Board and the Joint Committee can take moderate assurance that the controls upon which the organisation relies were suitably designed, consistently applied and effective.

6. Information management

JNCC is an information-rich organisation, and during 2014/15 several actions were taken to improve our capability to manage information effectively and mitigate risks.

- ◆ JNCC's information management framework was updated to include a new information management policy and a revised data protection policy. Policies relating to retention and disposal, electronic file storage, and the management of spatial data were trialled. All policies trialled in 2014/15 will be fully implemented in 2015/16.
- ◆ JNCC's IT usage policy was updated and a new email usage policy produced.
- ◆ The new Government Security Classification was introduced, with guidance for staff and Information Asset Owners.
- ◆ We reviewed the status of, and investment in, technical solutions for online data capture and management within the broader needs of JNCC and the country conservation bodies.

Good data governance means being clear about who is accountable and responsible for data custodianship. JNCC's new information management policy clarifies and defines roles. Senior managers take a lead in maintaining awareness of the data JNCC holds and its quality. Data integrity is key to the work of JNCC and the ability to manage our data effectively is critical to our day to day business.

The introduction of an evidence quality assurance process (see section 9) ensures that the quality of JNCC scientific advice and evidence is fit for purpose and complies with government requirements. In addition, all papers and data submitted to the Joint Committee and Company Board are subject to a rigorous quality review process that includes executive director and Chief Executive sign-off.

JNCC does not use any business critical models. All science-based models (i.e. those used to understand and describe complex natural systems) developed and used by JNCC, and the data used in these models, are quality assured in accordance with JNCC's evidence quality assurance policy. Our policy requires that good scientific practice is followed, including peer review at appropriate stages in model development and testing, and that third party models are of fit-for-purpose quality before use.

During 2014/15 there were no losses of sensitive data.

7. Performance management

The JNCC maintains a comprehensive performance management system. Corporate priority performance measures (PPMs) are set annually through JNCC's business planning

process and are endorsed by the Joint Committee and the ministers of the UK and devolved governments. Quarterly milestones are defined for each PPM and are used to assess performance in-year. During the year, EMB and the Joint Committee undertake quarterly reviews of the JNCC's performance against its priority performance measures and its financial position. JNCC submits performance reports to its government sponsors and performance review meetings are held each quarter with representatives of Defra, devolved administrations and country conservation bodies. The JNCC Chair and I have a performance review every six months with the Defra minister responsible for JNCC, and the Chair meets environment ministers from each of the devolved administrations at least once a year.

During 2014/15 a number of improvements were made to performance reporting to enhance the clarity and utility of the information provided.

8. Compliance with the NDPB Corporate Governance Code

In 2014/15 JNCC complied with the NDPB Corporate Governance Code in so far as it applies to the organisation with the following exceptions.

- ◆ JNCC does not currently undertake an annual evaluation of Committee and Board performance. The Joint Committee and ARAC evaluate their performance at least once every three years; this is commensurate with the size of the Committees and number of meetings each year. The Chair undertakes an annual performance review for each of the independent members of the Joint Committee.
- ◆ JNCC monitors performance in handling Freedom of Information and Environmental Information Regulations requests and reports this information on the JNCC website. Significant resources would be required to develop and implement systems to monitor and report on other correspondence, and there are currently no plans to do this. JNCC has a complaints procedure documented on its website which explains who is responsible for investigating and adjudicating on any complaints. All correspondence is handled on a need to know basis and held in a confidential file with restricted access.

9. Evidence quality

JNCC introduced a new evidence quality assurance policy in 2014/15. This policy and associated guidance notes provide a standard for JNCC staff to follow to help ensure that the quality of JNCC scientific advice and evidence is fit for purpose. A key tenet of the policy is that quality assurance should be proportionate to the intended use of the advice or evidence. The policy is compliant with *The Government Chief Scientific Adviser's Guidelines on the Use of Scientific and Engineering Advice in Policy Making* (2010).

During 2014/15, progress in implementing the evidence quality assurance policy was reported quarterly to EMB.

An internal audit of scientific evidence was undertaken by KPMG. The audit provided an assessment of limited assurance for two of the three review objectives and unsatisfactory assurance for the third objective. It concluded that the policy itself has only minor omissions and issues requiring improvement but that key procedures were not being applied consistently and that documentation and monitoring of quality assurance processes was poor. EMB has agreed an action plan to address the recommendations from the audit report and make other improvements, including work on behavioural change to ensure monitoring and reporting requirements are met.

10. Risk management

Effective risk management and governance is critical to the ability of JNCC to achieve its strategic objectives and manage the risks it faces. Leadership of the risk management process within the JNCC is provided by me as Chief Executive and Accounting Officer.

During 2014/15 JNCC undertook a review of its risk management processes. These now comprise four strands:

- ◆ a high-level corporate risk register, which includes the principal long-term/standing risks affecting JNCC;
- ◆ an annual significant risks register capturing a small number of significant risks which are 'live' and require active management during the year;
- ◆ quarterly reporting on significant risks to EMB, the Joint Committee and Audit and Risk Assurance Committee; and
- ◆ active management of programme risks which are captured and monitored through a quarterly monitoring process.

Responsibility for risk ultimately lies with the Joint Committee. In addition to quarterly risk reporting, regular consideration and reporting of new or fast-evolving risks is undertaken by EMB and ARAC. The ARAC Chair refers to the Joint Committee all issues that pose a major risk or threat to the business integrity of JNCC and those that in his judgement require disclosure to the full Committee or need immediate action. In addition, the Chair of ARAC informs the Joint Committee of any fraud, misappropriation or malpractice immediately that it is discovered or suspected. During the year no issues were escalated to the Joint Committee.

Risk appetite statement

JNCC takes a balanced approach to risk and is committed to managing risks effectively at all levels in the organisation. We will focus our effort on addressing the significant risks affecting our ability to achieve the performance measures set out in our business plan for 2015/16 and our longer-term strategic goals, but accept that exposure to some risk is necessary to enable the effective delivery of objectives.

We will take the action needed to safeguard our assets and resources, meet legal requirements and comply with our governance arrangements.

We will take appropriate action to ensure that back-office activities are undertaken at the most cost-effective level, commensurate with the risk to the public purse, employees' safety and data security. Given current financial restraints, this will include reducing administrative controls where we consider they are disproportionate to the level of risk, balancing this by placing appropriate levels of responsibility, and accountability, for compliance on staff.

Our risk appetite will be increased in relation to potential opportunities to increase and diversify our funding and the reach and utility of our work under our developing strategy. We will, however, ensure that such decisions are taken at senior levels and with a full and clear understanding of the risks involved.

We will ensure the standard of evidence and advice we provide is appropriate for its intended use. The level of evidence quality assurance we apply will be based on the degree of risk to biodiversity and ecosystems from decisions based on our advice and evidence.

Political and institutional changes, both in Whitehall and the devolved administrations, will present JNCC with particular challenges, e.g. in leading the development of new areas of work, building new partnerships and adopting new working practices. We recognise that these developments will often involve a high degree of risk, and we will manage them accordingly.

In 2014/15 JNCC received no ministerial directions.

11. Anti-fraud policy

JNCC is committed to ensuring that the risk of fraud in all its forms is minimised. An important part of this approach is the anti-fraud policy, which informs staff of JNCC's approach to the serious issue of fraud and incorporates a fraud response plan. In addition, the Finance Manager is a member of the Defra Network Fraud and Error Forum. An online training module on the Bribery Act and Anti-fraud legislation is completed annually by all staff.

12. Significant risks in 2014/15

The following table details significant risks and internal control issues in 2014/15 and summarises the management action taken.

Significant issue	Management action
Senior management capacity and competence do not keep pace with the challenges of an increasingly complex operating environment	<ul style="list-style-type: none"> • Performance management forms and guidance have been revised. • EMB has undertaken a review of organisational structure, and changes will be implemented in April 2015. This will address use of senior management resource across JNCC as a whole. • A business partnering approach has been introduced as part of a new Governance and Corporate Services Strategy which will result in senior managers being provided with better information and expert advice.
A high rate of internal staff turnover causes a high level of vacancies and additional management input to staff recruitment, induction and training.	<ul style="list-style-type: none"> • Following discussion with Defra, permission to conduct concurrent internal and external recruitment has been granted in many cases.
Ineffective prioritisation of effort and assessment of risk as JNCC is expected to deliver demanding work programmes with reduced resources	<ul style="list-style-type: none"> • New risk assessment, management and reporting arrangements have been put in place. • A review of JNCC's strategy has been led by the Joint Committee, and Committee endorsed a new strategic direction in March 2015. Consultation with sponsors and other stakeholders will take place in 2015.

Significant issue	Management action
Devolution and changes in legislation and other Government priorities lead to a divergence in approaches and institutional arrangements in different parts of the UK	<ul style="list-style-type: none"> • Reporting processes have been improved to provide funding bodies with the information they need to understand JNCC's work and make decisions on priorities. • We have taken measures to support country-specific priorities (within a UK context), e.g. by taking steps to locate a member of staff in Wales.
High turnover in Joint Committee membership and the appointment of a new Chair result in reduced effectiveness of the Joint Committee and its sub-groups	<ul style="list-style-type: none"> • Induction has been provided for new Committee members. • The new JNCC Chair has rapidly settled into the role.
Greater scrutiny of JNCC's advice to government, evolving evidence requirements, and government changes to arrangements for prioritising, collecting, communicating and funding evidence	<ul style="list-style-type: none"> • A new evidence quality assurance policy has been introduced, and an action plan for improving implementation and monitoring of the policy has been developed and agreed. • JNCC staff have engaged actively with Defra's One Network Evidence programme, including through the part-time secondment of a staff member.
Inappropriate data exposure (either intentional or accidental) and general inefficiencies within data use caused by inadequacies in data management practice	<ul style="list-style-type: none"> • A suite of new/revised information management and IT usage policies has been revised and rolled out. This has included raising senior managers' awareness of responsibilities and action required and cataloguing sensitive information assets.
Ineffective processes and procedures in relation to business continuity	<ul style="list-style-type: none"> • The business continuity recovery plan has been amended to incorporate lessons learnt from recent incidents and a table-top exercise.
Insufficient funding to remain effective in fulfilling JNCC's role and meeting customer's expectations	<ul style="list-style-type: none"> • Committee and senior management time has been invested in strategy development including identifying possible new funding sources. • Negotiations have been undertaken with sponsors to agree a realistic business plan for 2015/16 supported by adequate funding.

Looking forward to 2015/16, the key risks facing JNCC are considered to be:

- ◆ Inability to align with changing government priorities and institutional arrangements sufficiently quickly (UK and devolved administrations).
- ◆ Insufficient funding to maintain and extend the utility of JNCC as a cost-effective mechanism for collaborative delivery.
- ◆ Ineffective strategic positioning.
- ◆ Multiple changes to JNCC's stakeholders (budget pressures, changes in role).

- ◆ Insufficient capacity and/or expertise at middle and senior management levels to deal with the challenges of an increasingly complex operating environment.
- ◆ A high rate of staff turnover.
- ◆ Inadequate use of evidence to underpin JNCC's advice to government.

The extent to which these risks have been successfully managed will be kept under review during 2015/16 by the Joint Committee, EMB and ARAC.

13. Conclusion

During 2014/15 JNCC's governance arrangements were generally robust. The governance arrangements set out in this statement continue to support JNCC's aims as evidenced through highly regarded scientific advice, well managed resources, and engaged staff delivering to a wide range of customers

JNCC continues to face a number of significant risks and internal control issues, especially in relation to the current financial climate and the complex and continually evolving environment in which it operates. These are detailed in section 12 of this Governance Statement. Actions have been identified to manage these risks effectively and will be monitored closely during 2015/16.

Mr MJM Yeo
Chief Executive
4 June 2015

JNCC Support Co Remuneration Report

Remuneration policy

The remuneration for the JNCC Chair and independent Committee members is set by the Department for Environment, Food and Rural Affairs (Defra).

The remuneration of the Chief Executive is reviewed regularly against the advice issued by the Review Body on Senior Salaries. Any proposed changes are then subject to the approval of Defra.

All pay awards for staff other than the Chief Executive have to conform to the annual Civil Service Pay Guidance document issued by Treasury. This guidance document forms part of the pay remit process, and is intended to ensure that pay awards are affordable, offer value for money, and meet the needs of individual businesses. As part of this process the JNCC has to submit its recommended pay award to Defra, who have delegated authority to approve pay remits that conform to Treasury guidance. Pay remits that do not conform to the guidance require Treasury approval.

The JNCC applies a number of reward principles which aim to:

- ◆ meet business needs of the organisation;
- ◆ be affordable for the organisation in the short and long-term;
- ◆ provide a pay structure which is sustainable in the longer-term;
- ◆ reward, retain and motivate staff;
- ◆ support equal pay;
- ◆ be fair and transparent;
- ◆ ensure that appropriately skilled and experienced staff can be recruited;
- ◆ recognise and reward good performance;
- ◆ offer comparable salary levels with other relative workforce groups; and
- ◆ maintain the total staff remuneration package at a level which is appropriate given the financial environment and reflects competitiveness in the appropriate market.

Contracts of employment

Appointments are made in line with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the directors and other staff covered by this report hold appointments which are open-ended. Early termination for all staff, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. However, independent members of the Committee who are appointed by Defra under an instrument of appointment would not be eligible for compensation under the Civil Service Compensation Scheme.

The periods of appointment for independent Committee members are detailed below.

- Dr P Bridgewater was re-appointed for a three-year term which commenced on 1 October 2010 and ended on 31 May 2014
- Professor CA Gilligan was appointed for a three-year term commencing on 1 June 2014
- Dr R Brown was re-appointed for a three-year term commencing on 1 December 2012
- Mr G Duke was re-appointed for a three-year term commencing on 1 December 2012
- Judith Webb was re-appointed for a three-year term which commenced on 1 September 2011 and ended on 31 August 2014
- Prof. M Kaiser was re-appointed for a two-year term commencing on 1 April 2015
- Professor CA Galbraith was appointed on a three-year term commencing on 19 November 2014
- Professor I Bateman was appointed on a three-year term commencing on 19 November 2014

Further information about the work of the Civil Service Commissioners can be found at <http://civilservicecommission.independent.gov.uk>.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior JNCC staff, and those of the Chair and independent members of the Committee. JNCC is advised of the salaries of the Chair and independent Committee members by the Department for Environment, Food and Rural Affairs. Members appointed by the country conservation bodies are remunerated directly by those bodies. This information is subject to audit.

Salary

'Salary' includes gross salary and any allowances, such as recruitment and retention allowances, to the extent that it is subject to UK taxation. This report is based on payments made by JNCC Support Co and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument. At the present time, no senior member of staff of JNCC Support Co is in receipt of taxable benefits.

Bonuses

Bonuses are based on performance levels and are made as part of the formal staff appraisal process. The bonuses awarded in 2014/15 relate to performance in 2013/14.

JNCC also operates a reward and recognition scheme whereby individuals receive bonuses of up to £250. These are paid on a quarterly basis.

Single total figure of remuneration (subject to audit)

Committee members:	Period of appointment	Days Service 2014/15	Salary £ 000s	
			2014/15	2013/14
Chair				
Prof CA Gilligan	01.06.2014 to 31.05.2017	87	30 - 35 ¹	0
Dr P Bridgewater	01.10.2007 to 31.05.2014	17	10 - 15 ²	40 - 45
Independent members				
Judith Webb	01.09.2008 to 31.08.2014	15	0 - 5 ³	5 - 10
Dr R Brown	01.12.2009 to 31.11.2015	30	5 - 10	5 - 10
Mr GRJ Duke	01.12.2009 to 30.11.2015	42	10 - 15	15 - 20
Prof MJ Kaiser	01.04.2012 to 31.03.2018	30	5 - 10	5 - 10
Prof CA Galbraith	19.11.2014 to 18.11.2017	11	0 - 5 ⁴	0
Prof IJ Bateman	19.11.2014 to 18.11.2017	11	0 - 5 ⁴	0

No Committee members received bonus payments or pension benefits in either 2013/14 or 2014/15.

1. Prof CA Gilligan was appointed on 01.06.2014. His salary for 2014/15 expressed as a full year equivalent falls in the band £40-45,000.
2. Dr P Bridgewater completed his term of appointment on 31.05.2014. His salary for 2014/15 expressed as a full year equivalent falls in the band £40-45,000.
3. Judith Webb completed her term as an independent member on 31.08.2014. Her salary expressed as a full year equivalent falls in the band £5-10,000.
4. Prof CA Galbraith and Prof IJ Bateman were appointed on 19.11.2014. Their salaries for 2014/15 expressed as full year equivalents fall in the band £5-10,000.

Senior staff:	Salary £ 000s		Bonus payments £ 000s		Pension benefits £ s ¹		Total £ 000s	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Chief Executive								
Mr MJM Yeo	85 - 90	85 - 90	5 - 10	5 - 10	4,000	20,000	95 - 100	110-115
Executive Directors								
Dr JC Goold	50 - 55	50 - 55	0	0	24,000	22,000	75 - 80	70 - 75
Mrs SE McQueen	50 - 55	45 - 50	0 - 5	0 - 5	12,000	5,000	65 - 70	50 - 55
Mr PM Rose	55 - 60	55 - 60	0	0	12,000	7,000	65 - 70	60 - 65
Dr SD Gibson	50 - 55	50 - 55	0	0	11,000	6,000	60 - 65	55 - 60

1. The value of benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to transfers of pension rights.

Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in JNCC Support Co for 2014/15 was £95 - 100,000 (£90 - £95,000 in 2013/14). This was 3.42 times the median remuneration of the workforce (3.35 times in 2013/14), which was £28,476 (£27,594 in 2013/14) – prior year figures restated to take into account bonuses.

No employees received remuneration in excess of the highest paid director in either 2014/15 or 2013/14.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits (subject to audit)

Senior staff:	Total accrued pension at pension age at 31/03/15 and related lump sum £ 000s	Real increase in pension and related lump sum at pension age £ 000s	CETV at 31/03/15 £ 000s	CETV at 31/03/14 £ 000s	Real Increase in CETV £ 000s
Chief Executive					
Mr MJM Yeo ¹	35 - 40	0 – 2.5	526	497	1
Executive Directors					
Dr JC Goold ¹	5 - 10	0 - 2.5	95	77	11
Mrs SE McQueen	15 – 20 plus lump sum of 45 - 50	0 - 2.5 plus lump sum of 0 - 2.5	272	251	7
Mr PM Rose	15 – 20 plus lump sum of 45 - 50	0 - 2.5 plus lump sum of 0 - 2.5	298	273	10
Dr SD Gibson	10 – 15 plus lump sum of 40 - 45	0 - 2.5 plus lump sum of 0 - 2.5	246	226	8

1. Mr MJM Yeo and Mr JC Goold are members of pension schemes that do not include a lump sum payment.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. Civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may

opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 6.85% of pensionable earnings for classic and 3.5% and 8.85% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). From 1 April 2015 this contribution will reduce to 0.5% of pensionable salary.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

New Career Average pension arrangements will be introduced from 1 April 2015 and the majority of **classic**, **premium**, **classic plus** and **nuvos** member will join the new scheme.

Further details of this new scheme are available at:

<http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also

include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

No compensation was paid for loss of office to any JNCC employees in the 12 months to 31 March 2015.

Mr MJM Yeo
Chief Executive
4 June 2015

Statement of Directors' Responsibilities

Under Section 393 of the Companies Act 2006 directors of a company must not approve accounts unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company.

Section 394 of the Companies Act 2006 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 and of the profit and 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 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.

Where 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 the 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.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE JOINT NATURE CONSERVATION COMMITTEE SUPPORT CO

I certify that I have audited the financial statements of the Joint Nature Conservation Committee Support Co for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and the auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its gain for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

10 June 2015

Profit and Loss Account for the year ended 31 March 2015

	Note	2014/15 £	2013/14 £
Turnover	2	10,944,195	11,752,057
Cost of activities	2	(8,951,925)	(9,460,313)
Gross profit		1,992,270	2,291,744
Administrative expenditure	3	(1,922,461)	(2,207,750)
Operating gain	2	68,809	83,994
Transfer from deferred income relating to capital assets depreciation and disposals	15	65,379	138,435
Gain on ordinary activities before interest		135,188	222,429
Other interest receivable and similar income		740	586
Gain on ordinary activities before taxation		135,928	223,015
Tax on interest receivable		(148)	(117)
Gain for the financial year		135,780	222,898

The notes commencing on page 41 form part of these accounts.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2015

	Note	2014/15	2013/14
		£	£
Gain for the financial year		135,780	222,898
Capital grant for the purchase of assets	18	7,184	58,274
Total gain relating to and recognised in the year		<u>142,964</u>	<u>281,172</u>

The notes commencing on page 41 form part of these accounts.

Balance Sheet as at 31 March 2015

	Note	As at 31 March 2015		As at 31 March 2014	
		£	£	£	£
Fixed assets					
Intangible assets	9		70,590		79,408
Tangible assets	10		237,602		286,978
			308,192		366,386
Current assets					
Cash at bank and in hand	11	1,001,796		963,279	
Debtors	12a	376,744		375,542	
		1,378,540		1,338,821	
Creditors					
Amounts falling due within one year	13a	(722,212)		(791,548)	
Net current assets			656,328		547,273
Total assets less current liabilities			964,520		913,659
Provisions for liabilities	16		(409,310)		(436,035)
Deferred income to be utilised after more than one year	14		(173,192)		(231,386)
Net assets			382,018		246,238
Capital and reserves					
Profit and loss account	17		382,018		246,238
Total reserves			382,018		246,238

The Financial Statements on pages 37 to 40 were approved by the board of directors on 4 June 2015 and signed on its behalf.

Mr MJM Yeo
Chief Executive

The notes commencing on page 41 form part of these accounts.

Cashflow Statement for the year ended 31 March 2015

	Note	2014/15	2013/14
		£	£
Net cash inflow from operating activities	18	45,109	234,341
Taxation			
Corporation Tax	2	(148)	(117)
Capital expenditure			
Purchase of fixed assets	18	(7,184)	(58,274)
Returns from investments and servicing of finance			
Interest received	2	740	586
Increase in cash	11	38,517	176,536
Reconciliation of net cash flow to movement in net funds			
Net funds at the beginning of the period	11	963,279	786,743
Net funds at the end of the period	11	1,001,796	963,279

The notes commencing on page 41 form part of these accounts.

JNCC Support Co notes to the Financial Statements for the year ended 31 March 2015

1. Accounting policies

Statement of accounting policies

The financial statements are intended, without limiting the information given, to conform to the requirements of the Companies Act 2006 and the Statements of Standard Accounting Practice and Financial Reporting Standards issued or approved by the Accounting Standards Board insofar as these requirements are appropriate. Where the requirements do not conflict with the Government Financial Reporting Manual (FReM) information has been presented utilising the FReM requirements.

Where the requirements of the Companies Acts or the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the JNCC Support Co, for the purpose of giving a true and fair view, has been selected.

The financial statements conform to the provisions of the Companies Act 2006 and the UK Generally Accepted Accounting Practice (GAAP) which does not require adoption of the International Financial Reporting Standard (IFRS). The Executive Management Board considers that the adoption of IFRS would not improve the understanding of the Financial Statements and have therefore decided not to adopt IFRS within these statements.

Accounting convention

These financial statements have been prepared under the historical cost convention.

Estimation

In the view of the Executive Management Board no estimation techniques have been adopted in the preparation of these financial statements which are significant for the purposes of paragraph 57 of the FRS 18.

Turnover

The principal form of income is grant-in-aid received from the Department for Environment, Food and Rural Affairs, including funds that originate from the devolved administrations. This is treated as income in the accounts as it is provided to enable JNCC Support Co to provide the services necessary to support the Joint Nature Conservation Committee in the delivery of its objectives.

The bulk of the remaining turnover is in the form of contributions to project work, plus further income comprising grants from European Union sources, income for the provision of advice, royalties, and amounts generated by sales of publications.

Expenditure is stated gross of VAT because as a public sector organisation JNCC is only able to reclaim a fraction of the VAT paid on expenses incurred as part of its normal business. However, all income is stated net of VAT and trade discounts.

Going concern

Grant-in-aid for 2015/16, taking into account the amounts required for JNCC Support Co's liabilities falling due in that year, has already been included in Defra's and the devolved

administrations' estimates for the coming year. It is therefore considered appropriate that these financial statements have been prepared on a going concern basis.

Fixed assets

JNCC has elected to value fixed assets at depreciated historic cost as a proxy for fair value on the basis that the assets are low value and/or have short useful economic lives. This approach is permitted under paragraph 7.1.8 of the 2014/15 FReM.

Individual assets costing £2,000 or more including VAT are capitalised as tangible or intangible assets, assuming they are intended to be used on a continuing basis. These assets are valued at depreciated historical cost. Assets costing less than £2,000 are charged to the profit and loss account in the year of purchase.

Depreciation

Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life. Standard write-off periods, shown below, are normally used, although alternative lives may be used where relevant information is available to ascribe a more accurate expected useful life:

Leasehold property improvements	over the period of individual leases
Computer equipment	5 years
Other equipment	5 to 10 years
Software licences	5 years

Where an asset is still being used as at the end of the original write-off period, the write-off period is extended, where material, to reflect the asset's revised economic life, and previous depreciation is recalculated.

Depreciation is charged on a monthly basis from the date of purchase.

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. Receipts received in foreign currencies are normally converted to sterling on the day of receipt unless JNCC will be making payments to third parties in the currency received.

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the profit and loss account.

Leases

Rental costs arising in respect of operating leases are charged to the profit and loss account over the life of each lease. JNCC Support Co is making no payments in respect of assets acquired by means of finance leases.

Pension costs

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS), full details of which are described within the remuneration report.

Although the PCSPS is a defined benefit scheme, entities such as JNCC Support Co covered by the scheme recognise the cost of the elements on a systematic and rational basis over the period during which it benefits from employees' services, by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

Note 6 provides details of JNCC Support Co's pension costs.

Previous JNCC Chairs were entitled to accrue pension benefits but were not eligible to join the Principal Civil Service Pension Scheme (PCSPS). Individual "by analogy to the PCSPS" schemes were therefore established to provide pensions for the Chairs, with any ongoing liability arising from these arrangements being borne by JNCC Support Co. An estimate of the future cumulative cost of these pensions was calculated in 2013/14, and based on this valuation, an amount was set aside to provide for the liability in line with the requirements of FRS12 (Provisions, Contingent Liabilities and Contingent Assets). The current value of this provision is disclosed in note 16 to these accounts.

Remuneration for the post of JNCC Chair no longer includes entitlement to membership of a pension scheme.

Early departure costs

JNCC Support Co is required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of certain qualifying employees who retire early. These benefits conform to the rules of the PCSPS. JNCC Support Co bears the costs of these benefits until normal retiring age of the employees retired under the Early Retirement Scheme.

The total pension liability up to normal retiring age in respect of each employee is charged to the net expenditure account, in the year in which the employee takes early retirement and a provision for future pension payments is created. Pensions and related benefits payments to the retired employee are then charged annually against the provision.

No early retirements have taken place or been approved since 31 March 2010.

Grants received

Grant-in-aid received of a revenue nature is credited to income for the year to which it relates. Grants received from sources other than Government grants, including from European Union sources, are matched to the corresponding project expenditure in the year in which it is incurred.

Grant-in-aid received for the purchase of capital assets is treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

In respect of European Union funding, where JNCC Support Co was acting as the lead partner in respect of joint projects and where income for this work has been channelled to the individual partners through the lead partner, only income and expenditure related to JNCC's own work is shown in the financial statements. Any cash received by JNCC Support Co, but not distributed to the partners as at the date of the balance sheet, is shown as a third party asset in the balance sheet.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities would be recognised in the balance sheet if the JNCC became a party to the contractual provisions of an instrument.

The JNCC has no borrowings and relies primarily on grant-in-aid from Defra and the devolved administrations for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling so it is not exposed to significant currency risk.

Taxation

Corporation Tax

JNCC Support Co does not trade with a view to profit and therefore its Corporation Tax liability is limited to that arising from investment income and capital gains.

Value Added Tax

Most of the activities of JNCC Support Co are outside the scope of VAT so in general output tax does not apply and input tax on purchases is not recoverable. Expenditure is therefore charged gross to the relevant expense category or included in the capitalised purchase cost of non-current assets. Where output tax is charged the amounts are stated net of VAT. As JNCC makes exempt supplies for VAT it has partially exempt status. JNCC uses an agreed formula to enable the quarterly calculation of the amount of reclaimable input tax, which is credited to the profit and loss account.

The amount of reclaimable input tax is small and is therefore shown as a credit to the profit and loss account. During 2014/15 the amount of reclaimed input tax was £31,692 (£17,060 in 2013/14).

JNCC Support Co receives grant-in-aid from the Department for Environment, Food and Rural Affairs and the devolved administrations, and this is treated as non-business income for the purposes of VAT.

Provisions

In accordance with FRS12, JNCC provides for obligations arising from past events where it is probable that it will be required to settle the obligation and a reliable estimate of it can be made. Future costs are not discounted unless this would significantly affect the valuation of an obligation.

2. Detailed trading profit and loss account for the year to 31 March 2015

	2014/15		2013/14	
	£	£	£	£
Turnover				
JNCC grant-in-aid		10,001,816		10,680,726
European Union funding		175,633		113,087
Contributions to projects		594,139		797,535
Royalties		5,286		6,215
Scientific advice and information		159,195		154,490
Other receipts		8,126		4
		10,944,195		11,752,057
Cost of activities				
Conservation support	2,495,619		3,295,093	
Publicity and information	140,035		131,869	
Direct staff costs	<u>6,316,271</u>		<u>6,033,351</u>	
		(8,951,925)		(9,460,313)
Gross profit		1,992,270		2,291,744
Administrative expenditure				
Directors' emoluments	469,959		451,809	
Other administrative costs	<u>1,452,502</u>		<u>1,755,941</u>	
		(1,922,461)		(2,207,750)
Operating gain		69,809		83,994
Transfer from deferred income		65,379		138,435
Gain on ordinary activities before interest		135,188		222,429
Other interest receivable and similar income		740		586
Gain on ordinary activities		135,928		223,015
Less tax on profit on investment activities		(148)		(117)
Gain after tax		135,780		222,898
Operating gain				
		2014/15		2013/14
This is stated after charging		£		£
Total directors' emoluments		469,959		451,809
Auditors' remuneration		18,500		18,500
Depreciation and amortisation of owned assets		139,782		138,435
Pension costs		978,811		913,661
Operating lease rentals		<u>298,802</u>		<u>283,283</u>

3. Schedule of overhead expenses for the year ended 31 March 2015

	2014/15		2013/14	
	£	£	£	£
Directors' emoluments				
Directors' remuneration	402,014		385,626	
Contributions to directors' pensions	67,945		66,183	
		469,959		451,809
Other administrative costs				
Cash items				
Auditors' remuneration	18,500		18,500	
Rental costs under operating leases	298,801		283,283	
Accommodation costs	269,155		251,955	
Information technology	148,412		230,225	
Human resources	139,406		122,129	
Travel and subsistence	421,294		470,933	
Printing, postage, stationery and subscriptions	25,021		30,445	
Other expenses	11,633		20,240	
Less reclaimed VAT	(31,692)		(17,060)	
Legal and professional fees	24,189		31,255	
Consultancy	60,306		36,942	
Bank charges	1,835		2,218	
Exchange rate losses	263		406	
		1,387,123		1,481,471
Non-cash items				
Depreciation and amortisation for the year	139,783		138,435	
Asset life and reinstated asset adjustments	(76,078)		-	
Additions to provisions	-		136,035	
(Profit) or loss on disposal of assets	1,674		-	
		65,379		274,470
Total administrative expenditure		1,922,461		2,207,750

4. Director's emoluments

	2014/15	2013/14
	£	£
Directors' emoluments	402,014	385,626
Company contributions to defined benefit schemes in relation to directors' pensions	67,945	66,183
	469,959	451,809

The five executive directors accrued retirement benefits in respect of qualifying service for the defined benefit scheme during the year.

5. Staff costs

The aggregate payroll costs were as follows:

	2014/15	2013/14
	£	£
Directors' emoluments	402,014	385,626
Other wages and salaries	5,021,408	4,784,638
Social security costs	410,742	401,235
Other pension costs	978,791	913,661
	6,812,955	6,485,160

Other wages and salaries includes an amount of £26,725 for pension payments to retired Chairs. None of this amount was charged to the profit and loss account in 2014/15 as it was offset by the partial release of a provision established in 2013/14.

6. Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Joint Nature Conservation Committee is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

For 2014/15, employers' contributions of £961,360 (£894,517 in 2013/14) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. For 2015/16, the rates will range between 20.0% to 24.5%. The contribution rates are set to meet the cost of the benefits accruing during 2015/16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions of £15,547 (£17,291 in 2013/14) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer

contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,150, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees (£1,300 in 2013/14).

Contributions due to the partnership pension providers at the balance sheet date were £986 (£1,176 at 31 March 2014). There were no prepaid contributions at this date.

7. Civil service compensation schemes - exit packages

Redundancy and other departure costs have been paid in accordance with the provision of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in the year of departure.

No exit packages were paid under the Civil Service Compensations Scheme in the years ended 31 March 2015 and 31 March 2014.

8. Staff numbers

The average number of full-time equivalent (FTE) persons employed by the company, including directors, during the year was as follows:

	2014/15 FTEs	2013/14 FTEs
Executive directors	4	4
Chairman and non-executive directors	1	1
Management	7	7
Operational	123	117
Administration	30	29
IT	4	3
Total	169	161

9. Intangible fixed assets

	2014/15
	£
Cost	
At 1 April 2014 (opening balance)	248,811
Additions during year	-
Disposals	(64,321)
At 31 March 2015 (closing balance)	184,490
Amortisation	
At 1 April 2014 (opening balance)	169,403
Charge for the year	37,182
Amortisation on disposals	(64,321)
Asset life adjustments	(28,364)
At 31 March 2015 (closing balance)	113,900
Net Book Value	
At 1 April 2014 (opening balance)	79,408
At 31 March 2015 (closing balance)	70,590
	2013/14
	£
Cost	
At 1 April 2013 (opening balance)	228,352
Additions during year	20,459
Disposals	-
At 31 March 2014 (closing balance)	248,811
Amortisation	
At 1 April 2013 (opening balance)	134,894
Charge for the year	34,509
Amortisation on disposals	-
At 31 March 2014 (closing balance)	169,403
Net Book Value	
At 1 April 2013 (opening balance)	93,458
At 31 March 2014 (closing balance)	79,408

Intangible assets represent the value of the software licences held. Intangible assets are disposed of when no longer used or when superseded by an upgrade, in which case a new asset is created, reflecting the cost of the upgrade.

Asset life adjustments represent the reversal of accumulated depreciation on assets that have had their useful economic lives extended to reflect their continued use by JNCC.

10. Tangible fixed assets

	Leasehold property improvements	Computer equipment	Other equipment	Total
2014/15				
Cost	£	£	£	£
At 1 April 2014 (opening balance)	109,926	435,765	177,171	722,862
Additions during year	-	-	7,184	7,184
Disposals	(104,877)	(58,587)	(6,741)	(170,205)
At 31 March 2015 (closing balance)	5,049	377,178	177,614	559,841
Depreciation				
At 1 April 2014 (opening balance)	102,609	257,854	75,421	435,884
Charge for the year	7,296	62,302	33,272	102,600
Depreciation on disposals	(104,877)	(56,913)	(6,741)	(168,531)
Asset life adjustments	(1,560)	(35,094)	(11,060)	(47,714)
At 31 March 2015 (closing balance)	3,468	227, 879	90,892	322,239
Net Book Value				
At 1 April 2014 (opening balance)	7,317	177,911	101,750	286,978
At 31 March 2015 (closing balance)	1,581	149,299	86,722	237,602
2013-14				
Cost	£	£	£	£
At 1 April 2013 (opening balance)	109,926	416,211	161,900	688,037
Additions during year	-	22,544	15,271	37,815
Disposals	-	(2,990)	-	(2,990)
At 31 March 2014 (closing balance)	109,926	435,765	177,171	722,862
Depreciation				
At 1 April 2013 (opening balance)	95,293	194,172	45,483	334,948
Charge for the year	7,316	66,672	29,938	103,926
Depreciation on disposals	-	(2,990)	-	(2,990)
At 31 March 2014 (closing balance)	102,609	257,854	75,421	435,884
Net Book Value				
At 1 April 2013 (opening balance)	14,633	222,039	116,417	353,089
At 31 March 2014 (closing balance)	7,317	177,911	101,750	286,978

Asset life adjustments represent the reversal of accumulated depreciation on assets that have had their useful economic lives extended to reflect their continued use by JNCC.

11. Cash at bank and in hand

	1 April 2014	Cash flows	31 March 2015
	£	£	£
Analysis of changes in net funds			
Cash at bank	963,206	38,297	1,001,503
Cash in hand	73	220	293
Total cash	963,279	38,517	1,001,796

12a. Debtors - amounts falling due within one year

	2014/15	2013/14
	£	£
Trade debtors	203,751	138,161
Other debtors	2,128	2,776
Prepayments and accrued income	170,865	234,605
	376,744	375,542

The balance relating to trade debtors was reviewed at year end and no provision for bad debts was deemed necessary.

12b. Intra-government balances

	2014/15	2013/14
	£	£
Balances with other central government bodies	209,584	197,722
Balances external to government at 31 March	167,160	177,820
Total debtors as at 31 March	376,744	375,542

13a. Creditors - amounts falling due within one year

	2014/15	2013/14
	£	£
Trade creditors	14,310	-
Other creditors	111,717	116,089
Taxation and social security	168,598	155,195
Accruals	177,721	214,516
Deferred income	114,866	170,748
Deferred income relating to capital grants to be utilised within one year	135,000	135,000
	722,212	791,548

13b. Intra-government balances

	2014/15	2013/14
	£	£
Balances with other central government bodies	335,758	383,653
Balances external to government at 31 March	386,454	407,895
Total creditors as at 31 March	722,212	791,548

14. Deferred income relating to capital grants to be utilised after more than one year

	2014/15	2013/14
	£	£
Total deferred income relating to capital grants	308,192	366,386
Less deferred income relating to capital grants to be utilised within one year	(135,000)	(135,000)
Deferred income relating to capital grants to be utilised after more than one year	173,192	231,386

15. Movement on deferred income relating to capital grants

	2014/15	2013/14
	£	£
Capital grant for the purchase of intangible assets	-	20,459
Capital grant for the purchase of tangible assets	7,184	37,815
Transfer to profit and loss (P&L) of amortisation for the year	(37,182)	(34,509)
Transfer to P&L of depreciation for the year	(102,600)	(103,926)
Tangible asset disposals at cost for the year	(170,204)	(2,990)
Depreciation on disposal for the year	168,530	2,990
Transfer from P&L of amortisation arising on extending Useful Economic Life of assets	28,364	-
Transfer from P&L of depreciation arising on extending Useful Economic Life of assets	47,714	-
Movement in year	(58,194)	(80,161)

16. Provisions for liabilities

	Pensions and similar obligations	Dilapidations provision	Total provisions
2014/15	£	£	£
Balance at 1 April	136,035	300,000	436,035
Provision for year	-	-	-
Utilised in the profit and loss account	-	-	-
Released to the profit and loss account	(26,725)	-	(26,725)
Balance at 31 March	<u>109,310</u>	<u>300,000</u>	<u>409,310</u>
2013/14	£	£	£
Balance at 1 April	-	300,000	300,000
Provision for year	136,035	-	136,035
Utilised in the profit and loss account	-	-	-
Released to the profit and loss account	-	-	-
Balance at 31 March	<u>136,035</u>	<u>300,000</u>	<u>436,035</u>

The provision of £300,000 created in 2011/12 and represents the expected cost of dilapidations that will be required when JNCC ceases to occupy Monkstone House. This is expected to happen either at the end of the Monkstone House lease or on exercise of the lease's break clause. The provision of £109,310 represents the estimated cost of future pension payments to JNCC Chairs entitled to a pension "by analogy to the Principal Civil Service Pension Scheme".

17. Profit and loss account

	2014/15	2013/14
	£	£
Balance at 1 April	246,238	23,340
Gain or loss for the year	135,780	222,898
Balance at 31 March	<u>382,018</u>	<u>246,238</u>

18. Reconciliation of operating loss to net cash inflow from operating activities

	2014/15	2013/14
	£	£
Operating gain or loss	69,809	83,994
Depreciation charges	102,600	103,926
Amortisation	37,182	34,509
Reversal of amortisation arising on extending useful economic life of assets	(28,364)	-
Reversal of depreciation arising on extending useful economic life of assets	(47,714)	-
Transfer to deferred income relating to capital expenditure	7,184	58,274
Profit or loss of disposal of assets	1,674	-
Decrease or increase in debtors	(1,202)	(44,046)
Increase or decrease in creditors	(69,335)	(128,351)
Increase in deferred income relating to capital grants to be utilised after more than one year	-	(10,000)
Increase in provisions	(26,725)	136,035
Net cash flow from operating activities	<u>45,109</u>	<u>234,341</u>

19. Leasing commitments

	Land and buildings	Others	Land and buildings	Others
	2014/15	2014/15	2013/14	2013/14
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	218,000	16,000
Within 2 to 5 years	183,000	-	-	-
Total	<u>183,000</u>	<u>-</u>	<u>218,000</u>	<u>16,000</u>

20. Legal status

The Company is limited by guarantee. In the event of 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.

21. Contingent liability

There are no contingent liabilities to declare for the current year.

22. Losses and special payments

JNCC reported no losses during the year of 31 March 2015 (none reported in the year to 31 March 2014). Twelve fruitless payments were recorded in 2014/15 with a total value of £3,482 (18 totalling £3,241 were reported in 2013/14).

23. Ultimate controlling party

Thirteen of the 14 directors in post at 31 March 2015 are members of the Joint Nature Conservation Committee. The committee sets the overall direction and priorities for the work of the support company. For these reasons the directors consider the Joint Nature Conservation Committee to be the ultimate controlling party.

24. Related party transactions

In order to ensure accuracy in the consolidation of Whole of Government Accounts, the Clear Line of Site initiative requires that Arms Length Bodies (ALBs) such as the JNCC receive their grant-in-aid funding from a single source. As a result, from 1 April 2011 the JNCC Support Co received its grant-in-aid funding solely via the Department of the Environment, Food and Rural Affairs (Defra), whereas prior to this date, grant-in-aid was received from the GB conservation bodies, the Department of the Environment in Northern Ireland and Defra. The GB conservation bodies are regarded as Non-Departmental Public Bodies respectively sponsored by Defra, the Scottish Government and the Welsh Government. Because the grant-in-aid now received from Defra still originates from the GB conservation bodies, the Department of the Environment in Northern Ireland and Defra, these remain considered to be related parties. 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 these bodies was as follows:

	Grant-in-aid		Specific project funding		Services purchased by the company	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
	£	£	£	£	£	£
Natural England	-	-	132,463	265,500	4,776	-
Defra	10,009,000	10,739,000	161,816	101,038	51,446	43,650
Scottish Natural Heritage	-	-	54,861	48,744	-	-
Natural Resources Wales	-	-	26,861	23,747	-	-
Department for the Environment Northern Ireland	-	-	10,000	20,000	-	-
Total	10,009,000	10,739,000	386,001	459,029	56,222	43,650

The figures above reflect the cash grant-in-aid received by JNCC. Amounts received and utilised for capital expenditure are transferred to deferred income in accordance with UK GAAP. For 2014/15 this amounted to £7,184 so the amount reflected in the detailed profit and loss account (note 2) is £10,001,816).

		Paid by JNCC		Paid to JNCC	
		2014/15	2013/14	2014/15	2013/14
Director	Corporate related body	£	£	£	£
Mr P Rose (Trustee of NBN Trust)	National Biodiversity Network Trust	50,500	25,000	-	-

The information for individual directors 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.

Performance against Priority Performance Measures (PPMs) for 2014/15

PPM ratings	Description
Green	Target achieved or exceeded
Amber	Substantial progress made, with full achievement of target anticipated in early 2015/16
Red	Limited progress against target

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
1.1	Surveillance and Monitoring	UK co-ordination	Publish updated trends and their likely causes for seabirds, breeding birds, wintering wetland birds, bats, butterflies and a range of invertebrates, and finalise survey design and mode of operation for a new long-term monitoring programme for vascular plants in preparation for a major launch in the 2015 field season.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Published updated population trends for all UK bat species (in partnership with the Bat Conservation Trust). ◆ Published annual updates of status and trends across the UK for a wide range of bird species (in partnership with the British Trust for Ornithology and RSPB). ◆ Published trends for selected butterfly species (in partnership with Butterfly Conservation and the Centre for Ecology and Hydrology). ◆ Launched a new UK-wide plant surveillance programme (in partnership with the Centre for Ecology and Hydrology, the Botanical Society of Britain and Ireland, and Plantlife) which will make a major contribution to our understanding of the status of biodiversity. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
1.2	Surveillance and Monitoring	UK co-ordination	Produce methods, tools and guidance that will help countries within the UK use remote sensing data to meet mapping requirements for terrestrial habitats and ecosystem services, detect change and measure condition.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Worked with stakeholders to identify future requirements for countryside survey, and provided advice on options for delivering shared requirements. ◆ Developed approaches for multi-purpose habitat mapping utilising satellite data. 				

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
1.3	Marine Monitoring	UK Coordination	Complete advice to Governments on options for monitoring seabirds and develop draft integrated wider environment and site monitoring options for a number of seabed habitats. Testing of monitoring options.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Undertook survey to test monitoring options for seabed habitats at Dogger Bank Special Area of Conservation. ◆ Made substantial progress in developing advice to Governments on options for monitoring seabirds. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
1.4	Marine Monitoring	UK Coordination	Develop prioritised plans for operational monitoring of marine protected sites in UK offshore waters, including testing of monitoring options.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Completed a prioritised plan for monitoring offshore marine protected areas. ◆ Undertook survey relevant to monitoring marine protected areas in Scottish waters. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
2.1	Biodiversity Information and Advice	UK Coordination	Support implementation of the UK Biodiversity Framework and country environment strategies within the UK, by making links with international and European commitments, and by facilitating and contributing to common country approaches and solutions.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Published the annual update of the UK biodiversity indicators, containing up to date information on progress towards meeting EU and international goals. ◆ Prepared an annual report on the UK Biodiversity Framework. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
2.2	Biodiversity Information and Advice	UK Coordination	Implement JNCC's science quality guidance.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Implemented a new evidence quality policy to ensure that JNCC's evidence and advice is fit for purpose. 				

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
2.3	Access to Information	Governance and Corporate Services	Provide support and advice to facilitate the population and use of the National Biodiversity Network (NBN), undertake technical development of the NBN Gateway, and develop interpretation tools for the analysis of biological recording data.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Consolidated the functionality available as part of the new NBN Gateway, to allow self-service data updates and facilities to assess data quality. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
2.4	Marine Ecosystem Assessment and Advice	Reserved	Provide technical expertise and advice to Governments and the European Topic Centre for Inland, Coastal and Marine Waters (ETC/ICM) on marine ecosystem assessments.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Ran a pilot in partnership with Cefas to develop methods for status assessment of offshore marine protected areas using systematic and standardised approaches whilst maximising use of available evidence. ◆ Published research reports on a) the assessment of reefs and sandbanks, and b) the use of aggregation methods in marine biodiversity assessments to enable streamlining between the Habitats Directive, Marine Strategy Framework Directive and OSPAR Convention. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
2.5	Marine Evidence	Defra Marine	Ensure that JNCC's evidence base is well-described and classified (in terms of data security), and that priority elements are published externally to support key areas of business.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Revised organisational policies and guidance for data management and security. ◆ Published a deep-sea habitat classification system for the UK, the most comprehensive of its kind in Europe. 				

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
3.1	European Intelligence and Advice	UK Coordination	Provide coordinated input of UK expertise to the EU Biodiversity Strategy targets and other priority European issues, including the Habitats and Birds Directives, the Marine Strategy Framework Directive and the OSPAR Convention strategic plan.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Worked with the country nature conservation bodies to improve reporting processes for the Habitats and Birds Directives. ◆ Provided advice to Defra on biodiversity aspects of the Marine Strategy Framework Directive Programme of Measures. ◆ Published research on the development of Marine Strategy Framework Directive biodiversity indicators and provided technical advice to governments. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
3.2	Global Advice and Overseas Territories	Reserved	Provide advice to support implementation of the Overseas Territories Biodiversity Strategy and provide technical expertise to support the UK Overseas Territories in implementing environmental priorities identified through the Joint Ministerial Council and through mainstreaming initiatives.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Agreed with partners a framework for more effective collaboration between JNCC and UK-based organisations interested in the UK Overseas Territories. ◆ Managed a “green economy” project in the Turks and Caicos. ◆ Supported the Anguillan Government National Ecosystem Assessment project. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
3.3	Global Advice and Overseas Territories	Reserved	Provide technical input to the 12th Conference of the Parties to the Convention of Biological Diversity, the 11th Conference of the Parties of the Convention on Migratory Species (CMS) and scientific meetings relating to the Convention on International Trade in Endangered Species and CMS daughter agreements, and provide advice to support the Darwin Initiative and Darwin Plus.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Participated in the UK delegations to key meetings of two major multilateral environmental agreements (the 12th Conference of the Parties to the Convention on Biological Diversity and the 11th Conference of the Parties to the Convention on Migratory Species). 				

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
4.1	Marine Protected Areas	Defra Marine	Provide technical support to Marine Scotland in the designation of Nature Conservation MPAs in offshore waters.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ In partnership with Scottish Natural Heritage, provided technical advice and information to support the designation by Scottish Government of 30 Nature Conservation Marine Protected Areas (including 13 sites in offshore waters). ◆ Completed a review of advice for Marine Scotland on the adequacy of the Scottish marine protected areas network. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
4.2	Marine Protected Areas	Defra Marine	Provide advice to Defra on a second tranche of Marine Conservation Zones and support Defra with its public consultation in 2015.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Provided formal advice to Defra on a second tranche of Marine Conservation Zones and supported public consultation on the proposed sites. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
4.3	Marine Protected Areas	Defra Marine	Provide advice to Defra and devolved administrations on identifying MPAs (including support for MCZ projects in Wales and Northern Ireland) and implementing effective management to meet obligations with regard to the UK contribution to an ecologically coherent network in the north-east Atlantic.	Green
Key achievements				
<ul style="list-style-type: none"> ◆ Completed a review of advice on the creation of a network of marine protected areas for Defra. ◆ Provided a one-stop-shop for marine users and regulators to access information on all 38 designated marine protected areas in UK offshore waters by launching web-based Site Information Centres. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
4.4	Marine SPAs	UK Coordination	Provide scientific cases, conservation objectives and advice packages for offshore potential SPA locations to contribute to identifying and where possible classifying a UK series of marine SPAs by 2015. Support the application of marine bird evidence to help country programmes contribute to the UK SPA series.	Amber

Key achievements				
<ul style="list-style-type: none"> ◆ Made substantial progress towards finalising and publishing the evidence needed by the country conservation bodies to complete the identification of inshore SPAs in the UK. ◆ Submitted advice packages for offshore possible SPAs in Scottish waters to Scottish Government. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
4.5	Fisheries, Species and MPA Conservation Advice	Defra Marine	Complete JNCC processes to support Governments in the consideration of SACs for harbour porpoise by the end of 2015.	Red
Key achievements				
<ul style="list-style-type: none"> ◆ Provided high-quality advice to governments on proposals for draft SACs for harbour porpoise in UK waters, to enable the UK to meet the requirements of the Habitats Directive (the timescale for this work contained in the PPM was subsequently amended by governments). 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
5.1	Offshore Industries Advice	Defra Marine	Respond fully to requests for JNCC advice on oil and gas, aggregates and marine renewables within the agreed consultation period, and support the country nature conservation bodies in the provision of industry advice through UK coordination and science leadership.	Amber
Key achievements				
<ul style="list-style-type: none"> ◆ Responded to over 95% of requests for advice oil and gas, aggregates and marine renewables within relevant deadlines. ◆ Expanded JNCC's strategic advisory role to address key nature conservation challenges associated with offshore industry (e.g. in relation to seabirds and windfarms) through collaborative research projects and fora. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
5.2	Fisheries, Species and MPA Conservation Advice	Defra Marine	Provide advice on management of fisheries and draft relevant sections of EU management requests for offshore Special Areas of Conservation (SACs) in accordance with timelines agreed with Governments.	Red
Key achievements				
<ul style="list-style-type: none"> ◆ Submitted fisheries management options papers to Government for offshore SACs in Scottish waters, the Irish Sea and the southern North Sea. 				
PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
6.1	Governance and Corporate Services	Governance and Corporate Services	Review and implement an organisational design for 2015/16 and beyond, with the aim of enabling JNCC to deploy the key capabilities needed to achieve its most important work efficiently, effectively and flexibly.	Green

Key achievements

- ◆ Implemented the first phase of changes to team structures and management responsibilities within JNCC.

PPM No	Programme	Main funding stream	Priority Performance Measure (PPM)	Year end rating
6.2	Governance and Corporate Services	Governance and Corporate Services	Implement a new Governance and Corporate Services strategy to improve efficiency in the delivery of routine management and administrative responsibilities by aligning service provision with shared services principles and improve effectiveness in the planning, provision and management of resources.	Green

Key achievements

- ◆ Introduced new corporate processes and procedures that have improved effectiveness and delivered efficiencies.