

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

Annual Report and Accounts for Year Ending
31 March 2016



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**Joint Nature Conservation Committee and JNCC Support Co
Annual Report and Accounts for year ending 31 March 2016**

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JNCC SUPPORT CO
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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Chair's and Chief Executive's Foreword

JNCC's annual report for 2015/16 describes the work we have undertaken during the year to fulfil our responsibilities for UK and international nature conservation. Utilising our high-quality scientific expertise, we have provided evidence, advice, coordination and standards to enable the UK Government and devolved administrations to meet their priorities for the natural environment. By helping to achieve a healthy environment we have also contributed to sustainable economic growth and societal well-being.

Our success is a testament to the dedication and enthusiasm of our staff, who have applied their skills and experience to deliver a demanding work programme over the course of the year. We also could not have been successful without the enduring partnerships we have forged with other organisations – with the country nature conservation bodies in England, Scotland, Wales and Northern Ireland, with UK and devolved government bodies, and with non-governmental organisations.

Many of our activities during 2015/16 were concerned with the provision of high-quality, cost-effective and accessible evidence for marine and terrestrial environments across the UK. The evidence we provide on the status of biodiversity and ecosystem services (and the pressures and activities affecting them) is fundamental to good decision making by governments, environmental bodies, developers and regulators.

- ◆ We continued our longstanding role in providing up-to-date information on status and trends of terrestrial species (birds, butterflies, mammals and plants) through partnerships with non-governmental organisations. In this way we are able to harness the efforts of thousands of volunteer recorders whose contributions are conservatively valued in excess of £8.6 million.
- ◆ We have led the way in testing the application of new technologies. We played a key role in establishing and coordinating a large suite of projects for the Defra network Earth Observation Centre of Excellence, demonstrating how remote-sensed information can be used to meet a wide range of policy needs.
- ◆ In the marine environment we completed seabed habitat monitoring surveys in English and Scottish waters, visiting five offshore Marine Protected Areas (MPAs). Through an online portal we provided updated habitat maps for UK waters, which provide essential information for a wide range of users.
- ◆ We provided open access to over 1,000 environmental data sets for use by industry, academic institutions and others.

JNCC facilitates joint working to provide solutions and standards that meet the diverse needs of a devolved UK. Collaboration provides opportunities for partners to boost resource efficiency by sharing learning, avoiding duplication and benefiting from economies of scale.

- ◆ We published the 2015 annual update of the UK biodiversity indicators, a set of 24 indicators and 50 measures that illustrate progress towards international targets, for example under the Convention on Biological Diversity.
- ◆ From 1 January 2016 we took on the role of UK National Contact Point for the EU LIFE programme on behalf of Defra and devolved administrations. In this role JNCC will support the preparation of robust funding bids from UK bodies, enabling the UK to make the best possible use of available funds.

- ◆ We provided scientific advice to Governments to achieve sustainable management of the UK's marine environment, including advising on the Programme of Measures under the Marine Strategy Framework Directive and leading the development of marine biodiversity indicators.

JNCC is responsible for advising on nature conservation in the UK's offshore waters (beyond 12 nautical miles from the shore). As in previous years, the focus of our work in 2015/16 was supporting UK Government and devolved administrations in achieving their obligations for establishing an ecologically coherent network of well-managed marine protected areas.

- ◆ We provided scientific advice to UK and devolved ministers on proposed Special Areas of Conservation (SACs) for harbour porpoise in UK waters, and coordinated a consultation on proposed sites within the waters of England, Wales and Northern Ireland.
- ◆ We advised Defra on the identification of offshore sites within a second tranche of Marine Conservation Zones (MCZs), leading to designation of 23 sites in January 2016 (including seven offshore sites).
- ◆ We provided scientific advice in support of a public consultation on Special Protection Areas (SPAs) in English and Welsh territorial waters and UK offshore waters.
- ◆ Following designation of offshore sites, we worked with governments to develop fisheries management measures, and continued to provide advice to developers and regulators on offshore industries.

JNCC has a crucial role to play in enabling UK governments to meet their international obligations effectively and efficiently.

- ◆ Through participation in UK delegations and provision of scientific advice on a wide range of issues, we supported effective implementation of the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species (CITES), and the Convention on Migratory Species (CMS) and its subsidiary agreements. Wildlife trade was a high priority, and we advised on approximately 17,000 CITES licence applications during the year.
- ◆ We helped to protect the globally important biodiversity of the UK's Overseas Territories Biodiversity Strategy, through targeted provision of technical advice and support for regional initiatives aiming to share knowledge and build capacity.

2015/16 was a year much concerned with the future of JNCC. The Joint Committee endorsed a new draft strategy for the organisation, as a basis for discussion with stakeholders. The strategy builds on JNCC's track record as a highly cost-effective model for providing evidence-based advice, and sets out how we intend to extend the reach and utility of our work, using natural capital as a guiding principle. We will achieve this by being responsive to the changing nature of devolution in the UK, diversifying and increasing income generation, making use of scientific and technological innovations, and continuing to search for efficiencies in all aspects of our business.

In December 2015, Defra and devolved administrations launched a review of JNCC with the aim of establishing the most effective and efficient delivery model, across the UK, for the functions performed by the JNCC, now and in the future. The review is due to conclude in June 2016.

In April 2016 JNCC celebrated its 25th anniversary. JNCC has changed greatly during this period, and has remained relevant and influential by flexing in response to changing circumstances and taking on new priorities. During 2016/17 we look forward to leading JNCC through the changes arising from the review and setting a clear direction for the future through our refreshed strategy. We will continue to deliver an ambitious and wide-ranging programme of work on behalf of our sponsor administrations, as set out in our business plan for 2016/17.

Professor CA Gilligan (Chair)

Mr MJM Yeo (Chief Executive)

Ro-ràdh a' Chathraiche agus an Àrd-oifigeir

Tha aithisg bhliadhnail JNNC 2015/16 a' mìneachadh na h-obrach a ghabh sinn os làimh tron bhliadhna airson ar dleastanasan an lùib glèidhteachas nàdair san RA agus gu h-eadar-nàiseanta a choileanadh. Tha sinn air fianais, comhairle, co-òrdanachadh agus deagh-ghnè a liubhairt, le bhith ag ùisneachadh an eòlais shaidheansail againn aig an ìre as àirde, a leigeas le Riaghaltas na RA agus na riaghaltasan nàiseanta an cuid phrìomhachasan airson na h-àrainneachd a choileanadh. Tha sinn air cur ri leasachadh eaconamach seasmhach agus slàinte a' cho-luadair le bhith a' cur ri àrainneachd a tha fallainn.

Tha an soirbheachadh againn mar thoradh air dìcheall agus dealas an luchd-obrach againn a tha air an cuid sgilean is eòlais a chur an sàs airson prògram obrach dùbhlanaich a liubhairt fad na bliadhna. Cha bhiodh an soirbheachadh seo air tachairt mura b' e an com-pàirteachadh maireannach a tha againn cuide ri buidhnean eile – cuide ris na buidhnean glèidhteachais ann an Sasainn, Alba, anns a' Chuimrigh agus Èirinn a Tuath, cuide ri buidhnean riaghaltais na RA agus nàiseanta, agus cuide ri buidhnean neo-riaghaltaisach.

Bha cuid mhòr den obair againn ann an 2015/16 co-cheangailte ri libhrigeadh fianais aig àrd-ìre, a bha èifeachdach a thaobh chosgaisean agus a ghabhadh cleachdadh gu furasta do dh'àrainnean-mara is talmhainn air feadh na RA. Tha an fhianais againn air inbhe seirbheisean bith-iomadachd is meanbh-àrainn (agus na bheir buaidh orra) riatanach gus an tig riaghaltasan, buidhnean àrainneachd, buidhnean leasachaidh agus buidhnean riaghlaidh gu co-dhùnaidhean matha.

- ◆ Chùm sinn ri ar dleastanas leantainneach is e sin solarachadh an fhiosrachaidh as ùire air inbhe is gluasadan de ghnèithean talmhainn (eòin, dealain-dè, mamalan is lusan) tro chom-pàirteachadh le buidhnean neo-riaghaltaisach. B' urrainn dhuinn da rèir saothair nam mìltean de luchd-clàraidh saor-thoileach a thrusadh anns an robh luach còrr is £8.6 millean.
- ◆ Tha sinn air a bhith air thoiseach air càch is sinn a' cur teicneòlais ùr gu deuchainn. Bha dleastanas riatanach againn ann an stèidheachadh is co-òrdanachadh raon mòr phròiseactan do lìonra Defra, *Earth Observation Centre of Excellence*, a sheall ciamar a thèid fiosrachadh air astar a chur gu feum airson freagairt ri caochladh fheumalachdan poileasaidh.
- ◆ Anns an àrainn mhara, choilean sinn sgrùdaidhean àrainnean air grund na mara ann an Sasainn is Alba, is thadhail sinn air còig raointean glèidhte far-chladach. Libhrig sinn mapaichean ùraichte air raointean bheathaichean air làrach air-loidhne, anns a bheil fiosrachadh riatanach do chaochladh luchd-cleachdaidh.
- ◆ Libhrig sinn cleachdadh fosgailte do chòrr is 1000 seata fiosrachaidh mun àrainneachd a dh'fhaodas an gnìomhachas, ionadan foghlam is eile a chleachdadh.

Tha JNCC a' solarachadh fhuasglaidhean is ìrean obrach an lùib co-obrachaidh airson freagairt ri feumalachdan na RA agus nan riaghaltasan nàiseanta. Tha cothroman an lùib co-obrachaidh do chom-pàirtichean airson èifeachdas ghoireasan a neartachadh le bhith a' co-roinneadh ionnsachaidh, a' seachnadh obair dhùbailte agus a' faighinn buannachd à saothrachadh iomchaidh.

- ◆ Dh'fhoillsich sinn fios bliadhnail 2015 air comharraidhean bith-iomadachd na RA, seata de 24 comharraidhean agus 50 dòighean-obrach anns an robh adhartas air targaidean eadar-nàiseanta gam mìneachadh, mar eisimpleir an lùib Convention on Biological Diversity.

- ◆ Bho 1d den Fhaoilleach 2016, ghabh sinn an dleastanas UK National Contact Point os làimh airson a' phrògram EU LIFE às leth Defra agus nan riaghaltasan nàiseanta. A rèir an dleastanais seo, cumaidh JNCC taic ri ullachadh thairgsean maoineachaidh làidir le buidhnean san RA, a leigeas leis an RA an luach as fheàrr fhaighinn às a' mhaoineachadh a tha ri fhaotainn.
- ◆ Thug sinn comhairle shaidheansail do riaghaltasan gus an coileanadh iad stiùireadh soirbheachail air àrainnean-mara na RA, a leithid comhairle air Prògram nan Ceuman fo *Marine Strategy Framework Directive* agus a' stiùireadh leasachaidh air comharraidhean bith-iomadachd na mara.

Tha dleastanasan glèidhteachais ann an sàl na RA aig JNCC (seachad air 12 mhìle mhara far a' chladaich). Bha e mar phrìomhachas ar n-obair ann an 2015/16, mar a bha roimhe, gun cumadh sinn taic ri Riaghaltas na RA agus na riaghaltasan nàiseanta is iad a' coileanadh an cuid dhleastanasan airson lionra de raointean-mara glèidhte a stèidheachadh a tha air an liubhairt gu math.

- ◆ Thug sinn comhairle shaidheansail do mhinistearan na RA is nan riaghaltasan nàiseanta air na Raointean Glèidhte Sònraichte a bhathar a' moladh airson pheileagan ann an uisgeachan na RA, agus comhairle air làraichean a bhathar a' moladh ann an uisgeachan Shasainn, na Cuimrigh agus Èirinn a Tuath.
- ◆ Thug sinn comhairle dha Defra air sònrachadh làraichean far-chladach an lùib an dàrna sreath de Raointean Glèidhte Mara, air an deach 23 làraichean ainmeachadh san Fhaoilleach 2016 (anns an robh seachd làraichean far-chladach).
- ◆ Thug sinn comhairle shaidheansail seachad a chùim taic ri comhairleachadh poblach air Raointean Sònraichte ann an uisgeachan Shasainn is na Cuimrigh agus uisgeachan far-chladach na RA.
- ◆ An dèidh sònrachadh nan làraichean far-chladach, dh'obraich sinn cuide ri riaghaltasan airson ceuman stiùiridh air grunn d'iasgaich a leasachadh, agus chùim sinn comhairle ri buidhnean leasachaidh is riaghlaidh air gnìomhachasan far-chladach.

Tha dleastanas riatanach aig JNCC an cois leigeil le riaghaltasan san RA an cuid dhleastanasan eadar-nàiseanta fhèin a choileanadh gu h-èifeachdach.

- ◆ Chùim sinn taic, tro chom-pàirteachadh ann am buidhnean na RA agus libhrigeadh comhairle shaidheansail air caochladh chuspairean, ri stèidheachadh soirbheachail air Convention on Biological Diversity, Convention on International Trade in Endangered Species (CITES) agus Convention on Migratory Species agus na h-aontaidhean co-cheangailte. Bha malairt fiadh-bheatha na prìomhachas, agus chùim sinn comhairle ri 17,000 iarrtas sa bhliadhna a thaobh cead CITES.
- ◆ Chùim sinn taic ri dìon Overseas Territories Biodiversity Strategy aig an RA a tha cudromach gu h-eadar-nàiseanta tro chomhairle theicnigeach agus ri iomairtean sgìreil a bha ag amas air eòlas a cho-roinneadh agus a thogail.

'S e bliadhna chudromach a bh' ann an 2015/16 a thaobh na tha ro JNCC. Dh'aontaich a' Cho-chomataidh ri dreach ro-innleachd ùr dhan bhuidhinn, mar bhun-stèidh airson deasbaid le luchd-ùidh. Tha an ro-innleachd a' togail air cliù JNCC mar mhodal a tha èifeachdach a thaobh chosgaisean an lùib comhairle stèidhichte air fianais, agus tha i a' cur an cèill ciamar

a leudaicheas sinn farsaingeachd is feumalachd ar n-obair agus sinn ag ùisneachadh calpa nàdarra mar bhun-stèidh. Ruigidh sinn seo le bhith a' freagairt ri atharrachaidhean an lùib fèin-riaghlaidh anns an RA, ag atharrachadh is a' leudachadh cruthachadh teachd a-steach, a' cur ghluasadan ùra an lùib saidheans is teicneòlais gu feum, agus a' sireadh dhòighean nas èifeachdaiche anns a h-uile roinn den bhuidhinn againn.

Anns an Dùbhlachd 2015, dh'fhoillsich Defra agus na riaghaltasan nàiseanta ath-sgrùdadh air JNCC airson am modal libhrigidh as èifeachdaiche a stèidheachadh thar na RA, airson na h-obrach a tha JNCC a' gabhail os làimh an-dràsta agus san àm ri teachd. Thig an t-ath-sgrùdadh seo gu crìch san Ògmhios 2016.

Anns a' Ghiblean 2016, chomharraich JNCC 25 bliadhna bho chaidh a stèidheachadh. Tha JNCC air atharrachadh gu mòr bhon uair sin, agus tha e air a bhith iomchaidh agus cumhachdach le bhith ag atharrachadh a rèir shuidheachaidhean agus a' gabhail phrìomhachasan ùra os làimh. Ann an 2016/17, bidh sinn a' stiùireadh JNCC tro atharrachaidhean an lùib an sgrùdaidh agus a' cur amasan an ama ri teachd an cèill tron ro-innleachd ùraichte againn. Libhrigidh sinn prògram obrach a bhios dùbhlach agus farsaing às leth nan riaghaltasan, mar a tha stèidhichte anns a' phlana ghnìomhachais againn airson 2016/17.

An t-Àrd-ollamh CA Gilligan (Cathraiche)

Mgr MJM Yeo (Àrd-oifigear)

Rhagair y Cadeirydd a'r Prif Weithredwr

Mae adroddiad blynyddol 2015-16 JNCC yn disgrifio'r gwaith a wnaethpwyd yn ystod y flwyddyn wrth weithredu ein cyfrifoldebau parthed cadwraeth yn y DU ac yn rhyngwladol. Gan ddefnyddio ein harbenigedd gwyddonol ansawdd-uchel, fe fu i ni ddarparu tystiolaeth, rhoi cyngor, gwneud gwaith cydgyrdio, a chynnig safonau a alluogodd Lywodraeth a gweinyddiaethau datganoledig y DU i gyflawni eu blaenoriaethau parthed yr amgylchedd naturiol. Drwy helpu i sicrhau amgylchedd iach rydym hefyd wedi cyfrannu at dwf economaidd gynaliadwy a llesiant cymdeithasol.

Mae ein llwyddiant yn ystod y flwyddyn yn tystio i ymroddiad a brwdfrydedd ein staff, sydd wedi cymhwyso eu sgiliau a'u profiad i'r dasg o gyflawni rhaglen waith sylweddol a thrwm. Fydden ni ddim ychwaith wedi llwyddo heb y partneriaethau cadarn y bu i ni eu sefydlu gyda chyrrff cadwraeth byd natur eraill yn Lloegr, yr Alban, Cymru a Gogledd Iwerddon, gyda chyrrff llywodraeth ddatganoledig, a chyda chyrrff annibynnol.

Roedd llawer o'n gwaith yn ystod 2015-16 yn ymwneud â darparu tystiolaeth o ansawdd uchel, gost-effeithiol a hawdd ei chael a'i deall, ynghylch amgylcheddau morol a thirol ar draws y DU. Mae'r dystiolaeth y byddwn yn ei darparu ynghylch statws gwasanaethau bioamrywiaeth ac ecosystem (a'r pwysau a'r gweithgareddau sy'n effeithio ar y rhain) yn hanfodol i alluogi llywodraethau, cyrrff amgylcheddol, datblygwyr a rheoleiddwyr i wneud penderfyniadau da.

- ◆ Bu i ni barhau â'n perthynas hirdymor â phartneriaethau a chyrrff annibynnol wrth ddarparu ar eu cyfer y wybodaeth ddiweddaraf ar statws a thueddiadau cysylltiedig gwahanol rywogaethau tirol (adar, gloynnod, mamaliaid a phlanhigion). Drwy weithredu felly roedd yn bosibl i ni fanteisio ar ymdrechion miloedd o gofnodwyr gwirfoddol y mae eu cyfraniad wedi ei gyfrif yn geidwadol i fod yn werth mwy nag £8.6 miliwn.
- ◆ Buom hefyd yn arwain y ffordd o ran profi a chymhwyso technoleg newydd. Bu gennym ran allweddol yn y gwaith o sefydlu a chydgyrdio casgliad sylweddol o brosiectau ar gyfer Canolfan Rhagoriaeth Arsyllu'r Ddaear rhwydwaith Defra, gan ddangos sut mae defnyddio gwybodaeth a gasglwyd o bell i ateb ystod eang o anghenion polisi.
- ◆ Yn y maes morol fe fu i ni gwblhau arolygon monitro cynefin gwely'r môr yn Lloegr a'r Alban, gan ymweld â phum Ardal Forol Warchoddedig. Drwy ein porth ar-lein buom yn darparu mapiau cynefin diweddar o foroedd y DU, mapiau sy'n darparu gwybodaeth hanfodol ar gyfer nifer fawr o wahanol ddefnyddwyr.
- ◆ Bu i ni agor mynediad i fwy na 1,000 o setiau data amgylcheddol i ddefnyddwyr o fyd diwydiant, sefydliadau academaidd a llefydd eraill.

Mae JNCC yn hwyluso cydweithio a safonau sy'n mynd i'r afael ag anghenion amrywiol y DU ddatganoledig. Mae'r cydweithio'n cynnig cyfleoedd i bartneriaid gynyddu effeithlonrwydd eu defnydd o adnoddau drwy rannu gwersi, osgoi dyblygu a manteisio ar arbedion maint.

- ◆ Bu i ni gyhoeddi diweddariad blynyddol 2015 o ddangosyddion bioamrywiaeth y DU, set o 24 o ddangosyddion a 50 o fesuriadau sy'n darlunio'r cynnydd a wnaethpwyd tuag at gyflawni targedau rhyngwladol, er enghraifft rhai'r Confensiwn ar Amrywiaeth Biologol.

- ◆ O 1 Ionawr 2016 fe fu i ni ymgymryd â swyddogaeth Pwynt Cyswllt y DU ar gyfer rhaglen LIFE yr Undeb Ewropeaidd ar ran Defra a'r gweinyddiaethau datganoledig. Gwaith JNCC yn hyn o beth fydd cefnogi'r gwaith o baratoi bidiau ariannu cryf gan gyrrff y DU, gan alluogi'r DU i wneud y defnydd gorau o'r arian sydd ar gael.
- ◆ Bu i ni ddarparu cyngor gwyddonol i alluogi Llywodraethau i reoli cynefinoedd morol y DU'n gynaliadwy, yn cynnwys cyngor ar Raglen Fesurau Cyfarwyddyd y Fframwaith Strategaeth, a bu i ni arwain ar y gwaith o ddatblygu dangosyddion bioamrywiaeth morol.

Mae JNCC yn gyfrifol am gynghori ar gadwraeth natur yn nyfroedd pell o'r lan y DU (mwy na 12 milltir fôr o'r lan). Yn yr un modd â blynyddoedd blaenorol, roedd ffocws ein gwaith yn 2015-16 ar gefnogi llywodraeth y DU a'r gweinyddiaethau datganoledig i gyflawni'r gofyn sydd arnyn nhw i sefydlu rhwydwaith ecolegol gydlynus ac wedi ei rheoli'n dda o ardaloedd morol gwarchoddedig.

- ◆ Bu i ni roi cyngor gwyddonol i weinidogion Llywodraeth y DU a'r gweinidogion datganoledig ar Ardaloedd Cadwraeth Arbennig arfaethedig y DU ar gyfer y lllamhidydd, a chydgordio ymgynghoriad ar lefydd posibl yn Lloegr, Cymru a Gogledd Iwerddon.
- ◆ Bu i ni gynghori Defra ynghylch adnabod llefydd pell o'r lan ar gyfer ail set o Barthau Cadwraeth Morwrol (*MCZs*), a arweiniodd at ddyndodi 23 o lefydd ym mis Ionawr 2016 (oedd yn cynnwys 7 lle pell o'r lan).
- ◆ Bu i ni ddarparu cyngor gwyddonol ar gyfer ymgynghoriad cyhoeddus ar Ardaloedd Gwarchodaeth Arbennig ym moroedd Lloegr a Chymru a llefydd pell o'r lan y DU.
- ◆ Yn dilyn y gwaith dynodi llefydd pell o'r lan, fe fu i ni weithio gyda llywodraethau i ddatblygu mesurau rheoli pysgodfeydd, a darparu cyngor pellach i ddatblygwyr a rheoleiddwyr diwydiannau pell o'r lan.

Mae JNCC wedi bod â rhan hanfodol yn y gwaith o alluogi llywodraethau'r DU i gwrdd â'u rhwymedigaethau rhyngwladol yn effeithiol ac yn effeithlon.

- ◆ Drwy fod yn rhan o ddirprwyaethau'r DU a darparu cyngor gwyddonol ar amrywiaeth eang o faterion, bu i ni ategu gweithrediad effeithiol y Confensiwn ar Amrywiaeth Biolegol, y Confensiwn ar y Fasnach Ryngwladol mewn Rhywogaethau Mewn Perygl (*CITES*), a'r Confensiwn ar Rywogaethau Mudol a'i gytundebau atodol. Roedd y fasnach bywyd gwyllt yn flaenoriaeth uchel, ac fe fu i ni roi cyngor ar oddeutu 17,000 o geisiadau am drwyddedau *CITES*.
- ◆ Bu i ni gynorthwyo i warchod y bioamrywiaeth byd-eang-bwysig yn Strategaeth Bioamrywiaeth Tiroedd Tramor y DU drwy ddarparu cyngor technegol a chefnogaeth wedi ei thargedu ar gyfer mentrau rhanbarthol oedd yn amcanu at rannu gwybodaeth a chynyddu capasiti.

Roedd 2015-16 yn flwyddyn o bryder ynghylch dyfodol JNCC. Fel sail i drafodaethau gyda'n rhandeiliaid bu i'r Cyd-bwyllgor gymeradwyo strategaeth ddrafft newydd. Mae'r strategaeth newydd yn adeiladu ar hanes JNCC fel model hynod gost-effeithiol ar gyfer darparu cyngor seiliedig ar dystiolaeth, ac yn gosod allan - gan ddefnyddio cyfalaf naturiol fel egwyddor arweiniol - ein bwriadau ynghylch ymestyn cyrhaeddiad a defnyddioldeb ein gwaith. Byddwn yn cyflawni hyn drwy ymateb yn briodol i'r newidiadau sy'n dod yn sgil datganoli yn y DU, drwy arallgyfeirio a chynyddu ein gwaith creu incwm, drwy'r defnydd o dechnoleg a

gwyddoniaeth arloesol, a thrwy barhau i chwilio am ffyrdd o wneud pob agwedd o'n busnes yn fwy effeithlon.

Ym mis Rhagfyr 2015, fe fu i Defra a'r gweinyddiaethau datganoledig lansio adolygiad o JNCC gyda golwg ar sefydlu'r model mwyaf effeithlon ar gyfer y DU o ran cyflwyno'r hyn mae JNCC yn ei wneud ar hyn o bryd ac i'w wneud yn y dyfodol. Mae'r adolygiad i ddod i ben ym mis Mehefin 2016.

Ym mis Ebrill 2016 fe fu i JNCC ddathlu ei ben-blwydd yn 25 oed. Mae JNCC wedi newid cryn dipyn yn ystod y cyfnod hwn, ac wedi parhau'n berthnasol ac yn ddylanwadol drwy fod yn hyblyg wrth ymateb i amgylchiadau newydd a thrwy fabwysiadu blaenoriaethau newydd. Rydym yn edrych ymlaen yn ystod 2016/17 at arwain JNCC drwy'r newidiadau fydd yn codi o'r adolygiad ac at osod cyfeiriad newydd i'r dyfodol drwy'r strategaeth ddiwygiedig. Bydd ein rhaglen waith ar ran y sefydliadau sy'n ein noddi, fel y'i nodwyd yng nghynllun busnes 2016-17, yn parhau'n eang ac uchelgeisiol.

Yr Athro CA Gilligan (Cadeirydd)

Y Br MJM Yeo (Prif Weithredwr)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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 consists of directors, who are the members of the Committee, and 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
Web: 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 2015/16

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

Company directors in 2015/16

Professor IJ Bateman

Dr R Brown

Mr GRJ Duke

Professor CA Galbraith

Professor CA Gilligan

Dr M Havard (from 1 December 2015)

Professor DA Hill

Dr J Horwood

Professor MJ Kaiser

Dr HA Kirkpatrick

Professor PJ Matthews (until 30 November 2015)

Professor H Platt (from 1 November 2015)

Mr JW Ross

Dr S Walker

Professor LM Warren (until 30 October 2015)

Mr MJM Yeo

Company secretary

Mrs SE McQueen

Donations

There were no political or charitable donations made in the financial year ending 31 March 2016.

Personal data

There were no losses of personal data in the financial year ending 31 March 2016.

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 24 June 2016.

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 Mrs Tracey Quince, Monkstone House, City Road, Peterborough, PE1 1JY or email: tracey.quince@jncc.gov.uk

Sickness absence

In 2015/16 the average sickness absence per full-time employee was 4.0 days (3.3 days in 2014/15).

Pension liabilities

Full details of pension liabilities and their accounting treatment is given in the accounting policies note, on page 43 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.

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 £19,950 (£18,500 in 2014/15). 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
24 June 2016

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016. This report should be read in conjunction with the Governance Statement, commencing on page 18 and the Directors' report, commencing on page 10.

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.

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 2015/16 comprised four parts:

- ◆ UK coordination 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 2016 the company made a significant contribution to nature conservation on both the national and international level, through an extensive and varied programme of work. All of the fourteen priority performance measures were either achieved or made substantial progress in the year, with completion expected in early 2016/17. Further details of performance against priority performance measures are given on pages 57 to 59.

For the year-ending 31 March 2016 the company made a surplus of £140,000 (restated deficit of £59,000 in 2014/15). The surplus contributed towards an increase in total reserves which stand at £327,000 as at 31 March 2016 (£187,000 (restated) as at 31 March 2015).

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 2016/17. Uncertainty around the outcomes of the Government Spending Review and the government review of JNCC, together with efforts to reduce expenditure in line with Government policy, have contributed to slippage. Confirmation during the year that JNCC was to be appointed as the National Contact Point for LIFE funding led to an increase of £30,000 in Grant-in-aid received.

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 from £942,000 to £795,000 in the year ended 31 March 2016.

Adoption of Financial Reporting Standard (FRS) 102 has required JNCC to reflect the cost of employees' accrued holiday pay in the accounts, resulting in a restatement of the profit and loss account for 2014/15. This adjustment is not indicative of any deterioration in the underlying financial performance for that year but the effect has been to change the result previously reported for 2014/15 from a profit to a loss.

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 can be seen when actual spend is compared to the budget for the year. The table below shows that spend was £196,000 more than the original budget, primarily because of the costs of a Voluntary Exit Scheme that was largely funded by Defra through the provision of additional grant-in-aid. If the additional GIA provided had been included in our original budget, the table would have indicated a favourable variance of £98,000, equivalent to a surplus of less than 1%.

All figures in £,000	Original budget*	Outturn	Variance between outturn and original budget	Revised budget*
Revenue expenditure**	10,780	11,182	(402)	10,835
Capital expenditure	0	23	(23)	-
Total expenditure	10,780	11,205	(425)	10,835
Less: Non-grant-in-aid income	(569)	(798)	229	(594)
Total spend to be met from grant-in-aid	10,211	10,407	(196)	10,241
Grant-in-aid received *** (excluding capital adjustments)	(10,211)	(10,460)	249	(10,459)
(Surplus)/Deficit	0	(53)	53	0
Transfer from deferred income re fixed asset depreciation	0	(87)	87	0
(Surplus)/Deficit	0	(140)	140	0

* The original budget is based on the JNCC business plan for 2015/16. 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.

*** GIA received includes adjustments for contribution to Voluntary Exit Scheme costs, LIFE National Contact Point funding and savings achieved and returned to Defra.

Future developments

A work programme for 2016/17 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 spend to accommodate unavoidable increases in costs (e.g. employer's pension and National Insurance contributions);
- ii. the need to make cuts in line with the Government Spending Review of 5% overall in 2016/17, and to prepare for further cuts in the following years;
- iii. the need to be able to respond flexibly to any changes stemming from the JNCC review, increased devolution and any other political drivers.

In 2016/17, our performance will be measured primarily in terms of delivering outputs of advice, evidence and services, described in terms of targets 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, taking into account restrictions around the elections in May 2016 and the EU Referendum in June 2016.

The work described in the business plan for 2016/17 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.

JNCC's strategic direction is captured in the five priorities shown in the draft business plan:

- ◆ provide high-quality, cost-effective and accessible evidence on biodiversity, ecosystem services and natural capital;

- ◆ facilitate joint working to deliver shared solutions in a devolved United Kingdom;
- ◆ play a lead role in applying science and technology to meet new challenges and opportunities;
- ◆ advise on sustainable use of natural resources; and
- ◆ provide a high-quality, cost-effective service to our customers.

The planned approach to delivering these priorities is as follows:

- ◆ be flexible and responsive to devolution, which continues at varying paces and directions in the different countries of the UK;
- ◆ pay increasing attention to the value of the natural environment in supporting economic growth and underpinning people's wellbeing, focusing on biodiversity and its contribution to natural capital and ecosystem services;
- ◆ test and apply innovative approaches and new technologies to enhance quality and value for money;
- ◆ strengthen and expand partnerships to achieve efficiencies and optimise skills;
- ◆ develop a more enterprising culture, extending core work in new ways, providing new products and services to existing customers and expanding our customer base and funding sources; and
- ◆ continue to search for efficiencies in all aspects of our business to ensure we offer the best possible value for money to governments.

Going concern

The balance sheet at 31 March 2016 shows the reserves of the company as £327,000 (2014/15: £187,000 (restated)). 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 2017, 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 2016 JNCC Support Co employed, on average, 167 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.

A voluntary exit scheme was run during 2015/16 with the aim of reducing staffing levels in preparation for future reductions in funding. As a result of this eight people left the organisation during March 2016. Further details are given in note 7 to the accounts.

Conditions of employment, policies and procedures are available on the JNCC website, jncc.defra.gov.uk. A performance management system was in operation throughout the year ending 31 March 2016.

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)	11	3
Executive directors	3	1
Remaining staff	57	108

Sustainability

JNCC is exempt from the requirement to provide a Sustainability Report under the government's Greening Government Commitments, having fewer than 250 employees. However, JNCC is committed to minimising the impact of its activities on the environment.

The key points of its strategy to achieve this are:

- ◆ actively promote recycling both internally and amongst its customers and suppliers;
- ◆ to balance value for money against environmental requirements at all times when making procurement decisions;
- ◆ comply with all relevant environmental legislative and regulatory requirements;
- ◆ encourage staff to travel only when necessary and to use public transport where available;
- ◆ invest in technology that will reduce the requirement to travel; and
- ◆ raise awareness of environmental considerations amongst staff and suppliers.

Mr MJM Yeo
 Chief Executive
 On behalf of the board of directors
 24 June 2016

Governance Statement for the Joint Nature Conservation Committee for the year ending 31 March 2016

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.

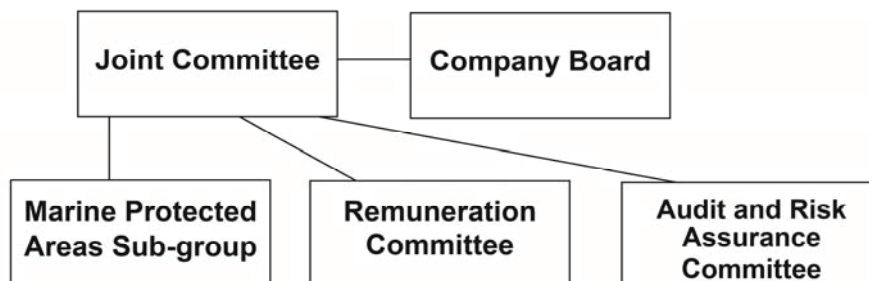
2. Effectiveness of governance arrangements

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 JNCC, and the relationship between 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 jncc.defra.gov.uk. A diagram of the governance structure is presented below.



3. Joint Committee

The Joint Committee has overall responsibility for fulfilling the statutory functions of 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 JNCC and

endorses the organisation's 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 is chaired by Professor Chris Gilligan. Three new members, Professor Howard Platt, Dr Madeleine Havard and Ms Diane McCrea joined the Committee in November 2015.

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 2015/16, the Joint Committee met four times. Key items of business during the year included:

- ◆ overseeing delivery of the 2015/16 business plan through the scrutiny of quarterly performance reports, and endorsing the draft business plan for 2016/17;
- ◆ agreeing in principle a new strategy for JNCC;
- ◆ making decisions on key nature conservation issues, including Special Areas of Conservation for harbour porpoise in UK waters;
- ◆ overseeing strategic development of JNCC's work, including standards and advice, natural capital, and evidence;
- ◆ considering matters relating to the government review of JNCC, including future delivery of JNCC's offshore marine functions;
- ◆ undertaking a quarterly review of significant risks and an annual review of risk management in JNCC; and
- ◆ reviewing reports from Committee sub-committees.

Attendance at meetings of the Joint Committee, Company Board and sub-committees has ensured quoracy requirements have been met throughout 2015/16. 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
Guy Duke (Independent, Deputy Chair)	4	4
Professor Ian Bateman (Independent)	4	3
Dr Bob Brown (Independent)	4	4
Professor Colin Galbraith (Independent)	4	3
Dr Madeleine Havard (NRW) ¹	1	0
Professor David Hill (NE)	4	2
Dr Joe Horwood (NE)	4	4
Professor Michel Kaiser (Independent)	4	3

¹ Dr Madeleine Havard joined on 7 November 2015

Joint Committee Member	Possible Joint Committee meetings	Attended
Dr Hilary Kirkpatrick (CNCC)	4	4
Ms Diane McCrea (NRW) ²	1	0
Professor Peter Matthews (NRW) ³	3	2
Professor Howard Platt (CNCC) ⁴	2	2
Mr Ian Ross (SNH)	4	2
Dr Susan Walker (SNH)	4	3
Professor Lynda Warren (NRW) ⁵	2	1

² Ms Diane McCrea joined on 9 November 2015

³ Professor Matthews' term ended on 30 November 2015

⁴ Professor Platt joined on 1 November 2015

⁵ Professor Warren's term ended on 30 October 2015

The Joint Committee undertake an assessment of their performance every three years. The most recent assessment was undertaken in October 2015, and preliminary findings and actions to address key issues were discussed by the Committee in November 2015. A full report on the findings was considered by the Committee in March 2016, together with an action plan for implementation. 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. Its role is to advise on the external auditor's report and on the scope and effectiveness of the internal auditor's work. It is also responsible for reviewing the financial statements and annual report, monitoring the adequacy and efficacy of JNCC's approach to corporate risk management, and reviewing procedures for the detection of fraud and handling of allegations from whistleblowers.

In 2015/16 ARAC met four times. Its meetings are generally attended by a representative from Defra's internal audit and assurance team and a representative from the National Audit Office (NAO). ARAC's membership consisted of three Joint Committee members and two independent members in 2015/16. ARAC was chaired by Mr Guy Duke from April to November 2015; he was succeeded in December 2015 by Professor Colin Galbraith. Mr Duke remains a member of ARAC.

Some of the areas considered by ARAC during 2015/16 included:

- ◆ internal and external audit activities;
- ◆ risk management;
- ◆ scientific quality assurance processes; and
- ◆ health and safety.

ARAC undertakes assessments of its performance annually. The most recent review took place in February 2016, with a formal report on findings to be presented to ARAC in June 2016. The results of this exercise have indicated that ARAC is an effective committee which has provided an appropriate level of challenge and oversight, ensuring that sufficient and relevant assurance was provided to the Joint Committee and the Accounting Officer.

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.

In addition to the above, two time-limited sub-groups of the Joint Committee were established during 2015/16 to keep Committee informed regarding progress with the JNCC review and to obtain input and advice. One group comprises representatives from the country conservation bodies and one comprises independent Committee members.

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 2015/16, EMB:

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

EMB is supported by internal management groups and comprehensive schedules of delegation are in place. The schedule of delegations is subject to a light-touch annual review and in 2015/16 a few amendments were made following the annual review.

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 2015/16, internal audit of 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 a Director of 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 JNCC's risk registers and through discussion with executive directors, senior managers and members of ARAC. For 2015/16 the Head of Internal Audit's opinion was substantial assurance that the framework of governance, risk management and control is adequate and effective.

6. JNCC review and strategy

JNCC review

Defra and the devolved administrations announced a joint review of JNCC on 17 December 2015. The JNCC review forms part of Defra's Transformation Portfolio and complies with Cabinet Office's requirement that all arm's-length bodies should be reviewed by Departments during this Parliament. The objective of the review is to establish the most effective and efficient delivery model, across the UK, for the functions performed by the JNCC now and in the future.

The review will consider issues of efficiency, including the potential for efficiency savings, and the performance of JNCC and whether it could provide better value for money. It will also consider any areas of overlap, potential duplication and potential for consolidation between JNCC and other bodies. The review is scheduled to conclude at the end of June 2016.

JNCC strategy

In 2015/16 work continued on developing a new strategy for JNCC designed to meet evolving challenges and opportunities facing nature conservation. A strategy discussion document (containing proposals for a vision, mission and objectives) was approved by the Joint Committee's Strategy Sub-Group in August 2015. In September 2015 the Joint Committee reaffirmed its broad support for the strategy in principle. It is intended that the strategy will be finalised following the conclusion of the JNCC review.

7. Information management

JNCC is an information-rich organisation, and during 2015/16 several actions were taken to improve our capability to manage information effectively and mitigate risks:

- ◆ we piloted use of a suite of open source desktop tools (QGIS and R) to improve the use of geographical information within JNCC whilst reducing costs;
- ◆ we demonstrated prototypes of a cost-effective mechanism for providing access to geographical information, including access to Earth Observation (satellite) data;
- ◆ we developed a technical skills framework, audited capability within the organisation, and established a training programme to enhance this.

Good data governance means being clear about who is accountable and responsible for data custodianship. JNCC's 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 data effectively is critical to JNCC's day to day business.

Evidence quality assurance processes ensure that the quality of JNCC's 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. The 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.

JNCC takes the management of the information it holds very seriously and is not aware of any losses of sensitive data in 2015/16 that would require notification to the Information Commissioners Office. All employees are mandated to undertake the Civil Service Learning 'Responsible for Information' course and compliance with this requirement is monitored by the Human Resources Team.

8. Performance management

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. 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 quarterly performance reports to its government sponsors. 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.

9. Compliance with the NDPB Corporate Governance Code

In 2015/16 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 evaluate their performance at least once every three years; this is commensurate with the size of the Committee 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.

10. Evidence quality

JNCC has a robust evidence quality assurance process in place. Policies and associated guidance notes provide a standard for JNCC staff to follow to ensure that the quality of JNCC scientific advice and evidence is fit for purpose. A key principle 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 2015/16 an internal audit of scientific evidence was undertaken by KPMG. The audit provided an assessment of moderate assurance, and reported that weaknesses identified in the 2014/15 internal audit had been satisfactorily addressed and that substantial progress had been made to ensure monitoring and reporting requirements are met.

11. Risk management

Responsibility for risk ultimately lies with the Joint Committee. Overall responsibility for the effective management of risk within JNCC rests with EMB, with leadership of the risk management process provided by me as Chief Executive and Accounting Officer. Effective risk management and governance is critical to the ability of JNCC to achieve its strategic objectives and manage the risks it faces.

The risk management system is based on a hierarchical structure of risk registers. This structure allows and promotes the escalation of risks that cannot be controlled at lower levels or which may have an impact on other teams, directorates or the organisation as a whole. JNCC's risk management process comprises 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 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 one significant issue was escalated to the Joint Committee. This related to the UNICORN IT system provided by the Animal and Plant Health Agency, which supports the issue of licences under the Convention on International Trade in Endangered Species (CITES). Work to develop improved IT systems has been delayed due to resourcing issues. The age of the system and the number of applications which it now handles means it is no longer fit for purpose and therefore poses a business continuity risk to our licensing advisory service. A resolution is being sought.

JNCC's significant risks in 2015/16 can be found in section 13.

Risk appetite

JNCC recognises that its appetite for risk varies according to the activity undertaken and that exposure to some risk is necessary to enable the effective delivery of objectives and to

pursue new funding sources. In 2015/16 JNCC reviewed its risk appetite statement and began to develop a more segmented approach to illustrate clearly the degree of risk JNCC is prepared to take in different areas.

In 2015/16 JNCC focused its efforts on addressing the significant risks affecting its ability to achieve the performance measures set out in the business plan and to meet longer-term strategic goals. Budget pressures are driving the need to reassess priorities and how they are delivered. JNCC's risk appetite will increase in future years in relation to potential opportunities to diversify and increase funding and extend the reach and utility of work. In doing so senior managers will ensure that decisions are taken in accordance with the organisation's appetite for risk and with a full and clear understanding of the risks involved.

Ministerial directions

In 2015/16 JNCC received no ministerial directions.

12. 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 2015/16 JNCC's anti-fraud and corruption policy was reviewed, and some minor amendments were made.

JNCC continues to be represented on the Defra Network Counter-Fraud and Error Forum. An online training module on the Bribery Act and Anti-fraud legislation is completed annually by all staff.

JNCC has a Public Interest Disclosure Policy (Whistleblowers Charter) in place. The policy promotes openness in dealing responsibly with wrongdoing in the workplace and if staff have concerns they can raise them as a 'qualifying disclosure'. In 2015/16 there were no instances of whistleblowing reported.

13. Highlights and challenges during 2015/16

During 2015/16 JNCC undertook a full and wide-ranging programme of work to provide evidence and advice to Defra and devolved administrations on UK and international nature conservation. Our work was undertaken against a backdrop of considerable change. A government review of JNCC was initiated, the Spending Review set high-level budgets for the next few years, and JNCC was also affected by other government-led change initiatives. This combination of circumstances produced a challenging environment in which to operate. The most significant risks facing JNCC in 2015/16 are summarised in the table on the facing page, together with management action.

Risk	Management action
Insufficient funding to maintain and extend the utility of JNCC as a cost-effective mechanism for collaborative delivery	<ul style="list-style-type: none"> • Following the Spending Review, priorities for 2016/17 and beyond have been rigorously assessed through dialogue with government sponsors and country conservation bodies • Selected non-GIA funding opportunities have been pursued • Marine and non-marine elements of JNCC have been more strongly integrated to share best practice and improve value for money
Fundamental change to JNCC's role resulting from changing government priorities and institutional arrangements (UK and devolved administrations)	<ul style="list-style-type: none"> • JNCC staff and Joint Committee members have contributed to the government review of JNCC (scheduled for completion in June 2016)
Multiple changes to JNCC's stakeholders (budget pressures, changes in role)	<ul style="list-style-type: none"> • JNCC staff and Joint Committee members have engaged with a wide range of stakeholders to manage relationships, and identify opportunities and risks
Insufficient capacity and/or expertise at middle and senior management levels to deal with the challenges of an increasingly complex operating environment	<ul style="list-style-type: none"> • Training and development has been provided to equip managers for future challenges, and to develop junior managers • Streamlined management and administrative processes have been put in place to increase efficiency • Business partnering has been implemented to provide managers with better information and advice
A high rate of staff turnover	<ul style="list-style-type: none"> • An analysis has been completed of the factors leading to high staff turnover in certain teams • A review has been commissioned of JNCC's pay and reward systems to identify options for addressing areas of concern • Actions to improve staff engagement continue to be taken • Recruitment procedures have been improved to prevent excessive internal staff movements
Ineffective strategic positioning	<ul style="list-style-type: none"> • The Joint Committee has completed a review of JNCC's strategy
Inadequate use of evidence to underpin JNCC's advice to government	<ul style="list-style-type: none"> • Improvements have been made to JNCC's evidence quality assurance procedures, including implementing recommendations from the 2014/15 internal audit of scientific evidence • JNCC's evidence activities have been adapted according to evolving customer needs

14. Plans and challenges for future years

During 2016/17, we anticipate delivering another ambitious and diverse programme of work in support of Defra and devolved administrations. We look forward to the conclusion of the government review of JNCC and greater clarity about our future strategic direction.

The key risks facing JNCC during 2016/17 are considered to be:

- ◆ reduced funding affects JNCC's ability to discharge essential functions for sponsors;
- ◆ changes to JNCC's role, functions or governance affect JNCC's ability to deliver essential functions to sponsors;
- ◆ increasing divergence between sponsor administrations (e.g. priorities, policies, institutional arrangements) erode JNCC's ability to provide cost-effective services at UK level;
- ◆ poor staff engagement and morale undermine JNCC's ability to discharge essential functions for sponsors;
- ◆ limited flexibility leaves JNCC unable to respond to change sufficiently quickly; and
- ◆ declining quality of evidence and science puts quality of advice to sponsors at risk.

The extent to which these risks have been successfully managed will be kept under review during 2016/17 by the Joint Committee, EMB and ARAC.

15. Conclusion

During 2015/16 JNCC's governance arrangements were 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. Accordingly, the Joint Committee and EMB look to the future with confidence.

In 2016/17 JNCC will continue to face a number of significant risks especially in relation to the current financial climate and the complex and evolving environment in which it operates. These risks are detailed in section 14 of this Governance Statement. Management actions have been identified to mitigate significant risks and their effectiveness will be monitored closely during 2016/17 by the Joint Committee, ARAC and EMB.

Mr M J M Yeo
Chief Executive
24 June 2016

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
- ◆ aim to 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.

Independent Committee Member	Term (Years)	Commencement Date
Dr R Brown (re-appointed)*	3	1 December 2012
Mr GRJ Duke (re-appointed)*	3	1 December 2012
Professor CA Gilligan	3	1 June 2014
Professor C Galbraith	3	19 November 2014
Professor IJ Bateman	3	19 November 2014
Professor MJ Kaiser (re-appointed)	2	1 April 2015

* Dr R Brown and Mr GRJ Duke have had the term of their contracts extended to 30 November 2016.

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 2015/16 relate to performance in 2014/15.

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

Single total figure of remuneration (subject to audit)

Committee members:	Period of appointment	Days Service 2015/16	Salary £ 000s	
			2015/16	2014/15
Chair				
Prof C A Gilligan	01.06.2014 to 31.05.2017	104	40 - 45	30 - 35 ¹
Dr P Bridgewater	01.10.2007 to 31.05.2014	0	0	10 - 15 ²
Independent members				
Judith Webb	01.09.2008 to 31.08.2014	0	0	0 - 5 ³
Dr R Brown	01.12.2009 to 30.11.2016	30	5 - 10	5 - 10
Mr GRJ Duke	01.12.2009 to 30.11.2016	38	10 - 15	10 - 15
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	34	10 - 15	0 - 5 ⁴
Prof IJ Bateman	19.11.2014 to 18.11.2017	30	5 - 10	0 - 5 ⁴

No Committee members received bonus payments or pension benefits in either 2015/16 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 for 2014/15 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 £ 000s ¹		Total £ 000s	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Chief Executive								
Mr MJM Yeo	85 - 90	85 - 90	5 - 10	5 - 10	33	4	125-130	95-100
Other Executive Management Board (EMB) Members								
Dr JC Goold	50 - 55	50 - 55	0	0	21	21 ²	75 - 80	75 - 80
Mrs SE McQueen	55 - 60	50 - 55	0 - 5	0 - 5	25	12	80 - 85	65 - 70
Mr PM Rose	55 - 60	55 - 60	0	0	16	12	70 - 75	65 - 70
Dr SD Gibson	50 - 55	50 - 55	0	0	24	12 ²	75 - 80	60 - 65

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.

² Pension benefits for 2014/15 for DR JC Goold and Dr S Gibson have been amended because the figures previously supplied to JNCC were calculated based on an end date of 30 March 2015 rather than 31 March 2015.

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 2015/16 was £95 - £100,000 (£95 - £100,000 in 2014/15). This was 3.48 times the median remuneration of the workforce (3.42 times in 2015/16), which was £27,998 (£28,476 in 2014/15).

No employees received remuneration in excess of the highest paid director in either 2015/16 or 2014/15.

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 31/03/16 and related lump sum £ 000s	Real increase in pension and related lump sum at pension age £ 000s	CETV at 31/03/16 £ 000s	CETV at 31/03/15 £ 000s	Real Increase in CETV £ 000s
Chief Executive					
Mr MJM Yeo ¹	35 - 40	0 - 2.5	602	526	25
Other Executive Management Board (EMB) Members					
Dr JC Goold ¹	5 - 10	0 - 2.5	117	95	7
Mrs SE McQueen	15 - 20 plus lump sum of 50 - 55	0 - 2.5 plus lump sum of 0 - 2.5	311	272	13
Mr PM Rose	15 - 20 plus lump sum of 45 - 50	0 - 2.5 plus lump sum of 2.5 - 5	338	298	14
Dr SD Gibson	10 - 15 plus lump sum of 40 - 45	0 - 2.5 plus lump sum of 0 - 2.5	283	246	12

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. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary

basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) 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 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. 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. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. 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% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of 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 up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk

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

Compensation totalling £394,000 was paid to 8 members of staff under a voluntary exit scheme in March 2016. Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

Mr MJM Yeo
Chief Executive
24 June 2016

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 independent 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 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement, 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 2016 and of its gain for the year then ended; and
- 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

14 July 2016

Profit and Loss Account for the year ended 31 March 2015

	Note	2015/16 £ 000s	2014/15 (restated) £ 000s
Turnover	2	11,234	10,944
Cost of activities	2	<u>(9,353)</u>	<u>(9,146)</u>
Gross profit		1,881	1,798
Administrative expenditure	3	(1,829)	(1,923)
Operating gain/(loss)	2	52	(125)
Transfer from deferred income relating to capital assets depreciation and disposals	15	87	65
Gain/(Loss) on ordinary activities before interest		139	(60)
Other interest receivable and similar income		1	1
Gain/(Loss) on ordinary activities before taxation		140	(59)
Tax on interest receivable		-	-
Gain/(Loss) for the financial year		140	(59)

The profit and loss account for 2014/15 has been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

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

Statement of Total Recognised Gains and Losses for the year ended 31 March 2016

	Note	2015/16	2014/15
		£ 000s	£ 000s
Gain/(Loss) for the financial year	2	140	(59)
Capital grant for the purchase of assets	9 & 10	<u>24</u>	<u>7</u>
Total gain/(loss) relating to and recognised in the year		<u>164</u>	<u>(52)</u>

The statement of total recognised gains and losses for 2014/15 has been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

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

Balance Sheet as at 31 March 2016

	Note	As at 31 March 2016		As at 31 March 2015 (restated)	
		£ 000s	£ 000s	£ 000s	£ 000s
Fixed assets					
Intangible assets	9		66		70
Tangible assets	10		179		238
			245		308
Current assets					
Cash at bank and in hand	11	1,202		1,002	
Debtors	12a	643		377	
		1,845		1,379	
Creditors					
Amounts falling due within one year	13a	(1,251)		(918)	
Net current assets			594		461
Total assets less current liabilities			839		769
Provisions for liabilities	16		(402)		(409)
Deferred income to be utilised after more than one year	14		(110)		(173)
Net assets			327		187
Capital and reserves					
Profit and loss account	17		327		187
Total reserves			327		187

The balance sheet for 2014/15 has been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

The Financial Statements on pages 37 to 40 were approved by the board of directors and signed on its behalf on 24 June 2016.

Mr MJM Yeo
Chief Executive

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

Cashflow Statement for the year ended 31 March 2016

	Note	2015/16	2014/15
		£ 000s	£ 000s
Gain/(Loss) on ordinary activities before interest	2	139	(60)
Adjustments for:			
Amortisation of intangible assets	9	26	37
Depreciation of property, plant and equipment	10	89	103
Reversal of depreciation arising on extending useful economic life of assets	10	(23)	(48)
Reversal of amortisation arising on extending useful economic life of assets	9	(5)	(28)
Profit/(Loss) on disposal of property, plant and equipment	3	-	2
Transfer to deferred income relating to asset purchases	9 & 10	24	7
Interest paid		-	-
Interest received		-	-
Taxation		-	-
(Increase)/Decrease in debtors	12a	(266)	(2)
Increase/(Decrease) in provisions	16	(7)	(27)
Increase/(Decrease) in creditors	13a	333	126
Cash from operations		310	110
Interest paid		-	-
Income taxes paid	2	-	-
		-	-
Net cash generated from operational activities		310	110
Cash flows from investing activities			
Proceeds from sale of equipment		-	-
Purchases of property, plant and equipment	10	(7)	(7)
Purchases of intangible assets	9	(17)	-
Transfer from deferred income relating to capital asset depreciation and disposals	9 & 10	(115)	(141)
Transfer to deferred income relating to extension of useful economic lives of assets	9 & 10	28	76
Interest received	2	1	1
Net cash from investing activities		(110)	(71)
Net increase/(decrease) in cash and cash equivalents	11	200	39
Cash and cash equivalents at beginning of year		1,002	963
Cash and cash equivalents at end of year		1,202	1,002

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 2016

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 have been prepared in accordance with the Financial Reporting Standard (FRS) 102. 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.

Transition to FRS 102

These financial statements are the first prepared by JNCC that comply with FRS 102. JNCC's date of transition to FRS 102 is 1 April 2015 and for JNCC the transition has resulted in only one significant change in accounting policy compared to those used previously, with the recognition of accrued holiday pay.

Holiday pay accrual

Previously, under UK GAAP, JNCC accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holidays earned. However, the company did not accrue for holiday pay that was earned if the holiday entitlement was expected to be taken in the subsequent financial year. Under FRS 102, the company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. This has resulted in a prior year adjustment of £194,570 to the accounts as at 31 March 2015, changing the previously recorded gain of £135,780 to a loss of £58,790.

As a result of the requirement to accrue for holiday earned but not taken at the balance sheet date, there is a credit of £15,885 to the profit and loss account for the year ended 31 March 2016. This recognises the reduction in value of the holiday pay accrued at 31 March 2016 compared to that accrued at 31 March 2015.

Accounting convention

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

Estimation

In accordance with paragraph 2.9 of FRS 102, the Executive Management Board is satisfied that prudence has been applied in the exercise of any judgments needed where estimation of the value of assets or liabilities has been required in the production of these accounts.

Turnover

The principal form of income is grant-in-aid received from the Department for Environment, Food and Rural Affairs. 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 2016/17, 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 7.1.14 of the 2015/16 FReM and paragraph 17.15 of FRS 102.

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 premises and fixtures	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, where material the write-off period is extended 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 has no 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 Case III 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 2015/16 the amount of reclaimed input tax was £1,596 (£32,692 in 2014/15).

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 section 21 of FRS 102, 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 2016

	2015/16		2014/15 (restated)	
	£ 000s	£ 000s	£ 000s	£ 000s
Turnover				
JNCC grant-in-aid		10,436		10,002
Notional income relating to corporate overheads		3		-
European Union funding		195		176
Contributions to projects		297		594
Royalties		5		5
Scientific advice and information		143		159
Other receipts		155		8
		11,234		10,994
Cost of activities				
Conservation support	2,392		2,495	
Publicity and information	81		140	
Direct staff costs	6,880		6,511	
		(9,353)		(9,146)
Gross profit		1,881		1,798
Administrative expenditure				
Directors' emoluments	483		470	
Other administrative costs	1,346		1,453	
		(1,829)		(1,923)
Operating gain/loss		52		(125)
Transfer from deferred income		87		65
Gain/(Loss) on ordinary activities before interest		139		(60)
Other interest receivable and similar income		1		1
Gain/(Loss) on ordinary activities		140		(59)
Less tax on profit on investment activities		-		-
Gain/(Loss) after tax		140		(59)

The detailed trading profit and loss account for 2014/15 has been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

Operating gain

	2015/16	2014/15
	£ 000s	£ 000s
This is stated after charging		
Total directors' emoluments	483	470
Auditors' remuneration	20	19
Depreciation and amortisation of owned assets	115	139
Pension costs	1,094	979
Operating lease rentals	253	299

3. Schedule of overhead expenses for the year ended 31 March 2016

	2015/16		2014/15	
	£ 000s	£ 000s	£ 000s	£ 000s
Directors' emoluments				
Directors' remuneration	414		402	
Contributions to directors' pensions	<u>69</u>		<u>68</u>	
		483		470
Other administrative costs				
Cash items				
Auditors' remuneration	20		19	
Rental costs under operating leases	253		299	
Accommodation costs	239		269	
Information technology	141		149	
Human resources	101		140	
Travel and subsistence	370		421	
Printing, postage, stationery and subscriptions	19		25	
Other expenses	15		12	
Less reclaimed VAT	(2)		(32)	
Legal and professional fees	17		24	
Consultancy	79		60	
Bank charges	1		2	
Exchange rate losses	<u>3</u>		<u>-</u>	
		1,256		1,388
Non-cash items				
Corporate overhead recharge (notional)	3		-	
Depreciation and amortisation for the year	115		139	
Asset life and reinstated asset adjustments	(28)		(76)	
Loss on disposal of assets	<u>-</u>		<u>2</u>	
		90		65
Total administrative expenditure		<u>1,829</u>		<u>1,923</u>

4. Director's emoluments

	2015/16	2014/15
	£ 000s	£ 000s
Directors' emoluments	414	402
Company contributions to defined benefit schemes in relation to directors' pensions	69	68
	483	470

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:

	2015/16	2014/15 (restated)
	£ 000s	£ 000s
Directors' emoluments	414	402
Other wages and salaries	5,065	5,021
Voluntary Exit Scheme (VES) costs	394	-
Accrued holiday pay	(16)	195
Social security costs	420	411
Other pension costs	1,094	979
	7,371	7,008

Staff costs for 2014/15 have been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

Other wages and salaries includes and amount of £7,000 for pension payments to retired Chairs (£27,000 in 2014/15). These amounts were not charged to the profit and loss account because they were 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 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk.

For 2015/16, employers' contributions of £1,076,000 (£961,000 in 2014/15) were payable to the PCSPS at one of four rates in the range 20.0% to 24.5% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. For 2016/17, the rates will remain in the range 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 £17,000 (£16,000 in 2014/15) 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 until 30 September 2015, and ranged between 8% and 14.75% thereafter. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,000 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 (£1,000 in 2014/15), this representing 0.8% of pensionable pay up to 30 September 2015 and 0.5% from 1 October.

Contributions due to the partnership pension providers at the balance sheet date were £2,000 (£1,000 at 31 March 2015). There were no prepaid contributions at this date.

7. Civil service compensation schemes - exit packages

Cost Band	Number of departures agreed 2015/16	Number of departures agreed 2014/15
< £10,000	-	-
£10,000 - £25,000	-	-
£25,000 - £50,000	5	-
£50,000 - £100,000	3	-
Total number of exit packages	8	-
Total cost (£ 000s)	394	-

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.

8. Staff numbers

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

	2015/16 FTEs	2014/15 FTEs
Executive directors	4	4
Chairman and non-executive directors	1	1
Management	7	7
Operational	130	123
Administration	21	30
IT	4	4
Total	167	169

9. Intangible fixed assets

2015/16

	£ 000s
Cost	
At 1 April 2015 (opening balance)	184
Additions during year	17
Disposals	-
At 31 March 2016 (closing balance)	<u><u>201</u></u>
Amortisation	
At 1 April 2015 (opening balance)	114
Charge for the year	26
Amortisation on disposals	-
Asset life adjustments	(5)
At 31 March 2016 (closing balance)	<u><u>135</u></u>
Net Book Value	
At 1 April 2015 (opening balance)	<u><u>70</u></u>
At 31 March 2016 (closing balance)	<u><u>66</u></u>

2014/15

	£ 000s
Cost	
At 1 April 2014 (opening balance)	249
Additions during year	-
Disposals	(65)
At 31 March 2015 (closing balance)	<u><u>184</u></u>
Amortisation	
At 1 April 2014 (opening balance)	169
Charge for the year	37
Amortisation on disposals	(64)
Asset life adjustments	(28)
At 31 March 2015 (closing balance)	<u><u>114</u></u>
Net Book Value	
At 1 April 2014 (opening balance)	<u><u>80</u></u>
At 31 March 2015 (closing balance)	<u><u>70</u></u>

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
2015/16				
Cost	£ 000s	£ 000s	£ 000s	£ 000s
At 1 April 2015 (opening balance)	5	377	178	560
Additions during year	-	-	7	7
Disposals	-	-	-	-
At 31 March 2016 (closing balance)	5	377	185	567
Depreciation				
At 1 April 2015 (opening balance)	3	228	91	322
Charge for the year	1	56	32	89
Depreciation on disposals	-	-	-	-
Asset life adjustments	-	(16)	(7)	(23)
At 31 March 2016 (closing balance)	4	268	116	388
Net Book Value				
At 1 April 2015 (opening balance)	2	149	87	238
At 31 March 2016 (closing balance)	1	109	69	179
2014-15				
Cost	£ 000s	£ 000s	£ 000s	£ 000s
At 1 April 2014 (opening balance)	110	436	177	723
Additions during year	-	-	7	7
Disposals	(105)	(59)	(6)	(170)
At 31 March 2015 (closing balance)	5	377	178	560
Depreciation				
At 1 April 2014 (opening balance)	103	258	75	436
Charge for the year	7	62	34	103
Depreciation on disposals	(105)	(57)	(7)	(169)
Asset life adjustments	(2)	(35)	(11)	(48)
At 31 March 2015 (closing balance)	3	228	91	322
Net Book Value				
At 1 April 2014 (opening balance)	7	178	102	287
At 31 March 2015 (closing balance)	2	149	87	238

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 2015 £ 000s	Cash flows £ 000s	31 March 2016 £ 000s
Analysis of changes in net funds			
Cash at bank	1,002	200	1,202
Total cash	1,002	200	1,202

12a. Debtors - amounts falling due within one year

	2015/16 £ 000s	2014/15 £ 000s
Trade debtors	204	204
Other debtors	2	2
Prepayments and accrued income	437	171
	643	377

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

12b. Intra-government balances

	2015/16 £ 000s	2014/15 £ 000s
Balances with other central government bodies	507	210
Balances external to government at 31 March	136	167
Total debtors as at 31 March	643	377

13a. Creditors - amounts falling due within one year

	2015/16 £ 000s	2014/15 (restated) £ 000s
Trade creditors	29	14
Other creditors	117	112
Taxation and social security	154	169
Accruals	716	373
Deferred income	100	115
Deferred income relating to capital grants to be utilised within one year	135	135
	1,251	918

Creditors for 2014/15 have been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

13b. Intra-government balances

	2015/16	2014/15 (restated)
	£ 000s	£ 000s
Balances with other central government bodies	308	336
Balances external to government at 31 March	<u>943</u>	<u>582</u>
Total creditors as at 31 March	<u><u>1,251</u></u>	<u><u>918</u></u>

Total creditors for 2014/15 have been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

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

	2015/16	2014/15
	£ 000s	£ 000s
Total deferred income relating to capital assets	245	308
Less deferred income relating to capital assets to be utilised within one year	<u>(135)</u>	<u>(135)</u>
Deferred income relating to capital assets to be utilised after more than one year	<u><u>110</u></u>	<u><u>173</u></u>

15. Movement on deferred income relating to capital grants

	2015/16	2014/15
	£ 000s	£ 000s
Capital grant for the purchase of intangible assets	17	-
Capital grant for the purchase of tangible assets	7	7
Transfer to profit and loss (P&L) of amortisation for the year	(26)	(37)
Transfer to P&L of depreciation for the year	(89)	(103)
Tangible asset disposals at cost for the year	-	(170)
Depreciation on disposal for the year	-	169
Transfer from P&L of amortisation arising on extending Useful Economic Life of assets	5	28
Transfer from P&L of depreciation arising on extending Useful Economic Life of assets	23	48
Movement in year	<u><u>(63)</u></u>	<u><u>(58)</u></u>

16. Provisions for liabilities

	Pension provision	Dilapidations provision	Total provisions
	£ 000s	£ 000s	£ 000s
2015/16			
Balance at 1 April	109	300	409
Provision for year	-	-	-
Utilised in the profit and loss account	-	-	-
Released to the profit and loss account	<u>(7)</u>	<u>-</u>	<u>(7)</u>
Balance at 31 March	<u><u>102</u></u>	<u><u>300</u></u>	<u><u>402</u></u>
2014/15	£ 000s	£ 000s	£ 000s
Balance at 1 April	136	300	436
Provision for year	-	-	-
Utilised in the profit and loss account	-	-	-
Released to the profit and loss account	<u>(27)</u>	<u>-</u>	<u>(27)</u>
Balance at 31 March	<u><u>109</u></u>	<u><u>300</u></u>	<u><u>409</u></u>

The dilapidations 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 pension provision of £109,000 represents the estimated cost of future pension payments to JNCC Chairs entitled to a pension "by analogy to the Principle Civil Service Pension Scheme".

17. Profit and loss account

	2015/16	2014/15 (restated)
	£ 000s	£ 000s
Balance at 1 April	187	246
Gain/(Loss) for the year	<u>140</u>	<u>(59)</u>
Balance at 31 March	<u><u>327</u></u>	<u><u>187</u></u>

The profit and loss account for 2014/15 has been restated to reflect the effect of a prior year adjustment. The adjustment arose from the requirement under FRS 102 to report the cost of holiday pay accrued by staff but not taken during the financial year.

18. Leasing commitments

	Land and buildings	Others	Land and buildings	Others
	2015/16	2015/16	2014/15	2014/15
	£ 000s	£ 000s	£ 000s	£ 000s
Operating leases which expire:				
Within one year	-	-	-	-
Within 2 to 5 years	179	-	183	-
Total	179	-	183	-

19. 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.

20. Contingent liability

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

21. Losses and special payments

JNCC reported no losses during the year of 31 March 2016 (none reported in the year to 31 March 2015). Eight fruitless payments were recorded in 2015/16 with a total value of £1,588 (12 totalling £3,482 were reported in 2014/15).

22. Ultimate controlling party

Thirteen of the fourteen directors in post at 31 March 2016 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.

23. Related party transactions

In order to ensure accuracy in the consolidation of Whole of Government Accounts, the Clear Line of Sight 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 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 sponsored individually 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	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Natural England	-	-	36	132	9	5
Defra	10,460	10,009	207	162	7	51
Scottish Natural Heritage	-	-	3	55	-	-
Natural Resources Wales	-	-	30	27	-	-
Department for the Environment Northern Ireland	-	-	-	10	-	-
Total	10,460	10,009	276	386	16	56

The figures above reflect the grant-in-aid receivable by JNCC. Amounts received and utilised for capital expenditure are transferred to deferred income in accordance with UK GAAP, and for 2015/16 this amounted to £24,000. When adjusted for this figure, the amount reflected in the detailed profit and loss account (note 2) is £10,436,000).

Director	Corporate related body	Paid by JNCC		Paid to JNCC	
		2015/16	2014/15	2015/16	2014/15
		£ 000s	£ 000s	£ 000s	£ 000s
Mr P Rose (Trustee of NBN Trust)	National Biodiversity Network Trust	-	51	-	-

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.

24. Prior year adjustment

An adjustment has been made to the prior year accounts as a result of adopting FRS 102. This requires that the accounts reflect the cost of holiday pay accrued but not taken as at 31 March for 2015 and 2016. The calculation of accrued holiday pay as at 31 March 2015 resulted in an increase in costs for the year of £195,000. The effect of this on the profit and loss account and balance sheet for 2014/15 are summarised below.

	Published prior year figure £ 000s	Adjustment £ 000s	Restated prior year figure £ 000s
Profit and loss account: Cost of activities	(8,951)	(195)	(9,146)
Balance sheet: Creditors – amounts falling due within one year	(723)	(195)	(918)

25. Post balance sheet event

On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. It will be for the Government, under the new Prime Minister, to begin negotiations to exit the EU. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation and funding in future once the UK has left the EU

**Performance against Priority Performance Measures (PPMs) for 2015/16
(not subject to audit)**

PPM ratings	Description
Green	Target achieved or exceeded
Amber	Substantial progress made, with full achievement of target anticipated in early 2016/17
Red	Limited progress against target

PPM No	Lead Programme	Main funding stream	Year end rating
1.1	Surveillance and Monitoring	UK Coordination	Green
Priority Performance Measure			
Provide updated information on status and trends of terrestrial biodiversity across the UK			
Key achievements			
<ul style="list-style-type: none"> ▪ Published updated population trends for 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). ▪ Evaluated the first field season of the National Plant Monitoring Scheme (run in partnership with the Centre for Ecology and Hydrology, the Botanical Society of Britain and Ireland, and Plantlife) 			

PPM No	Lead Programme	Main funding stream	Year end rating
1.2	Access to Information	UK Coordination	Green
Priority Performance Measure			
Collate and provide access to biodiversity data and products derived from them			
Key achievements			
<ul style="list-style-type: none"> ▪ Played a key role in establishing and coordinating a large suite of projects for the Defra network Earth Observation Centre of Excellence, including demonstrating how remote-sensed information can be used to meet a wide range of policy needs ▪ Provided open access to over 1,000 environmental data sets for use by industry, academic institutions and others 			

PPM No	Lead Programme	Main funding stream	Year end rating
1.3	Marine Monitoring	Defra Marine	Amber
Priority Performance Measure			
Collect data on marine biodiversity, and undertake research and development to improve the quality and efficiency of marine monitoring			
Key achievements			
<ul style="list-style-type: none"> ▪ Completed integrated seabed habitat monitoring surveys in English and Scottish waters, visiting five offshore marine protected areas ▪ Coordinated seabird colony monitoring across the UK ▪ Published an updated version of a high-level Marine Biodiversity Monitoring Strategy 			

PPM No	Lead Programme	Main funding stream	Year end rating
1.4	Marine Evidence	Defra Marine	Amber
Priority Performance Measure			
Publish marine evidence products, including standards, and undertake strategic work to support continued efficient delivery of these products			
Key achievements			
<ul style="list-style-type: none"> ▪ Published updated seabed habitat maps through an online portal, and contributed to the development of UK standards for marine habitat mapping ▪ Launched a fully functional noise register for the UK populated with historical data 			
PPM No	Lead Programme	Main funding stream	Year end rating
1.5	Surveillance and Monitoring	UK Coordination	Green
Priority Performance Measure			
Work with partners to identify strategic UK evidence priorities			
Key achievements			
<ul style="list-style-type: none"> ▪ Contributed to the development of Defra's Network Evidence Action Plans 			
PPM No	Lead Programme	Main funding stream	Year end rating
2.1	Biodiversity Information and Advice	UK Coordination	Amber
Priority Performance Measure			
Work with the country conservation bodies to develop and apply UK-wide principles, standards and approaches for nature conservation			
Key achievements			
<ul style="list-style-type: none"> ▪ Completed the 2015 annual update of the UK biodiversity indicators, illustrating progress towards EU and international targets 			
PPM No	Lead Programme	Main funding stream	Year end rating
2.2	Marine Ecosystem Assessment and Advice	UK Coordination	Amber
Priority Performance Measure			
Provide technical expertise on marine ecosystem assessments			
Key achievements			
<ul style="list-style-type: none"> ▪ Undertook research to develop benthic habitat indicators for OSPAR and UK waters ▪ Led delivery of the marine components of the European Topic Centre on Inland, Coastal and Marine waters Action Plan for 2015 			

PPM No	Lead Programme	Main funding stream	Year end rating
3.1	European Advice	UK Coordination	Amber
Priority Performance Measure			
Provide technical expertise to support UK implementation of the EU Biodiversity Strategy and EU environmental legislation			
Key achievements			
<ul style="list-style-type: none"> ▪ Took on the role of UK National Contact Point for the EU LIFE programme from 1 January 2016 ▪ Advised Defra and devolved administrations on important EU biodiversity issues, including the REFIT process, Habitats and Birds Directive reporting, the Programme of Measures established under the Marine Strategy Framework Directive, and the Mapping and Assessment of Ecosystem Services initiative 			
PPM No	Lead Programme	Main funding stream	Year end rating
3.2	Global Advice	Reserved	Green
Priority Performance Measure			
Provide technical advice on international biodiversity and ecosystems (including Overseas Territories)			
Key achievements			
<ul style="list-style-type: none"> ▪ Participated in UK delegations to the 12th Conference of the Parties to the Ramsar Convention and to the 19th meeting of the Convention on Biological Diversity's scientific advisory group ▪ Led for the UK at the 28th Animals Committee of the Convention on International Trade in Endangered Species ▪ Contributed to implementation of the 2009 UK Overseas Territories Biodiversity Strategy through provision of technical advice and support for regional initiatives 			
PPM No	Lead Programme	Main funding stream	Year end rating
4.1	Marine Protected Areas	Defra Marine	Amber
Priority Performance Measure			
Provide technical advice on Marine Protected Areas identification, designation and conservation objectives			
Key achievements			
<ul style="list-style-type: none"> ▪ Provided scientific advice to Defra and devolved ministers on proposed Special Areas of Conservation (SACs) for harbour porpoise in UK waters ▪ Provided formal scientific advice to Defra on a second tranche of Marine Conservation Zones, leading to designation of 23 sites in January 2016 (including seven offshore sites) ▪ Provided scientific advice in support of public consultation on Special Protection Areas in English and Welsh territorial waters and UK offshore waters 			

PPM No	Lead Programme	Main funding stream	Year end rating
4.2	Marine Protected Areas (MPAs)	Defra Marine	Amber
Priority Performance Measure			
Provide technical advice on the UK contribution to an ecologically coherent network of well-managed MPAs in the north-east Atlantic			
Key achievements			
<ul style="list-style-type: none"> ▪ On behalf of UK administrations, reported to OSPAR on the UK's progress towards meeting OSPAR network obligation, including progress with managing marine protected areas 			

PPM No	Lead Programme	Main funding stream	Year end rating
5.1	Offshore Industries Advice	UK Coordination	Green
Priority Performance Measure			
Advise on oil and gas, aggregates and marine renewable casework, and provide UK coordination and science leadership			
Key achievements			
<ul style="list-style-type: none"> ▪ Responded fully to 99% of requests for advice on oil and gas operations within the consultation period ▪ Met all agreed deadlines for advice on aggregate licence applications and monitoring reports ▪ Advised on windfarm developments in Scottish offshore waters ▪ Developed a suite of collaborative research projects to address high priority offshore industries issues (in consultation with the country nature conservation bodies) 			

PPM No	Lead Programme	Main funding stream	Year end rating
5.2	Marine Protected Areas	Defra Marine	Amber
Priority Performance Measure			
Provide technical advice to support the management of offshore MPAs			
Key achievements			
<ul style="list-style-type: none"> ▪ Advised Defra and Marine Scotland on the development of fisheries management measures for marine protected areas in offshore waters 			

PPM No	Lead Programme	Main funding stream	Year end rating
6.1	Corporate Services	Governance and Corporate Services	Amber
Priority Performance Measure			
Provide and continue to improve the cost-effectiveness of core services to UK and devolved governments and manage an evolutionary change in strategy			
Key achievements			
<ul style="list-style-type: none"> ▪ Produced a discussion document proposing a new strategy for JNCC ▪ Restructured parts of JNCC to improve alignment with upcoming challenges and opportunities and increase integration of marine and terrestrial work ▪ Put in place an action plan to diversify and increase income 			