

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

**Report and Financial Statements**  
**for the year ended 31 December 2014**

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

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**Company Information**

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**Directors**

G A R Beaufoy  
Dr B Dunford  
Dr C Hindmarch  
D G L Jones  
Y Kazakova  
Dr D I McCracken  
K I MacRae  
Dr X A M Poux  
A Brown (resigned 9 October 2014)

**Company secretary**

K I MacRae

**Registered number**

03150755

**Registered office**

Penygraig  
Llanfair Clydogau  
Lampeter  
Wales  
SA48 8LJ

**Independent auditor**

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

**Bankers**

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



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**Strategic report**  
**for the year ended 31 December 2014**

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***Introduction***

The directors present their strategic review for the year ended 31 December 2014.

***Business review***

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

2014 was if anything a more difficult year than 2013, but one which ended with some good news and again with our finances relatively unscathed.

For the second year in a row, we failed to be awarded a DG Environment NGO support grant, making us question whether an organisation as relatively specialised as ours can still achieve success against more generalist NGOs, whatever the grant criteria say. These have been changed somewhat for the 2015 round, with a narrower policy focus. This should suit us better than some of our competitors, so the Directors felt it was still worth devoting some time to submitting another application.

Ireland was again a perennial strength, with the Heritage Council continuing to support our work in the absence of co-funding. We were not able to employ a project officer, but through partnership with IT Sligo and the use of specialist commonage experts, we played a unique advisory and capacity building role in the CAP implementation debate, both directly and with a group of marginal farmers.

The ESSEDRA project continued in SE Europe, and secured funding for a second two-year period. 2014's work in England's North Pennines led to the chance to bring together similar projects over the whole so-called Northern Upland Chain.

In Spain we continued to be closely involved on a voluntary basis in the development of the new Plataforma por la Ganadería Extensiva y el Pastoralismo, especially on the implementation of the new CAP. Meetings were held with the national authorities on the issue of CAP payments for pastures with trees and shrubs. The WWF Spain project in which we were a subcontractor came to an end, with our final contribution being an analysis of a selection of regional Rural Development Programmes to assess their incorporation of support for HNV farming. The results were gratefully received by DG ENV.

We continued to be active in the EU policy sphere despite the absence of funding for this work. We followed crucial developments in the drafting of new EU rules and Commission guidance on the eligibility for CAP support of permanent pastures with trees and shrubs. We lobbied the Commission for changes to the drafted texts and provided evidence to support this. Considerable improvements were made in line with our requests, and the final texts allow Member States to apply a well-adapted system if they choose to do so.

The year ended positively, with an EFNCP-led partnership in Ireland and Navarra (Spain) securing one of only two grants from the European Commission (DG Environment) to develop and trial results-based agri-environment pilot schemes (RBAPS). The project will start in January 2015 and run for 3½ years.

Exchange rate variance continues to be a concern, with the pound strengthening against the Euro. Nevertheless, we managed to break even once more. However, the lack of full-time staff at the core of the organisation is taking its toll in terms of our coherence and effectiveness.



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**The European Forum on Nature Conservation and Pastoralism Limited**  
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**Strategic report (continued)**  
**for the year ended 31 December 2014**

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***Principal risks and uncertainties***

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

This report was approved by the board and signed on its behalf.

*Karen I MacRae*

**K I MacRae**  
**Director**

Date: *23/6/15*



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**Directors' report**  
**for the year ended 31 December 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

**Directors**

The directors who served during the year were:

G A R Beaufoy  
Dr B Dunford  
Dr C Hindmarch  
D G L Jones  
Y Kazakova  
Dr D I McCracken  
K I MacRae  
Dr X A M Poux  
A Brown (resigned 9 October 2014)

**Directors' responsibilities statement**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**The European Forum on Nature Conservation and Pastoralism Limited**  
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**Directors' report**  
**for the year ended 31 December 2014**

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**Auditor**

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

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

This report was approved by the board and signed on its behalf.

*Karen I MacRae*

**K I MacRae**  
**Director**

Date: 23/6/15



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## **Independent auditor's report to the members of The European Forum on Nature Conservation and Pastoralism Limited**

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We have audited the financial statements of The European Forum on Nature Conservation and Pastoralism Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



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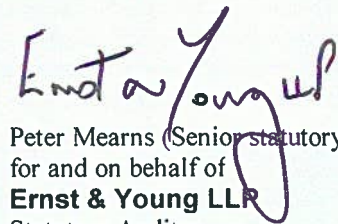
**Independent auditor's report to the members of The European Forum on Nature Conservation and Pastoralism Limited**

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**Matters on which we are required to report by exception**

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

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



Peter Mearns (Senior statutory auditor)  
for and on behalf of

**Ernst & Young LLP**  
Statutory Auditor

Inverness

Date: 26/6/2015



**The European Forum on Nature Conservation and Pastoralism Limited**  
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**Profit and loss account**  
**for the year ended 31 December 2014**

|  | <i>Note</i> | <i>2014</i><br>£ | <i>2013</i><br>£ |
|--|-------------|------------------|------------------|
| <b>Turnover</b>                                      | 1,2         | 20,839           | 97,575           |
| Administrative expenses                              |             | (101,756)        | (174,331)        |
| Other operating income                               | 3           | 82,535           | 86,919           |
| <b>Operating profit</b>                              | 4           | 1,618            | 10,163           |
| Interest payable and similar charges                 |             | (15)             | (2,655)          |
| <b>Profit on ordinary activities before taxation</b> |             | 1,603            | 7,508            |
| Tax on profit on ordinary activities                 |             | -                | -                |
| <b>Profit for the financial year</b>                 | 9           | 1,603            | 7,508            |

The notes on pages 9 to 11 form part of these financial statements.



**The European Forum on Nature Conservation and Pastoralism Limited**  
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**Registered number: 03150755**

**Balance sheet**  
**as at 31 December 2014**

|   | Note | £               | 2014<br>£     | £               | 2013<br>£     |
|---|------|-----------------|---------------|-----------------|---------------|
| <b>Current assets</b>                                 |      |                 |               |                 |               |
| Stocks  |      | 2,156           |               | 2,302           |               |
| Debtors   | 6    | 36,375          |               | 45,196          |               |
| Cash at bank  |      | 3,907           |               | 29,352          |               |
|   |      | <u>42,438</u>   |               | <u>76,850</u>   |               |
| <b>Creditors: amounts falling due within one year</b> | 7    | <u>(28,478)</u> |               | <u>(64,493)</u> |               |
| <b>Net current assets</b>                             |      |                 | 13,960        |                 | 12,357        |
| <b>Net assets</b>                                     |      |                 | <u>13,960</u> |                 | <u>12,357</u> |
| <b>Capital and reserves</b>                           |      |                 |               |                 |               |
| Profit and loss account                               | 9    |                 | <u>13,960</u> |                 | <u>12,357</u> |
|   |      |                 | <u>13,960</u> |                 | <u>12,357</u> |

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

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

*Karen I MacRae*

**K I MacRae**  
 Director

Date: 23/6/15

The notes on pages 9 to 11 form part of these financial statements.



**Notes to the financial statements**  
**for the year ended 31 December 2014**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Fundamental accounting concept**

The company recorded a profit of £1,603 in the year and as at 31 December 2014 has net assets of £13,960 (2013 - £12,357). The directors have reviewed budgets for a period of at least 12 months from the date of signing these financial statements and have concluded that sufficient cash flow should be available to enable the company to continue to trade and meet its liabilities as they fall due.

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

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

**1.3 Turnover**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

**1.4 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

**1.5 Government grants**

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



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**Notes to the financial statements**  
**for the year ended 31 December 2014**

**2. Turnover**

22% of the Company's turnover (2013 - 57%) is attributable to geographical markets outside the United Kingdom.

**3. Other operating income**

|                          | 2014<br>£     | 2013<br>£     |
|--------------------------|---------------|---------------|
| Grant funding receivable | 82,517        | 86,374        |
| Donations received       | 18            | 545           |
|                          | <u>82,535</u> | <u>86,919</u> |

**4. Operating profit**

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

|                                | 2014<br>£    | 2013<br>£      |
|--------------------------------|--------------|----------------|
| Auditor's remuneration         | 4,800        | 4,800          |
| Difference on foreign exchange | 2,696        | (6,643)        |
|                                | <u>7,496</u> | <u>(1,843)</u> |

**5. Directors' remuneration**

|                        | 2014<br>£     | 2013<br>£     |
|------------------------|---------------|---------------|
| Aggregate remuneration | <u>44,875</u> | <u>69,818</u> |

**6. Debtors**

|               | 2014<br>£     | 2013<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 34,829        | 4,632         |
| Other debtors | 1,546         | 40,564        |
|               | <u>36,375</u> | <u>45,196</u> |



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**Notes to the financial statements**  
**for the year ended 31 December 2014**

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**7. Creditors:**  
**Amounts falling due within one year**

|                                    | <i>2014</i> | <i>2013</i> |
|------------------------------------|-------------|-------------|
|                                    | <i>£</i>    | <i>£</i>    |
| Trade creditors                    | 23,243      | 30,351      |
| Other taxation and social security | 28          | 1,761       |
| Other creditors                    | 5,207       | 32,381      |
|                                    | <hr/>       | <hr/>       |
|                                    | 28,478      | 64,493      |
|                                    | <hr/>       | <hr/>       |

**8. Company status**

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

**9. Reserves**

|                               | <i>Profit and loss</i> |
|-------------------------------|------------------------|
|                               | <i>account</i>         |
|                               | <i>£</i>               |
| At 1 January 2014             | 12,357                 |
| Profit for the financial year | 1,603                  |
|                               | <hr/>                  |
| At 31 December 2014           | 13,960                 |
|                               | <hr/>                  |

**10. Related party transactions and controlling party**

There were no related party transactions requiring disclosure in the year ended 31 December 2014. The company is controlled by the directors.

