



The thirty-fifth meeting of the JNCC Support Co. Board to be held
at 13.00 on 11 June 2020 virtually via GoTo Meeting

This paper was provided to the JNCC Support Co. Board for
decision/discussion or information. Please refer to the minutes of the
meeting for the Board's position on the paper.

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JNCC Support Co

Board of Directors

Adoption of the JNCC Annual Report and Accounts for the year ended 31 March 2020

Cover note by Emer O'Connor

1. Action required

1.1 The Company Board is asked to:

- i. **approve and adopt** the JNCC Annual Report and Accounts (ARA) for the year ending 31 March 2020, and authorise the Chief Executive to sign the ARA on their behalf;
- ii. **authorise** the Company Secretary to lodge the accounts with Companies House;
- iii. **authorise** the Chief Executive to arrange for the ARA to be laid before the Houses of Parliament and the Scottish Parliament; and
- iv. **authorise** the Chief Executive to sign the letter of representation for the year ended 31 March 2020.

2. Key issues

- 2.1 The Company Board is responsible for approval and adoption of the Annual Report and Accounts (ARA) of the JNCC Support Co, following review and recommendation provided by the Audit and Risk Assurance Committee (ARAC).

JNCC Support Co

Board of Directors

Adoption of the JNCC Annual Report and Accounts for the year ended 31 March 2020

Paper by Emer O'Connor

1. The Company board is responsible for approving and adopting the JNCC Support Co Annual Report and Accounts (ARA) in order that the Company Secretary may lodge the Annual Report Accounts with the Registrar at Companies House.
2. Under the governance arrangements of the company, the Audit & Risk Assurance Committee (ARAC) is required to review the ARA for the year ended 31 March 2020 together with the letter of representation that accompanies the ARA when it is sent to the Comptroller and Auditor General (C&AG). ARAC is then required to report to the Board any comments or reservations it may have on these documents prior to the Board approving them.
3. A copy of the ARA is attached at Annex 1. The ARA has been examined by auditors from the National Audit Office (NAO) and although it has yet to be certified by the Comptroller and Auditor General, it includes a copy of the draft audit certificate stating the C&AG's unqualified audit opinion of the accounts.
4. At its meeting on 10 June 2020, ARAC are expected to agree adoption of the 2019/20 JNCC Annual Report and Accounts and to recommend them to the Board for approval.
5. The ARA as circulated has been reviewed by representatives of Defra and the Scottish Government. This version includes some minor amendments arising from these reviews in addition to those previously incorporated following Nigel Reader's review on behalf of ARAC.
6. Attached at Annex 2 is the letter of representation which is to be signed by the Chief Executive on behalf of the Board on the same date that he signs the ARA, confirming that the Board is satisfied as to the completeness of the information provided and disclosures given to the external auditors.

Annex 1

Joint Nature Conservation Committee and JNCC Support Co Annual Report and Accounts for year ending 31 March 2020

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

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

Ordered by the House of Commons to be printed on **XX July 2020**.

HC xxxx



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JNCC SUPPORT CO
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

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Chair's and Chief Executive's Foreword

ARA foreword

The last few weeks of 2019/20 were dominated by Covid-19. The devastating social and economic impacts of the pandemic inevitably overshadowed environmental concerns. However, addressing the global environmental crises caused by biodiversity loss and climate change remains as important as ever, and JNCC continued to play its part during 2019/20. As an impartial scientific authority on UK and international nature conservation JNCC provided high-quality evidence and advice on a wide range of environmental matters.

The bulk of JNCC's funding in 2019/20 was provided as grant in aid by Defra, the Scottish Government, the Welsh Government and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland. We were increasingly successful in securing additional funding from other sources which enabled us to extend our activities into new areas and maintain our scientific capabilities.

One of JNCC's core roles is to provide evidence on the status of biodiversity across the UK, how it is changing and what is driving the changes. Our work informs decisions on environmental policy and management and contributes to international reporting.

- For many years JNCC has worked with partner organisations to harness the efforts of volunteer recorders and provide annually updated trend information for a wide range of species, including birds, butterflies, bats and plants. This work continued in 2019/20, and in addition we published a new terrestrial surveillance strategy, showing how we will develop existing recording schemes to meet evolving requirements in England, Scotland, Wales and Northern Ireland.
- JNCC continued to demonstrate the value of new technologies (such as remote sensing and environmental DNA) in complementing more traditional methods of environmental monitoring. For example, during 2019/20 we used Earth observation data from the Copernicus programme to produce a habitat map for Northern Ireland and to detect changes in peatland condition across the UK.
- In the marine environment, JNCC progressed a programme of monitoring surveys of marine protected areas (MPAs) in offshore waters. In partnership with Marine Scotland we undertook a survey of the West Shetland Shelf MPA, a site to the north of Scotland designated for its variety of sand and gravel habitats. In England, we worked with Cefas to complete a survey of Greater Haig Fras Marine Conservation Zone, a large area of deep-water sediments and rocky reef off the coast of Cornwall.
- Over the course of the year JNCC developed and refined a range of evidence products to support sustainable use of the marine environment. We relaunched our online MPA mapper which provides interactive access to spatial data for MPAs in UK waters, and we collaborated with other government agencies and research institutes to produce an updated map of European seabed habitats (EUSeaMap).
- JNCC's work provides a crucial input to UK-scale environmental assessments. Under the UK Marine Strategy, we played a key role in coordinating biodiversity assessments with partners to produce a comprehensive update on the state of the UK marine environment that was published in October 2019. We also contributed data and expertise to the 2019 State of Nature report, produced by NGOs in partnership with the statutory nature conservation bodies and others.

2019/20 was a busy year for JNCC internationally. There were several major meetings under multilateral environmental agreements where JNCC staff provided scientific expertise as part of the UK delegation.

- The 18th Conference of the Parties to the Convention on International Trade in Endangered Species took place in Geneva in August 2019. JNCC participated as the UK's Scientific Authority for Fauna, and contributed to decisions on numerous amendments to the lists of species covered by the Convention, including giraffe and mako shark.
- The 13th Conference of the Parties to the Convention on Migratory Species was held in India in February 2020. It was notable as the first major global environmental meeting to take place following the UK's departure from the EU at the end of January. Outcomes from the conference included resolutions on flyways, poisoning in birds, wild meat and climate change.
- Under the Convention on Biological Diversity, activity during 2019/20 was focused on preparations for the next Conference of the Parties where a post-2020 global biodiversity framework will be agreed. JNCC supported the four UK governments in developing a common position and participated in technical discussions at international meetings.
- JNCC stepped up its work on climate change during 2019/20. This included attendance at the 25th Conference of the Parties to the UN Framework Convention on Climate Change, held in Madrid in December 2019, where we participated in side events to showcase our work on Earth Observation, nature-based solutions and adaptive management of MPAs.

JNCC provides evidence-based advice to help governments and others make informed decisions by assessing options in terms of the impacts on biodiversity and ecosystem services.

- Within the UK, JNCC worked closely with Defra, devolved administrations and country nature conservation bodies to advise on the UK's exit from the EU and in particular the transition from EU legislation to other international frameworks, such as the OSPAR Convention and the Bern Convention.
- In the marine environment, JNCC advised public authorities and industry on the regulation of offshore industry activities, including dealing with 560 oil and gas applications and enquires, and 58 applications and enquires from other industries, including aggregates, cables and interconnectors. We undertook and commissioned research to inform offshore wind development, including collaboration with industry to understand impacts on birds. We advised Marine Scotland on a proposal for a deep-sea marine reserve in the Rockall Trough to protect vulnerable habitats and species, including cold-water coral reefs and seamounts. We produced a tool to manage human pressures by optimising the provision of marine ecosystem services.
- JNCC's advisory role extended beyond the UK. Projects in the UK's Overseas Territories included ecosystem mapping and valuation of the natural environment in the British Virgin Islands, Montserrat and St Helena; production of a marine biosecurity toolkit (with the Marine Management Organisation) to help the Territories address non-native species; and technical support for the preparation of Coral Reef Initiative Action Plans.

- Using data from satellites and other sources JNCC modelled ecosystem services to inform land management decisions in vineyards in the Colchagua valley in Chile. This type of approach has the potential to be used more widely in the UK and internationally to inform sustainable resource management, for example to assess options for agricultural land management.

JNCC's achievements in 2019/20 were attributable to the outstanding efforts of JNCC staff who worked tirelessly throughout the year. As well as our scientists and technical experts, we would like to thank the corporate services staff whose roles are less visible but no less crucial to the success of the organisation. We are also grateful for the many constructive contributions made by JNCC's partners in the public sector, civil society and the private sector.

Covid-19 will undoubtedly cast a long shadow over JNCC's work in the year ahead. As the first phase of the pandemic passes, it will be crucial to integrate environmental concerns into the subsequent economic recovery, both within the UK and internationally. JNCC has an important role to play, by providing robust evidence and science-based advice to inform decision-makers.

Professor CA Gilligan
(Chair)

Mr MJM Yeo
(Chief Executive)

Ro-ràdh ARA

Bha aire an t-sluaigh air Covid-19 a-mhàin anns na seachdainean mu dheireadh de 2019/20. Bhathar a' meas gun robh a' bhuidhe shòisealta is eaconamach na bu chudromaiche na na draghan àrainneachail, ach tha cruaidh-chàs àrainneachail an t-saoghail ri linn call bith-iomadachd is atharrachadh na gnàth-shìde a cheart cho cudromach 's a bha e a-riamh, agus choilean JNCC a chuid dhleastanasan sin ann an 2019/20. Thug JNCC sàr fhianais is comhairle seachad air caochladh chùisean àrainneachail mar ùghdarras saidheansail neo-thaobhach air glèidhteachas na Rìoghachd Aonaichte is eadar-nàiseanta.

'S ann bho thabhartasan le Defra, Riaghaltas na h-Alba, Riaghaltas na Cuimrigh agus Roinn Àiteachais, na h-Àrainneachd is Chùisean Dùthchail a fhuair JNCC a' chuid a bu mhotha de a mhaoineachadh an 2019/20. Bha sinn na bu shoirbheachail a-rithist air maoineachadh a bharrachd fhaighinn bho thùsan eile a leig leinn ar cuid obrach a leudachadh ann an rointean ùra agus na comasan saidheansail againn a ghleidheadh.

Tha e mar phrìomh dhleastanas aig JNCC gun toirear seachad fianais air inbhe bith-iomadachd thar na Rìoghachd Aonaichte, mar a tha i ag atharrachadh is dè tha ag adhbharachadh nan atharrachaidhean. Tha ar cuid obrach a' cur ri co-dhùnaidhean air poileasaidhean àrainneachail agus ri aithris eadar-nàiseanta.

- Tha JNCC air co-obrachadh thar iomadh bliadhna le buidhnean com-pàirteachaidh airson oidhirpean luchd-clàraidh saor-thoileach a thrusadh agus fiosrachadh ùr air gluasadan bliadhnaile air grunn sheòrsachan a leithid eòin, dhealanan-dè, ialtagan is lusan. Lean an obair seo ann an 2019/20 agus dh'fhoillsich sinn ro-innleachd ùr air sgrùdadh talmhainn a sheall mar a leasaicheas sinn sgeamaichean clàraidh a fhreagras ri riaghailtean ùra ann an Sasainn, Alba, a' Chuimrigh is Èirinn a Tuath.
- Lean obair JNCC is sinn a' taisbeanadh an luach an cois teicneolas ùr (mothachadh air astar agus DNA àrainneachail) mar thaic do dhòighean traidiseanta air sgrùdadh àrainneachail. Mar eisimpleir, ann an 2019/20, chleachd sinn dàta sgrùdaidh na Cruinne bhon phrògram Copernicus airson mapa àrainnean a thoirt gu buil do dh'Èirinn a Tuath agus airson atharrachaidhean ann an staid na talmhainn-mòintich anns an RA a thomhas.
- Anns an àrainneachd mhara, rinn JNCC adhartas le prògram sgrùdaidh air roinnean dìon mara (RDM) ann an uisgeachan far cladaich. Rinn sinn sgrùdadh an com-pàirteachas le Marine Scotland mu thuath air Alba air Sgeilp Shealtainn an Iar RDM, a tha comharraichte airson a chuid iomadachd sna h-àrainnean gainmhich is greabhail. Ann an Sasainn, bha sinn a' co-obrachadh le Cefas is a' coileanadh sgrùdadh air Roinn Glèidhteachais Mara Greater Haig Fras, àrainn mhòr an uisge domhainn is de dh'eabar is riofachan creagach far costa na Còirne.
- Rè na bliadhna, leasaich JNCC caochladh dhòighean fianais a chùm taic ri cleachdadh seasmhach den àrainneachd mhara. Dh'fhoillsich sinn às ùr an goireas mapa RDM againn anns am faighear cothrom cleachdaidh eadar-obrachail air dàta spàsail air na RDM an uisgeachan na RA agus cho-obrach sinn le buidhnean riaghaltais eile airson mapa ùr de dh'àrainnean Eòrpach air grunn na mara (EUSaMap).
- Tha obair riatanach JNCC a' cur ri sgrùdaidhean àrainneachail na RA. A rèir Ro-innleachd Mhara na RA, choilean sinn am prìomh dhleastanas againn airson sgrùdaidhean bith-iomadachd a cho-òrdanachadh le com-pàirtichean is thug sinn le

chèile aithris ùr gu buil air staid àrainn mhara na RA a chaidh fhoillseachadh san Dàmhair 2019. Chuir sinn ar cuid dàta is eòlais ris an aithisg State of Nature an 2019, a chaidh fhoillseachadh le buidhnean neo-riaghaltais an com-pàirteachas leis na buidhnean glèidhteachais reachdail is buidhnean eile.

Bha JNCC fìor thrang gu h-eadar-nàiseanta an 2019/20. Bha grunn choinneamhan mòra ann a rèir aontaidhean àrainneachail anns an tug luchd-obrach JNCC eòlas saidheansail seachad an cois buidheann na RA.

- Chaidh an 18^{mh} Co-labhairt de Phàrtaidhean na Còmhdhail air Malairt Eadar-nàiseanta de Ghnèithean Fo Chunnart a chumail ann an Geneva san Lùnastal 2019. Bha JNCC an sàs mar Ùghdarras Saidheansail na RA air Ainmhidhean agus chuir sinn ri co-dhùnaidhean air iomadh atharrachadh air na liostaichean ghnèithean fon Còmhdhail, a leithid an t-sioraif agus an t-siorc mako.
- Chaidh an 13^{mh} Co-labhairt de Phàrtaidhean na Còmhdhail air Gnèithean Imrich a chumail sna h-Innseachan sa Ghearran 2020. Bha a' cho-labhairt sònraichte mar a' chiad phrìomh choinneamh àrainneachail eadar-nàiseanta an dèidh don RA an t-Aonadh Eòrpach fhàgail aig deireadh an Fhaoillich. Chaidh rèiteachaidhean a chur an cèill air slighean eun, puinnseanachadh eun, feòil fhiadhaich agus atharrachadh na gnàth-shìde is eile.
- Bha obair a rèir na Còmhdhail air Bith-iomadachd stèidhichte an 2019/20 air ullachadh airson na h-ath Cho-labhairt de na Pàrtaidhean far an rachadh frèam bith-iomadachd eadar-nàiseanta an dèidh 2020 aontachadh. Chùm JNCC taic ris na ceithir riaghaltsan san RA air leasachadh seasamh cumanta agus ghabh sinn pàirt ann an deasbadan aig coinneamhan eadar-nàiseanta.
- Lean obair JNCC air atharrachadh na gnàth-shìde ann an 2019/20. Bha sinn an làthair aig Còmhdhail Frèam nan Nàiseanan Aonaichte air Atharrachadh na Gnàth-shìde ann am Madrid san Dùbhlachd 2019, far an robh sinn an sàs ann an tachartas air iomall na Còmhdhail is sinn a' taisbeanadh ar cuid obrach air Sgrùdadh na Cruinne, fuasglaidhean nàdarra is stiùireadh co-fhreagrach de na RDMan.

Bidh JNCC a' toirt seachad comhairle stèidhichte air fianais do riaghaltsan is eile gus an dèanar co-dhùnaidhean le eòlas is sinn a' sgrùdadh roghainnean a rèir na buaidh air seirbheisean bith-iomadachd is eag-shiostaim.

- Anns an RA, dh'obraich JNCC gu dlùth le Defra, na riaghaltsan ann an dùthchannan na RA is buidhnean glèidhteachais airson comhairle a thoirt seachad air fàgail an AE agus gu h-àraid air an atharrachadh eadar laghan an AE agus frèaman eadar-nàiseanta eile, a leithid Còmhdhail OSPAR agus Còmhdhail Bern.
- Anns an àrainneachd mhara, thug JNCC comhairle do dh'ùghdarrasan ionadail air riaghladh ghnìomhan far cladaich, a leithid dèiligeadh ri tagraidhean ola is gas agus tagraidhean airson grunn na mara a sgrìobadh. Ghabh sinn rannsachadh os làimh a chuir ri co-dhùnaidhean air leasachaidhean gaoithe far cladaich, mar eisimpleir com-pàirteachadh leis a' ghnìomhachas air a' bhuidheann air na h-eòin. Chùm sinn comhairle ri Marine Scotland air moladh air tèarmann mara domhainn ann an Amar Ròcabarraigh airson àrainnean is seòrsachan fo chunnart a dhìon, a leithid riofan corail ann an uisge fuar agus bheanntan-mara. Chruthaich sinn uidheam airson buaidh mic-an-duine a làimhseachadh tro bhith a' cur sheirbheisean àrainnean mara gu feum cho math 's a ghabhas.

- Chaidh dleastanasan comhairleachaidh JNCC na b' fharsainghe na an Rìoghachd Aonaichte. Bha sinn an sàs ann am pròiseactan ann an Ranntairean Breatannach Thall Thairis, a leithid mapadh àrainnean is luachadh na h-àrainneachd ann an Eileanan na Maighdinn, Monsterrat agus St. Helena; cruthachadh uidheam bith-iomadachd mhara (cuide ri Marine Management Organisation) a chuidicheadh na Ranntairean is iad a' freagairt ri seòrsachan neo-dhùthchasach; agus taic theicnigeach airson Planaichean Gnìomh Iomairtean Rìofan Corail ullachadh.
- Rinn JNCC modalan sheirbheisean eag-shiostaim is sinn a' cleachdadh dàta bho shaidealain is tùsan eile a chuir ri co-dhùnaidhean air stiùireadh fearainn ann an gàraidhean dhearcan-fiona ann an gleann Colchagua ann an Chile. Tha cothroman an cois na dòigh-obrach seo a b' urrainnear a chur gu feum san RA agus gu h-eadar-nàiseanta a chuireadh ri eòlas air stiùireadh ghoireasan seasmhach, mar eisimpleir, airson roghainnean ann an stiùireadh talamh àiteachais a mheas.

Cha bhiodh na choilean JNCC ann an 2019/20 comasach mura b' e oidhirpean air leth an luchd-obrach fad na bliadhna. A thuilleadh air an luchd-saidheans is eòlaichean teicnigeach, bu toigh leinn taing a thoirt do luchd-obrach nan seirbheisean corporra a th' ann an dreuchdan nach eil cho follaiseach ach a tha riatanach airson soirbheachas na buidhne. Tha sinn taingeil airson saothair chruthachail com-pàirtichean JNCC anns an roinn phoblaich, anns a' mhòr-shluagh agus anns an roinn phrìobhaidich.

Bidh obair JNCC anns a' bhliadhna a tha romhainn fo sgàil Covid-19. Fhad 's thèid a' chiad ìre de sgaoileadh a' ghalair seachad tha e riatanach gun ceangail sinn na draghan àrainneachail le ath-leasachadh na h-eaconamaidh anns an RA agus gu h-eadar-nàiseanta. Tha dleastanas cudromach aig JNCC ri choileanadh is sinn a' toirt seachad fianais sheasmhach is comhairle stèidhichte air saidheans a chumas taic riuthasan a nì co-dhùnaidhean.

Professor CA Gilligan
(Cathraiche)

Mgr. MJM Yeo
(Àrd-oifigear)

Rhagair Adroddiad Blynyddol a Chyfrifon

Roedd wythnosau olaf 2019/2020 dan ddylanwad a rheolaeth Covid-19. Bu i effaith gymdeithasol ac economaidd ddinistriol y clefyd pandemig yn anochel daflu pryderon amgylcheddol i'r cysgod. Fodd bynnag, mae mynd i'r afael â'r argyfwng amgylcheddol byd-eang gaiff ei achosi gan golled mewn bioamrywiaeth a newid hinsawdd yn parhau i fod mor bwysig ag erioed, a bu i JNCC barhau i chwarae ei ran yn ystod 2019/20. Fel awdurdod gwyddonol diduedd ar warchod natur yn y DU ac yn rhyngwladol, bu i JNCC gyflwyno tystiolaeth a chynghor o safon uchel ar nifer fawr o wahanol faterion amgylcheddol.

Cafodd y rhan fwyaf o gyllid JNCC yn 2019/2020 ei ddarparu fel cymorth grant gan Defra, Llywodraeth Yr Alban, Llywodraeth Cymru ac Adran Amaethyddiaeth, yr Amgylchedd a Materion Gwledig Gogledd Iwerddon. Roeddem ni'n fwyfwy llwyddiannus wrth sicrhau cyllid ychwanegol o ffynonellau eraill oedd yn ein galluogi i estyn ein gweithgareddau i feysydd newydd a chynnal ein gallu gwyddonol.

Un o brif swyddogaethau JNCC ydy darparu tystiolaeth ar statws bioamrywiaeth ar draws y DU, sut mae'n newid a beth sy'n gyrru'r newidiadau. Mae ein gwaith yn helpu i lunio penderfyniadau ar bolisi a rheolaeth amgylcheddol ac yn cyfrannu at waith adrodd rhyngwladol.

- Am sawl mlynedd, mae JNCC wedi gweithio gyda mudiadau partner i ddefnyddio ymdrechion cofnodwyr gwirfoddol a darparu gwybodaeth gaiff ei diweddarau'n flynyddol ar dueddiadau ar gyfer nifer fawr o wahanol rywogaethau, gan gynnwys adar, gloynnod byw, ystlumod a phlanhigion. Bu i'r gwaith hwn barhau yn 2019/20, ac yn ychwanegol bu inni gyhoeddi strategaeth wylidwriaeth ddaearol newydd yn dangos sut byddwn ni'n datblygu cynlluniau cofnodi presennol i gwrdd â gofynion esblygol yn Lloegr, Yr Alban, Cymru a Gogledd Iwerddon.
- Bu i JNCC barhau i ddangos gwerth technolegau newydd (fel synhwyro o bell a DNA amgylcheddol) sy'n cyd-fynd gyda dulliau mwy traddodiadol o fonitro amgylcheddol. Er enghraifft, yn ystod 2019/20 bu inni ddefnyddio data gwyllo'r Ddaear o'r rhaglen Copernicus i gynhyrchu map cynefin ar gyfer Gogledd Iwerddon a chanfod newidiadau yng nghyflwr mawndiroedd ar draws y DU.
- Yn yr amgylchedd morol, bu i JNCC ddatblygu rhaglen o arolygon monitro o ardaloedd morol gwarchoddedig (MPA) mewn dyfroedd pell o'r lan. Mewn partneriaeth gyda Marine Scotland, bu inni gynnal arolwg o ardal forl warchoddedig West Shetland Shelf, safle i'r gogledd o'r Alban wedi'i ddynodi am ei amrywiaeth o gynefinoedd tywod a gro. Yn Lloegr, bu inni weithio gyda Cefas i gwblhau arolwg o Ardal Warchod Forol Greater Haig Fras, ardal fawr o waddodion dwfn a chreigresi creigiog oddi ar arfordir Cernyw.
- Yn ystod y flwyddyn, bu i JNCC ddatblygu a mireinio nifer o gynnyrch tystiolaeth er mwyn cefnogi defnydd cynaliadwy o'r amgylchedd morol. Bu inni ail-lansio ein mapiwr MPA ar-lein sy'n rhoi mynediad rhyngweithiol i ddata gofodol ar gyfer ardaloedd MPA yn nyfroedd y DU, a bu inni gydweithio gydag asiantaethau llywodraeth a sefydliadau ymchwil eraill i gynhyrchu map diweddar o gynefinoedd gwely'r môr Ewrop (EUSEaMap).
- Mae gwaith JNCC yn darparu mewnbyn hollbwysig i asesiadau amgylcheddol y DU. Dan Strategaeth Forol y DU, bu inni chwarae rhan allweddol wrth gydlynu asesiadau bioamrywiaeth gyda phartneriaid i gynhyrchu diweddariad cynhwysfawr ar gyflwr amgylchedd morol y DU bu inni ei gyhoeddi ym mis Hydref 2019. Bu inni hefyd gyfrannu data ac arbenigedd i'r adroddiad Cyflwr Natur 2019, wedi'i gynhyrchu gan NGOs mewn partneriaeth gyda'r cyrff gwarchod natur statudol ac eraill.

Roedd 2019/20 yn flwyddyn brysur i JNCC ledled y byd. Bu sawl cyfarfod sylweddol o dan gytundebau amgylcheddol amlochrog lle bu i staff JNCC gynnig arbenigedd gwyddonol fel rhan o Ddirprwyaeth y DU.

- Bu i 18^{fed} Cynhadledd y Pleidiau i'r Confensiwn ar Fasnachu Rhyngwladol mewn Rhywogaethau sydd Dan Fygythiad yn Geneva yn ystod Awst 2019. Bu i JNCC gymryd rhan fel Awdurdod Gwyddonol y DU dros Ffawna, a bu iddyn nhw gyfrannu tuag at benderfyniadau ynghylch amryw ddiwygiadau i'r rhestr o rywogaethau bu'r Confensiwn yn ymdrin â nhw, gan gynnwys y jiraff a siarc maco.
- Bu'r 13^{eg} Cynhadledd y Pleidiau i'r Confensiwn ar Rywogaethau Ymfudol yn India yn ystod Chwefror 2020. Roedd yn nodedig fel y cyfarfod amgylcheddol sylweddol byd-eang cyntaf yn dilyn ymadawiad y DU o'r UE ar ddiwedd Ionawr. Ymysg deilliannau'r gynhadledd oedd adferiadau yn ymwneud â hyntiau, gwenwyn mewn adar, cig gwyllt a newid mewn hinsawdd.
- Yn ymwneud â'r Confensiwn ar Amrywiaeth Fiolegol, bu'r gwaith yn ystod 2019/20 yn canolbwyntio ar baratoi ar gyfer Cynhadledd y Pleidiau lle caiff fframwaith bioamrywiaeth byd-eang ôl-2020 ei gytuno arno. Bu i JNCC gefnogi pedair llywodraeth y DU i ddatblygu safbwynt cyffredin ynghyd â chymryd rhan mewn trafodaethau technegol mewn cyfarfodydd rhyngwladol.
- Bu i JNCC ddatblygu eu gwaith yn ymwneud â newid mewn hinsawdd yn ystod 2019/20. Fel rhan o'r ymdrech hwn, bu i JNCC fynychu 25^{ain} Cynhadledd y Pleidiau i Gonfensiwn Fframwaith y CU ar Newid mewn Hinsawdd, ym Madrid ym mis Rhagfyr 2019. Yno bu inni gymryd rhan mewn digwyddiadau ychwanegol i arddangos ein gwaith ar Arsyllu ar y Ddaear, adferiadau yn ymwneud â natur a rheoli Ardaloedd Morol Gwarchoddedig (MPAs) yn ymaddasol.

Mae JNCC yn cynnig cyngor ar sail tystiolaeth i helpu llywodraethau ac eraill wneud penderfyniadau gwybodol drwy asesu dewisiadau yn nhermau effeithiau ar wasanaethau bioamrywiaeth ac ecosystem.

- Fel rhan o'u gwaith yn y DU, bu i JNCC gydweithio'n agos gyda Defra, gweinyddiaethau datganoledig a chyrrff gwarchod natur gwledig er mwyn cynnig cyngor ar ymadawiad y DU o'r UE. Bu iddyn nhw gynghori'n benodol ar y trawsnewidiad o gydymffurfio â deddfwriaeth yr UE i fframweithiau rhyngwladol eraill, fel y Confensiwn OSPAR a'r Confensiwn Bern.
- Yn yr amgylchedd morol, bu i JNCC gynghori awdurdodau cyhoeddus ynghylch rheoleiddio gweithgareddau diwydiannol ar y môr, gan gynnwys ymdrin â cheisiadau olew xxx a nwy a cheisiadau ysgeintiadau agregau xx. Bu inni gynnal a chomisiynu ymchwil i ysbrydoli datblygiad gwynt ar y môr gan gynnwys cydweithio gyda diwydiannau er mwyn dysgu am yr effeithiau ar adar. Bu inni gynghori Marine Scotland ar gynnig am gadwraeth forol cefnforol yn y 'Rockall Trough' er mwyn diogelu cynefinoedd a rhywogaethau bregus gan gynnwys riff cwrel dŵr oer a môr-fynyddoedd. Bu inni gynhyrchu adnodd i reoli pwysau gan bobl drwy fanteisio i'r eithaf ar ddarpariaeth gwasanaethau ecosystem morol.
- Bu i rôl gynghorol JNCC ymestyn y tu hwnt i'r DU. Ymysg y prosiectau yn Nhiriogaethau Tramor y DU oedd mapio'r ecosystem a gwerthuso'r amgylchedd naturiol yn Ynysoedd Prydeinig y Wryf, Montserrat a St Helena; cynhyrchu pecyn offer bioddiogelwch morol (gyda'r Mudiad Rheoli Morol) i helpu'r Tiriogaethau i fynd i'r afael â rhywogaethau estron ynghyd â chefnogaeth dechnegol er mwyn paratoi Cynlluniau Gweithredu'r Fenter Riff Cwrel.

- Gan ddefnyddio data gan loerennau a ffynonellau eraill, bu i JNCC fodelu gwasanaethau ecosystem i hysbysu penderfyniadau'n ymwneud â rheoli'r tir yn Colchagua yn Chile. Mae posib ymestyn dull o'r fath i weddill y DU a ledled y byd er mwyn hysbysu rheoli adnoddau cynaliadwy, er enghraifft i asesu dewisiadau ar gyfer rheoli tir amaethyddol.

Bu llwyddiannau JNCC yn ystod 2019/20 yn sgil ymdrechion rhagorol staff JNCC fu'n gweithio'n ddiflino drwy gydol y flwyddyn. Hoffem ddiolch i'n gwyddonwyr ac arbenigwyr technegol, yn ogystal â staff y gwasanaethau corfforaethol lle mae eu gwaith yn llai gweledol er yr un mor annatod i lwyddiant y mudiad. Rydym hefyd yn ddiolchgar am y nifer o gyfraniadau adeiladol gan bartneriaid JNCC yn y sector cyhoeddus, y gymdeithas sifil a'r sector preifat.

Bydd Covid-19 yn cymylu gwaith JNCC yn sylweddol yn y flwyddyn ganlynol heb os. Wrth i gyfnod cyntaf y pandemig fynd heibio, bydd yn hanfodol ymdrin â phryderon amgylcheddol wrth fynd ati i adfer yr economi, yn y DU ac yn rhyngwladol. Mae gan JNCC rôl bwysig i'w gweithredu, gan gynnig tystiolaeth gadarn a chynghor ar sail gwyddoniaeth er mwyn hysbysu gwneuthurwyr penderfyniadau.

Yr Athro CA Gilligan
(Cadeirydd)

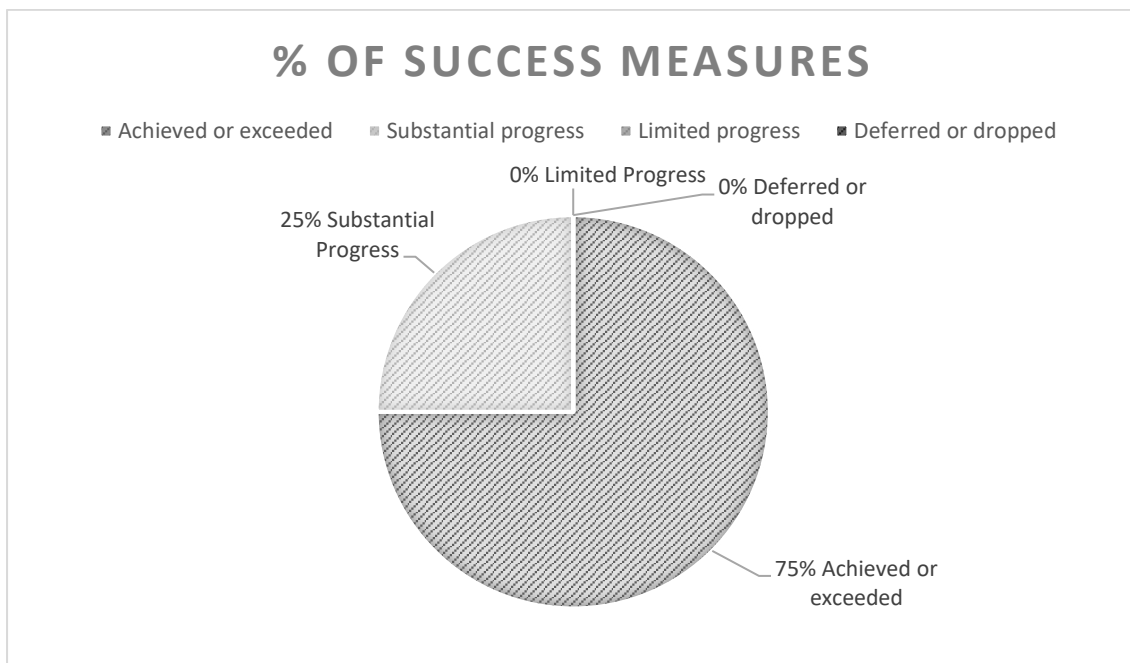
Mr MJM Yeo
(Prif Weithredwr)

Performance Report

Performance against Success Measures for 2019/20

| Success Measure Ratings | Description | Number of success measures reporting in this category at end of year |
|-------------------------|--|--|
| Green | Achieved or exceeded | 27 |
| Amber | Substantial progress made with full achievement anticipated early in 2020/21, subject to consideration of the impacts of Covid-19. | 9 |
| Red | Limited progress | 0 |
| Black | Deferred or dropped | 0 |

JNCC summary



Monitoring

Monitoring provides insight into the status of the natural environment, how it is changing and why.

Themes

| |
|---|
| [1] Cost-effective approaches to monitoring |
| [2] Best use of citizen science |
| [3] Mapping the natural environment |
| [4] Indicators of change |

Success Measures

| Success Measure number | Success Measure | Year end rating |
|------------------------|--|-----------------|
| 1.1 | Produce a business case for a UK-wide integrated marine biodiversity monitoring programme for consideration in the 2019 Spending Review. | Green |
| 1.2 | Working with the country nature conservation bodies deliver prototype services which use Earth observation data for assessing habitat condition for biodiversity and key ecosystem services in upland/moorland and grasslands. | Green |
| 1.3 | Publish a revised statement of common standards for monitoring protected sites in the UK, and guidance on risk-based approaches to site condition monitoring and the use of new technology. | Amber |
| 2.1 | Publish updated annual trends for breeding seabirds for England, Scotland, Wales and Northern Ireland, and complete 80% coverage of the national seabird census to provide more robust context for the annual trends. | Green |
| 2.2 | Provide UK and country-specific population trends for a wide range of terrestrial and freshwater species and use the findings of the terrestrial surveillance review to improve the use of these population trends and associated metrics within countries. | Green |
| 3.1 | Work with Cefas and Marine Scotland Science to deliver two offshore benthic surveys in an integrated fashion and continue pursuing collaborative opportunities with academic institutes to deliver offshore benthic survey data. | Green |
| 3.2 | Accelerate transfer of Defra Earth Observation Centre of Excellence, Scottish Remote Sensing Group, Wales Earth Observation group and Northern Ireland environmental applications into operations by enabling skills, supporting efficient data processing, providing analysis ready data, and ground training data from national recording schemes. | Green |
| 3.3 | Deliver a pilot set of products and methods to assist ecosystem mapping, assessment of services and linkages with metrics of state, trend and pressures for terrestrial ecosystems in the UK and internationally. | Amber |
| 3.4 | In collaboration with the country nature conservation bodies publish a new version of the EMODnet Seabed Habitats broad scale map (EUSeaMap), an updated library of seabed habitat maps from surveys, and a new Europe-wide collation of habitat point data. | Green |
| 4.1 | Provide advice on the development and delivery of UK-wide marine indicators and assessments for the 25 Year Environment Plan and devolved administrations, the European Topic Centre on Inland, Coastal and Marine Waters, the Marine Strategy Framework Directive (UK Marine Strategy) and the OSPAR Convention, taking into account the UK's exit from the EU. | Green |

Evaluating options

Almost every human activity impacts the environment in some way. Often, many different activities may be simultaneously having an impact, and it is therefore important to determine what these impacts are, and which activities are having the greatest effect.

Themes

| |
|--|
| [5] Understanding the UK's global impact |
| [6] Advice on designating protected areas |
| [7] Managing offshore protected areas |
| [8] Ensuring sustainable industry in the UK offshore |
| [9] Balancing trade-offs between fishing and the environment |
| [10] Land management for multiple outcomes |

Success Measures

| Success Measure number | Success Measure | Year end rating |
|------------------------|---|-----------------|
| 5.1 | Develop a proposal on how improvements in evidence could help implement measures to reduce the global impacts of UK consumption patterns. | Amber |
| 6.1 | Support Marine Scotland and Welsh Government to establish further MPAs by providing consultation support and advice on a potential deep-sea reserve in Scottish waters and advising on options for potential Marine Conservation Zones in Welsh waters. | Green |
| 7.1 | Finalise a register of natural capital assets (such as habitats) in UK offshore MPAs, showing extent, condition and associated ecosystem services and a register of risks to these assets. | Amber |
| 7.2 | Peer review a tool to optimise marine ecosystem services and develop a plan to embed its use in JNCC's delivery. | Green |
| 8.1 | Provide advice to competent authorities, within agreed consultation periods, for the regulation of offshore industry activities (including oil and gas, renewables and aggregates). | Green |
| 8.2 | Provide evidence and advice to support the effective discharge of offshore industry casework by the country nature conservation bodies, including the use of high-quality science to improve ecological understanding of the interaction between offshore industry and marine biodiversity. | Green |
| 9.1 | Provide scientific support to governments in their delivery of fisheries management in offshore marine protected areas. | Green |
| 10.1 | Demonstrate potential modelling approaches to assess the impacts of agricultural land management on natural capital and biodiversity. | Amber |
| 10.2 | Work with UK Overseas Territories to develop practical proposals for investment which value the role of the natural environment in disaster resilience and sustainable economic development. | Green |

Advice

Good policy-making, planning, development and risk management all depend on good advice, based on reliable and up-to-date evidence on biodiversity status and trends. The evidence needs to be balanced with an understanding of the distribution of the costs and potential benefits of the various interventions.

Themes

| |
|--|
| [11] Improving global co-ordination |
| [12] Advice on implementation of global obligations |
| [13] International reporting |
| [14] Licensing endangered animal trade |
| [15] Improving benefits from the environment through development aid |

Success Measures

| Success Measure number | Success Measure | Year end rating |
|------------------------|--|-----------------|
| 11.1 | Support Defra and the Devolved Administrations in the development of a global post-2020 biodiversity framework under the Convention on Biological Diversity. | Green |
| 11.2 | Provide scientific support as part of the UK delegations to the 13th Conference of the Parties to the Convention on Migratory Species and the 18th Conference of the Parties to the Convention on International Trade in Endangered Species. | Green |
| 12.1 | Provide biodiversity advice to Defra and Devolved Administrations on implementation of the OSPAR Convention, including undertaking JNCC's lead role as co-convenor of the Intersessional Correspondence Group on the Coordination of Biodiversity Assessment and Monitoring and providing expert group leads for benthic, seabirds and marine mammal indicators. | Green |
| 12.2 | Develop a proposal for how the UK will migrate from existing EU legislation to other international frameworks and the potential roles of JNCC within this. | Amber |
| 13.1 | Produce reports to meet UK, European and international reporting obligations including UK biodiversity indicators (July 2019), Habitats Directive Article 17 (April 2019), Birds Directive Article 12 (July 2019), Convention on Migratory Species (August 2019), Birds Directive and Habitats Directive Derogations (September 2019). | Green |
| 14.1 | Ensure that advice on applications for CITES licensing permits is provided within agreed service standards and that JNCC is prepared for changing demands post-exit from the EU. | Green |
| 15.1 | Agree UK Overseas Territories Coral Reef Initiative Action Plans and implement selected priority actions for Pitcairn and Montserrat. | Green |

Corporate Services

Themes

| |
|---------------------------|
| [B1] Business Development |
| [C1] Communications |
| [F1] Finance |
| [G1] Governance |
| [H1] Human Resources |

Success Measures

| Success Measure number | Success Measure | Year end rating |
|------------------------|--|-----------------|
| B1.1 | Achieve sufficient income to generate a net contribution to overheads of £1,540,000 | Green |
| C1.1 | Complete the population and development of JNCC's website. | Green |
| C1.2 | Leverage the Communications strategy to increase engagement and raise the profile of JNCC with key stakeholders and target organisations. | Amber |
| C1.3 | Develop and implement the internal communications strategy including a revamp of the intranet. | Green |
| F1.1 | Upgrade the Kypera accounting software to the latest version and capitalise on any improvements to reporting that may arise. | Amber |
| F1.2 | Work with Government Finance Shared Services to file HMRC returns digitally. | Green |
| F1.3 | Complete the development of the finance models following audit recommendations. | Green |
| G1.1 | Maintain effective corporate governance arrangements, managing processes for risk management and internal control, ensuring compliance with the corporate governance framework, to achieve a full statement of internal control at the end of each financial year. Develop over the next 12 months an assurance framework to enhance governance processes further. | Green |
| H1.1 | Building on skills audit and people survey, implement strategic workforce planning to introduce a continual process of providing more insight into aligning the skills, knowledge and resource capacity to the changing needs of the organisation. | Amber |
| H1.2 | Produce an impact assessment on the organisation of the planned Peterborough office move in 2021 to mitigate any risks and capitalise on any opportunities of the new ways of working and office facilities. | Green |

JNCC Sustainability Report

As the JNCC Aberdeen Office is situated in a co-shared BREAM building this report solely relates to the JNCC Peterborough Office at present. The Aberdeen Office is a shared space with SEPA and SNH so JNCC are currently unable to provide specific information relating to that office.

JNCC has an established but informal culture of working sustainably. Embedded thinking and behaviours have become the bedrock of our work to achieve full ISO 14001 certification by the end of the 2020-21 financial year. This report details our achievements so far and our plans to implement and embed a more formal environmental management system (EMS).

An internal EMS audit plan is being drafted to cover all aspects of the EMS including legislative updates and compliance. The EMS will be subject to internal audit in its entirety over the course of one year. Audit findings will be used in our process of continual improvement and in developing key performance indicators (KPIs) to measure our performance.

A 'live' environmental dashboard is under development which will present KPIs for scrutiny at any time by JNCC and other interested parties. This information will be available for reporting to the Audit and Risk Assessment Committee (ARAC).

Fuel and Power Usage

Gas and electricity usages and charges are combined. We are challenging our landlord to provide a breakdown of gas and electricity usage to allow equivalent CO₂ emissions to be calculated. For 2019/20 (with one bill outstanding for one floor), fuel and power usages are down 3.9% on the previous year (Fig 1). This is attributed to good embedded behaviours (for example, switching off appliances and lighting when not in use) and follow-up from ad-hoc energy audits.

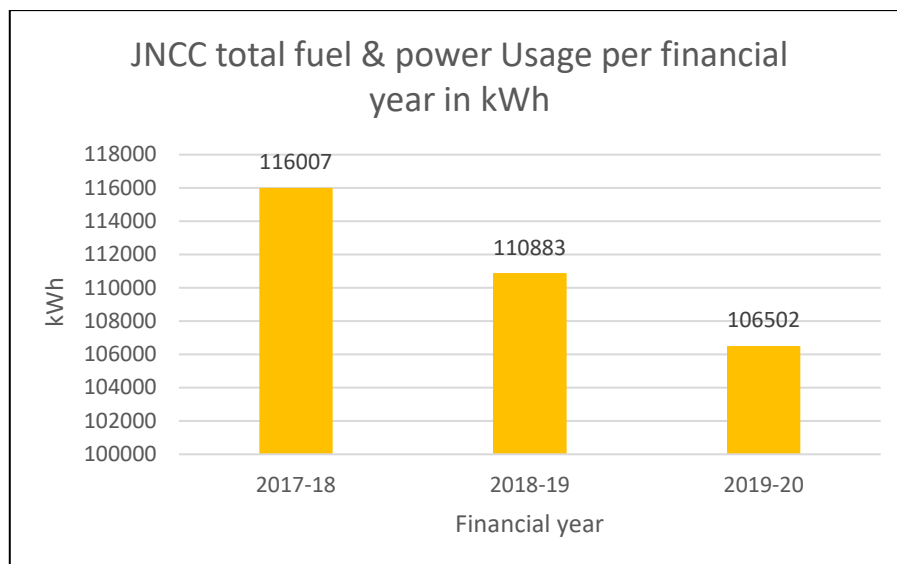


Figure 1. JNCC Peterborough Office total fuel and power usages per Financial Year per kWh (gas & electricity).

Water Usage

Water usages and charges are applied to the whole site, whereas JNCC occupies only half of the building. We are challenging our landlord to provide more detailed water usage figures, but the lack of water metering to each floor may prevent this.

Waste Disposal

JNCC disposes of mixed municipal and mixed recycle waste. Figures are calculated based on bin capacity, number of collections and assumption on historical data (Fig 2). Data from the waste carrier is limited and we will be challenging our contractor ahead of the next reporting round.

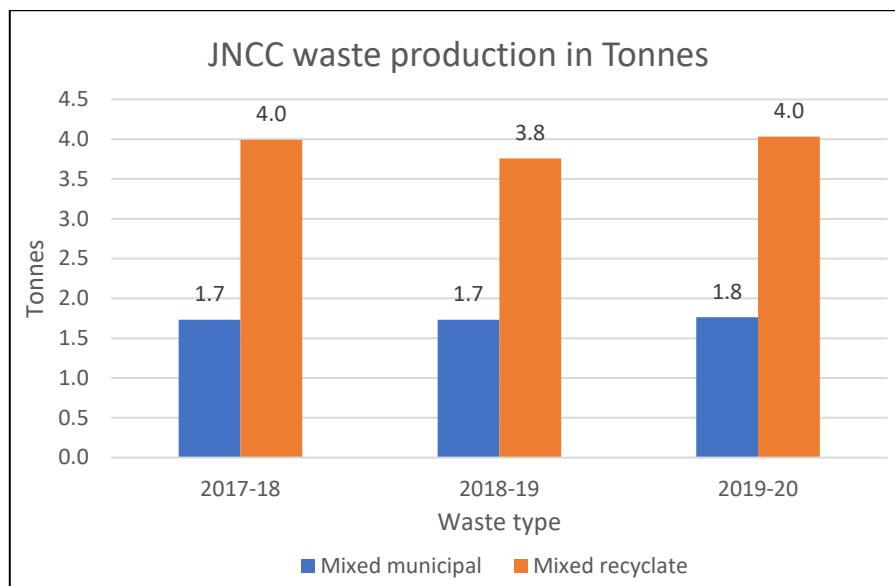


Figure 2. JNCC Peterborough Office waste production in tonnes.

Due to the planned Peterborough Office relocation, additional effort put into disposal of historic / redundant files. This has increased recycle totals for paper, but this has not been historically quantified. We aim to recycle more and send less to landfill each year.

Electronic Waste

JNCC disposes of all electronic equipment in compliance with WEEE Directive requirements. Electronic waste is stored safely until there is enough accumulated to permit economic collection and disposal, therefore, collection is periodic. 600kg of redundant mixed IT, small appliances and redundant data tapes were collected in this financial year (in June 2019), for secure destruction and recycling (Fig 3).

There are separate arrangements for the collection and recycling of printer cartridges and toners and of batteries through approved disposal contractors (Fig 3).

Hazardous Wastes

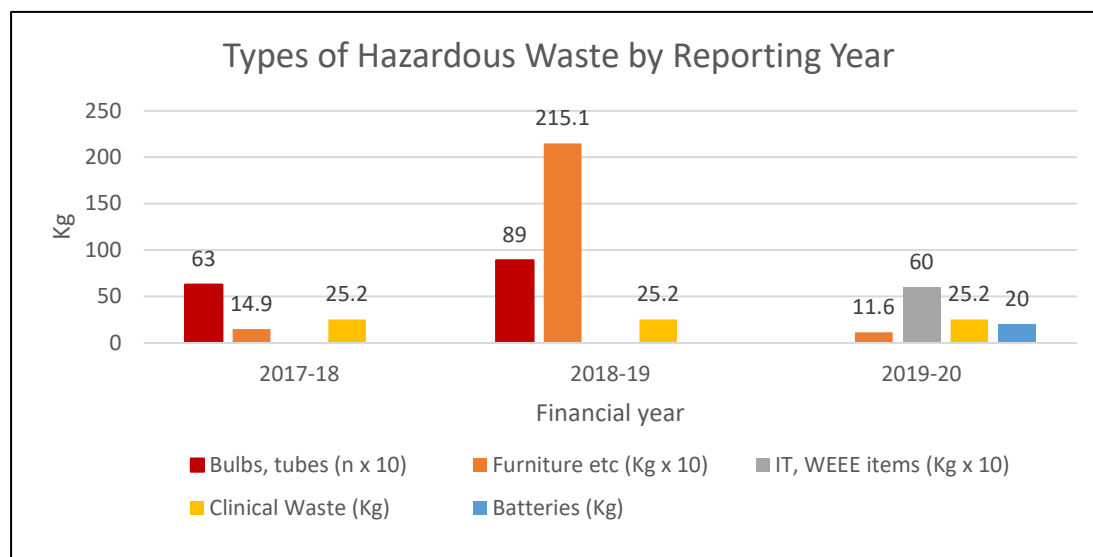


Figure 3. JNCC Peterborough Office hazardous waste disposal figures (kg) per financial year.

Redundant fluorescent tubes and other bulbs are disposed of through the landlord's building service contractor. No collection of this material has been made during this reporting year.

Clinical wastes are collected monthly under a service contract with PHS. A quantity of used batteries from portable devices was collected in October 2019, amounting to 20kg, for recovery and recycling where possible. 116kg of redundant office furniture was collected for re-use/repurposing or recycling during this reporting year.

Variance between years reflects periodic production of some waste types. Some waste types are accumulated, stored safely, until economic collection can be arranged. Some waste contractors will only collect above a certain minimum weight.

Sustainable Procurement

As a public sector body, we adhere to the Public Contracts Regulations. We are continually reviewing our JNCC office supplier-base to examine each supplier's 'Green Credentials'. Where possible, we expect our preferred suppliers to be accredited to ISO 14001 or equivalent and/or have an implemented environmental policy and/or a sustainability policy and/or a social responsibility policy.

Sustainable procurement will be included as one of the KPIs within the EMS, measured as the proportion of suppliers with and without 'Green Credentials'. We will aim for 100% of our suppliers to be 'Green'. At the end of the reporting year, 70% of our suppliers have Green Credentials. This figure is expected to rise as more suppliers are reviewed which will be completed by the end of May 2020.

Sustainable Travel

JNCC's commuting and wider travel policy supports the most sustainable and cost-effective travel option wherever possible. Walking, cycling and the use of public transport are preferred

but where this is not possible, car-sharing is organised by employees where feasible. A 'travel survey' is planned for 2020.

CO₂ production as a result of business air travel was down by 36% compared to reporting year 2018 – 19. CO₂ production as a result of business rail travel was down 41% compared to reporting year 2018 – 19.

The encouragement of working from home and the use of conferencing technology supports JNCC's policy of reducing personal and business travel.

Once a baseline of travel and the refreshed travel survey data is collated, it is hoped a KPI can be established for inclusion in the EMS and be part of the 'Environmental Dashboard'.

Biodiversity Measurements

A key function of the work of JNCC is to improve biodiversity. We are considering how 'biodiversity improvement' could be included as a KPI within our EMS.

Staff Greening Group

A staff Greening Group has led the implementation of some initiatives, such as 'meat free Wednesday' and there are good embedded behaviours around the saving of electricity and in waste segregation.

During 2020/21 the Greening Group will be given a new focus. It is intended that the group will become a key player in generating new 'greening' ideas and in facilitating the awareness, recording and reporting of EMS data.

Directors' Report

For the year ended 31 March 2020

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. 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 the 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 Company Board consists of the Joint Committee members 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)

Peterborough office and registered office

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

Aberdeen office

Joint Nature Conservation Committee
Inverdee House, Baxter Street Aberdeen, AB11 9QA
Tel: +44 (0) 1224 266564
Email: feedback@jncc.gov.uk

Senior staff in JNCC in 2019/20

| | |
|-----------------------------------|--------------------|
| Chief Executive | Mr MJM Yeo |
| Director of Finance and Resources | Mr CM Brooks |
| Chief Scientist | Professor CA Maggs |
| Science Director | Mr PM Rose |

(retired 1 April 2020)

| | |
|---|---|
| Director of Marine Evidence and Advice | Dr JC Goold |
| Science Director | Dr SD Gibson (seconded to Defra from 7 April 2019) |
| Director of Ecosystem Evidence and Advice | Dr S Wilkinson (appointed 29 July 2019) |

Company directors in 2019/20

Professor MCV Austen
Mr CER Banner
Professor IJ Bateman
Rt Hon Lord Blencathra
Dr MB Cantlay
Ms CS Denholm
Professor CA Galbraith
Professor CA Gilligan
Sir DG Henshaw (appointed 2 April 2019)
Dr AH Kirkpatrick
Professor SJ Ormerod
Professor HM Platt (deceased 21 August 2019)
Professor EM Scott
Professor DM Winter
Mr MJM Yeo

Company secretary Mr CM Brooks

Donations

There were no political or charitable donations made in the financial year ending 31 March 2020.

Losses and special payments

JNCC reported one loss of £0.8k (one loss of £0.3k reported in the year to 31 March 2019) and no special payments during the year to 31 March 2020 (none reported in the year 31 March 2019). 22 fruitless payments were recorded in 2019/20 with a total value of £5.5k (11 fruitless payments totalling £4.4k were reported in 2018/19).

Data security

In the year to 31 March 2020 there were no cyber-breaches at JNCC. There were no incidents of fraud but there were two attempted incidents which were intercepted and stopped by internal mechanisms.

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 Covid-19 virus has caused the organisation to re-plan our workplan. To manage the risk the new plans will take into account the following:

- Restrictions on economic and social activity could last for at least six months. The direct and indirect impacts of Covid-19 could last well beyond six months.
- Capacity in JNCC during this period could be significantly diminished as staff were affected by illness, childcare responsibilities and other factors. The position could get worse as the pandemic progresses.
- Government priorities and associated resources could be substantially redirected to address the Covid-19 pandemic

Accepting these risks JNCC continues to deliver its plans with all staff working productively remotely, and our principle funding streams have been confirmed for the coming financial year.

The Annual Report and Accounts were authorised for issue on the date that the Comptroller and Auditor General signed his certificate and audit report.

Results and dividends

The company has no 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 must 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 by request to Mrs Tracey Quince, Monkstone House, City Road, Peterborough, PE1 1JY or tracey.quince@jncc.gov.uk.

Sickness absence

In 2019/20 the average sickness absence per full-time employee was 3.5 days (3.5 days in 2018/19).

Health and safety

JNCC is committed to complying with all legal obligations for health and safety and is proactive in anticipating and assessing problems to remove or reduce any risks to staff. The table below details the number of health and safety incidents recorded at JNCC for the past two years.

Table 1: Recorded health and safety incidents for the past two years

| | 2019/20 | 2018/19 |
|---------------------|---------|---------|
| Minor Accidents | 16 | 3 |
| Near Miss Incidents | 3 | 3 |
| Lost Time | 0 | 0 |

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, JNCC is required to disclose information relating to paid Trade Union activities undertaken by relevant union officials.

Table 2: Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalents (FTEs) |
|--|------------------------------|
| 8.5 | 8.5 |

Table 3: Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 198 |
| 1% - 50% | 3 |
| 51% - 99% | 0 |
| 100% | 0 |

Table 4: Percentage of pay bill spent on facility time

| | |
|---|---------|
| Total cost of facility time | £8.5k |
| Total pay bill | £9.496m |
| Percentage of the total pay bill spent on facility time | 0.09% |

Table 5: Paid trade union activities

| | |
|---|-------|
| Time spent on paid trade union activities as a percentage of total paid facility time | 0.09% |
|---|-------|

Pension liabilities

Full details of pension liabilities and their accounting treatment are given in the accounting policies note on page 68 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, as Principal Accounting Officer.

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 (Auditors' Report) commence on page 52. The audit fee charged in the Profit and Loss Account was £23k (£18k in 2018/19) which is split between £22k for NAO and £1k for FLC for a project funding audit. The auditor received no fees for non-audit services. Internal audit fees for the year were £28k.

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 JNCC's auditor is aware of that information.

Mr MJM Yeo
 Chief Executive
 On behalf of the board of directors
 xxth July 2020

Strategic Report

For the year ended 31 March 2020

The directors present their report and the financial statements for the year ending 31 March 2020. This report should be read in conjunction with the Governance Statement commencing on page 29 and the Directors' report commencing on page 19.

JNCC Support Co

The Joint Nature Conservation Committee (JNCC) is the statutory adviser to the UK Government and devolved administrations on UK and international nature conservation. Our vision is to be a world-leading provider of innovative solutions, placing nature at the heart of sustainable wealth and wellbeing.

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.

JNCC's strategy to 2020 is delivering five high-level outcomes:

- High-quality evidence on biodiversity and ecosystems to inform decisions affecting the environment;
- Beneficial environmental outcomes for the UK through international leadership;
- Cost-effective delivery of devolved environmental priorities through shared solutions and joint working;
- Sustainable economic growth through a healthy environment in the UK's offshore waters;
- Excellent, customer-focused delivery.

A new 5-year strategy for JNCC has been developed during the year and will be implemented from 2020/21.

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 JNCC.

JNCC Support Co is funded primarily by grant in aid, with additional monies received for other work related to non-core activities.

The total budget for JNCC's core activities 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 counterparts. Additionally, the Committee agrees longer term financial plans related to its non-core activity.

Budget

The budget for 2019/20 comprised two parts:

Core activities

Grant in aid for JNCC's core activities is from four sources:

- UK co-ordination work funded through Natural England, Scottish Natural Heritage and Natural Resources Wales (the GB conservation bodies) and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland, for work which applies across the UK including UK marine waters, for example development of common guidelines, standards and tools and UK-level co-ordination;
- Funding provided by Defra for work relating to territories outside Great Britain and Northern Ireland and work in support of, or on behalf of, UK Government in contributing to international, European or regional fora;
- Funding provided by Defra for operational work in offshore waters (beyond 12 nautical miles); 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.

Non-core activities

Non-core activities are funded from a range of sources, including from EU grants and royalties and fees. Financial plans and risks related to such activities are reported on a quarterly basis.

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

Risks

Overall responsibility for risk lies with the Joint Committee. Responsibility for the effective management of risk within JNCC rests with the Executive Leadership Team, with leadership of the risk management process provided by the Chief Executive and Accounting Officer. Effective risk management and governance is critical to the ability of JNCC to achieve its objectives and manage the risks it faces. 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 29 of this report.

Review of business

During the financial year ending 31 March 2020, the company made a significant contribution to nature conservation on both the national and international level through an extensive and varied programme of work.

Twenty-seven of the 36 success measures were fully achieved, and substantial progress was made on nine other success measures. Further details of performance against success measures are given on pages 10 to 14.

For the year-ending 31 March 2020 the company made a surplus on ordinary activities of £449k (surplus on ordinary activities of £198k in 2018/19). The surplus has changed our reserves to £1,129k as at 31 March 2020 (£680k as at 31 March 2019).

JNCC manages both its core and non-core activities closely, evaluating the extent to which value for money has been achieved and costing, where practicable, its activities according to its strategic outcomes.

JNCC plans for activities related to its statutory responsibilities to operate on a break-even basis. Cash-flow forecasting largely mirrors its budgeted funding profile. Non-core activities are planned to generate a nominal surplus, providing opportunities to pump-prime future activity and to enhance JNCC's financial resilience and ability to withstand, to an extent, decreases in grant in aid funding.

Future developments

JNCC's priorities for 2020/21 have been determined in consultation with Defra and the devolved administrations. Work will contribute to four strategic themes:

- Assessing UK status
- Supporting better decisions
- Influencing international action
- Advising on offshore management

In 2020/21, our performance will be measured primarily in terms of delivering outputs of advice, evidence and services, described in terms of success measures set out in JNCC's business plan. Following final consultation with Defra and the devolved administrations, the plan will be submitted to ministers for approval.

The work described in the business plan for 2020/21 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.

Going concern

The balance sheet at 31 March 2020 shows the reserves of the company as £1,129k (£680k in 2018/19). The future financing of JNCC is to be met by grant in aid from Defra and the devolved administrations. Grant in aid for the year ending 31 March 2021, 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. Due to parliamentary control processes, Defra do not have authority to commit to providing grant in aid to JNCC beyond March 2021, however JNCC's funding is guaranteed by legislation. The Natural Environment and Communities Act 2006, schedule 4, paragraph 14.1 states that the funding bodies must provide the joint committee with such financial resources as the appropriate authorities consider are needed for the proper discharge of the functions conferred by Part 2.

Consequently, it is considered appropriate to adopt the going concern basis for the preparation of these financial statements.

The directors are not aware of any significant risks 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 2020 JNCC Support Co employed, on average, 201 full-time equivalent staff, based primarily in offices in Peterborough and Aberdeen. 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. Conditions of employment, policies and procedures are available on the JNCC website, www.jncc.defra.gov.uk. A performance management system was in operation throughout the year ending 31 March 2020.

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 at the year-end was as follows:

Table 6: Breakdown of staff by gender

| Staff by gender | Number of staff | | | Percentage of total | |
|---|-----------------|--------|-------|---------------------|---------|
| | Male | Female | Total | 2019/20 | 2018/19 |
| Directors of the company (Joint Committee members and Chief Executive) | 6 | 3 | 9 | 4 | 6 |
| Executive directors | 4 | 1 | 5 | 2 | 2 |
| Other staff | 64 | 133 | 197 | 94 | 92 |
| Total | 74 | 137 | 211 | 100 | 100 |

Sustainability

Whilst JNCC is exempt from the requirement to provide a Sustainability Report under the government's Greening Government Commitments, a Sustainability Report for 2019/20 has been provided on page 15.

JNCC is committed to continual improvement in environmental performance and sustainable development through:

- Striving to meet, and where appropriate exceed, all relevant UK, European and international environmental legislation, regulatory codes of practice and Government mandates including DEFRA's Sustainable Procurement Policy Statement;
- Minimising waste products from all activities;
- Improving housekeeping and maximising the efficient use of energy and water; and
- Preventing pollution wherever possible.

JNCC will achieve these commitments by:

- Working towards establishing environmental management standard BS EN ISO 14001:2015/ BS EN ISO 14004:2016 on Environmental Management Systems;
- Working with suppliers and contractors to encourage the adoption of environmentally responsible practices in line with HMG Public Procurement and JNCC's Procurement Policy;
- Being fully compliant with relevant environmental and energy legislation, contractual obligations and industry codes of practice;
- Reporting environmental performance to JNCC's Audit and Risk Assurance Committee;
- Presenting quarterly environmental compliance report to the Joint Committee; and;
- Ensuring staff understand the requirements of environmental legislation, guidelines and codes of practice applicable to the organisation

Mr MJM Yeo
Chief Executive
On behalf of the board of directors
xx June 2020

Annual Governance Statement for the Joint Nature Conservation Committee for the year ending 31 March 2020

1. Introduction

This statement sets out how JNCC has managed and controlled its resources during the year. It provides assurance on how JNCC has carried out its corporate governance responsibilities, managed organisational risks and addressed control issues. 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 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 delivering this role, I am supported and challenged by the Joint Committee who provide strategic leadership for JNCC within a framework of prudent and effective controls, which enables risk to be assessed and managed. 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.

The system of internal control has been in place in JNCC for the year ended 31 March 2020, up to the approval of the Annual Report and Accounts and accords with HM Treasury guidance.

2. Governance arrangements

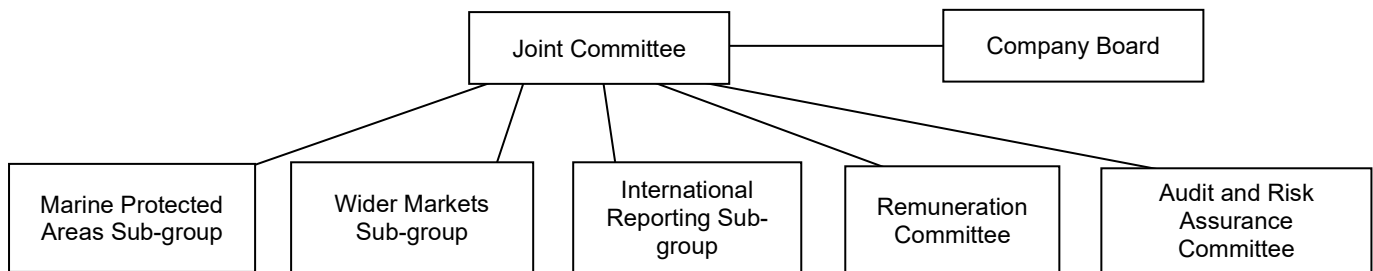
The governance framework

JNCC is an executive Non-Departmental Public Body (NDPB) sponsored jointly by Defra and the devolved administrations. It carries out its UK and international functions with technical expertise, impartiality and transparency, and at arm's length from its sponsors.

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 a Governance Framework document which was approved in 2018. This is available at http://jncc.defra.gov.uk/pdf/JNCC_Framework_Document.pdf.

A diagram of the governance structure is presented below.



JNCC operates to a Corporate Governance Framework that is based on the seven core principles ('the Nolan Principles') of good governance for public services. Through this Framework, JNCC complies with the Principles of Good Governance in Executive NDPBs as they apply to JNCC.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control and this is informed by the work of the internal auditors and the senior managers responsible for the development and maintenance of the internal control framework.

3. Joint Committee and sub-committees

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 is responsible for setting the strategic direction of the organisation, for ensuring that JNCC has appropriate policies and procedures in place to fulfil its statutory and administrative obligations with regard to the use of public funds, and for challenging and supporting organisational performance. It meets four times a year.

The Joint Committee consists of 14 non-executive members and is chaired by Professor Chris Gilligan (see Table 1). The membership of the Committee is defined in Schedule 4 of the Natural Environment and Rural Communities Act 2006. Membership provides an appropriate balance of skills, experience, independence and knowledge to discharge duties effectively. The Joint Committee welcomes a diverse range of members and considers diversity to be a key strength. Differences in ideas, backgrounds, patterns of thinking and approaches to work generate value for the organisation and its stakeholders.

In August 2019, Joint Committee member Professor Howard Platt sadly passed away. At the September meeting of the Joint Committee, members held a minute's silence for Professor Platt and paid tribute to his work in nature conservation which had spanned many years.

Conflicts of interest 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 of interest have been reported.

Attendance at meetings of the Joint Committee, its standing sub-committees and the Company Board during 2019/20 is detailed in Table 1. At the November 2019 meeting, the Joint Committee was not quorate, so decisions were deferred and agreed via intersessional correspondence following the meeting.

Standing agenda items for the Joint Committee include a report from the Chief Executive on topical issues, a report on discussions held at meetings of the inter-agency Chief Scientists

Group, the Committee's forward programme, reports from the Joint Committee's sub-committees, the UK's exit from the EU, and strategic developments.

In 2019/20 key items of business included:

- overseeing delivery of the 2019/20 business plan through the scrutiny of quarterly performance reports, and discussing preparation of a business plan for 2020/21;
- undertaking a quarterly review of significant risks and an annual review of risk management in JNCC, including annual approval of the risk appetite statement;
- strategic approaches to income generation;
- JNCC strategy in relation to climate change; and
- development of a new JNCC terrestrial biodiversity evidence strategy.

The Joint Committee undertakes an assessment of its performance every three years. The most recent assessment was undertaken in January 2019. The results of the assessment indicated that the Committee worked well, with good dynamics and complementary skill sets, and provided appropriate challenge to JNCC's management.

Annually, the Joint Committee agrees a small number of performance objectives that are aligned with selected organisational goals where non-executive members can add significant value. The objectives form the basis of an annual appraisal for independent members of the Joint Committee. In 2019/20, the objectives included actions arising from the Joint Committee's effectiveness review.

The Joint Committee is supported by five sub-committees: Audit and Risk Assurance Committee, Remuneration Committee, Marine Protected Areas Sub-Group, International Reporting Sub-Group and Wider Markets Sub-Group. The Marine Protected Areas, International Reporting and Wider Markets Sub-Groups are all time-limited groups.

A schedule of delegations is in place which is revised and updated as necessary to reflect the responsibilities of the Joint Committee, Company Board and sub-committees and the JNCC Framework Document.

Sub-committees

The **Audit and Risk Assurance Committee** (ARAC) meets four times a year. Its meetings are attended by JNCC's internal audit providers (Government Internal Audit Agency) and the National Audit Office.

ARAC was chaired by Professor Colin Galbraith during 2019/20. ARAC's membership consisted of two Joint Committee members and one independent external member from April to August. From 2 September, a second external member was appointed (Ms Karen Balmer). ARAC monitors JNCC's corporate governance and control systems and advises on internal and external audit matters, risk and governance in JNCC. Key topics during the year included delivery of the annual audit programme, reviewing the financial statements and annual report, seeking assurance on information risks and cyber security, and monitoring the adequacy and efficacy of JNCC's approach to corporate risk management.

ARAC undertakes assessments of its performance annually. The most recent review took place in July 2019. The results of this exercise indicated that ARAC is an effective committee

which provides an appropriate level of challenge and oversight, ensuring that sufficient and relevant assurance was provided to the Joint Committee and to me as Accounting Officer. There were, however, some recommendations to increase effectiveness further, including:

- i. a better relationship and clear communication lines with Defra's ARAC;
- ii. additional critical reviews of the comprehensiveness and reliability of assurances; and
- iii. regular meetings between the ARAC Chair and the Accounting Officer and Director of Finance.

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 Committee met three times in 2019/20: in March, June and September. It is chaired by Professor Chris Gilligan, with two additional members from the Joint Committee.

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, designation and management of the various types of Marine Protected Area (primarily in offshore waters) and the achievement of an ecologically coherent site network in UK waters. The Sub-Group is chaired by Professor Mel Austen. In 2019/20, the Sub-Group met once in February 2020, where the main discussion topic was post-consultation advice on a proposed deep-sea reserve in Scotland. During the year, the Sub-Group noted the designation by Defra of an additional tranche of 41 Marine Conservation Zones which substantially completed the network of Marine Protected Areas in English waters. The designation was the culmination of ten years' work. The Sub-Group also considered work undertaken by the Defra group on highly protected marine areas.

The **Wider Markets Sub-Group** was established in October 2018 to provide direction for JNCC's income generation activities. The Sub-Group is chaired by Mr Charles Banner and has three additional members from the Joint Committee. It held three meetings in 2019/20. Key business included reviewing the wider markets principles produced in 2018, discussing a strategic approach to income generation, and agreeing the future role and strategy of the Sub-Group.

The **International Reporting Sub-Group** was established in April 2019 to advise on how the Joint Committee can optimise its role in international reporting, fulfilling the requirements of the UK Government and strengthening the communication of key messages. The Sub-Group is chaired by Professor Steve Ormerod and has two additional members from the Joint Committee. It held three meetings in 2019/20, discussing the Joint Committee's role in international reporting and providing strategic insight on issues such as the post-2020 global biodiversity targets.

4. Company Board

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 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.

Table 1 Attendance at meetings in 2019/20

| Member | Joint Committee | | JNCC Support Co. Board | | ARAC | | Remuneration Committee | |
|---|-----------------|----------|------------------------|----------|----------|----------|------------------------|----------|
| | Meetings | Attended | Meetings | Attended | Meetings | Attended | Meetings | Attended |
| Professor Melanie Austen | 4 | 4 | 1 | 1 | N/A | | N/A | |
| Mr Charles Banner | 4 | 4 | 1 | 1 | 4 | 4 | N/A | |
| Professor Ian Bateman | 4 | 4 | 1 | 1 | N/A | | N/A | |
| Lord Blencathra | 4 | 3 | 1 | 0 | N/A | | N/A | |
| Dr Mike Cantlay | 4 | 0 | 1 | 0 | N/A | | N/A | |
| Ms Cath Denholm | 4 | 3 | 1 | 0 | 4 | 3 | N/A | |
| Professor Colin Galbraith | 4 | 4 | 1 | 1 | 4 | 4 | 3 | 3 |
| Professor Chris Gilligan | 4 | 3 | 1 | 1 | 4 | 3 | 3 | 3 |
| Sir David Henshaw ¹ | 4 | 0 | 1 | 0 | N/A | | N/A | |
| Dr Hilary Kirkpatrick | 4 | 4 | 1 | 1 | N/A | | 3 | 3 |
| Professor Steve Ormerod | 4 | 3 | 1 | 1 | N/A | | N/A | |
| Professor Howard Platt (passed away 21 August 2019) ² | 1 | 1 | 0 | 0 | N/A | | N/A | |
| Professor Marian Scott | 4 | 4 | 1 | 1 | N/A | | N/A | |
| Professor Michael Winter | 4 | 3 | 1 | 1 | N/A | | N/A | |
| Mr Nigel Reader | N/A | | N/A | | 4 | 4 | N/A | |
| Ms Karen Balmer | N/A | | N/A | | 3 | 3 | N/A | |
| Marcus Yeo | N/A | | 1 | 1 | N/A | | N/A | |

5. Executive governance

Executive Leadership Team

The Executive Leadership Team (ELT) is a corporate decision-making group, chaired by me as Chief Executive. It decides issues pertaining to the management of JNCC, in relation to the authority delegated by the Company Board and supports me in my role as Accounting Officer.

During 2019/20, membership of ELT consisted of:

- Mr Marcus Yeo, Chief Executive (Chair of ELT),
- Professor Christine Maggs, Chief Scientist
- Mr Chris Brooks, Director of Finance and Resources
- Mr Paul Rose, Science Director
- Dr John Goold, Science Director
- Dr Steve Wilkinson, Science Director (from July 2019)

During 2019/20, ELT:

¹ From 2 April 2019.

² From 1 April to 21 August 2019.

- held formal business meetings every four weeks to oversee corporate performance, agree policies and approaches, and undertake forward planning. Attendance at meetings was excellent;
- held occasional workshops to discuss issues of strategic importance;
- held weekly meetings to allow members to keep abreast of 'live' issues and make timely decisions when required.

ELT is supported by a Science Management Board (established in April 2018) and a Resource and Planning Board (established in April 2019). A comprehensive schedule of delegations is in place. An annual review of the terms of reference of both Boards is undertaken by the Executive Leadership Team, led by the Chief Executive.

Science Management Board

The Science Management Board was established in April 2018 to oversee JNCC's scientific and technical work. This Board has specific responsibilities to support the Chief Scientist and Directors in ensuring coherent delivery of scientific and technical components of JNCC's strategy and business plan. The Board meets monthly.

Membership includes:

- Chief Scientist (Chair)
- Science Directors
- Science Team Leaders
- Head of Business Development
- Finance, HR and Communications representatives

Resource and Planning Board

The Resource and Planning Board was established in April 2019 to optimise the efficient delivery of JNCC's work by enabling resources to be allocated flexibly to meet changing demands. The Board meets monthly.

Membership includes:

- Director of Finance and Resources (Chair)
- Science Directors
- Science Team Leaders
- Head of Business Development
- Finance, HR and Digital & Data representatives

6. Financial management and control

JNCC's system of internal financial control is based on a framework of administration procedures including the segregation of duties, and a system of delegation and accountability. Financial management is supported through monthly management accounts and quarterly financial reporting to the Executive Leadership Team and Joint Committee. Financial information is made available monthly to all budget holders so that they can monitor performance against budget closely through the year.

7. Internal control framework

The internal audit function is independent of management and is overseen by the Audit and Risk Assurance Committee (ARAC). It provides assurance that financial and operational risks are being managed appropriately and the internal control framework is operating effectively. In 2019/20, internal audit of JNCC and JNCC Support Co was carried out by the Government Internal Audit Agency (GIAA).

The Head of Internal Audit role was undertaken by a staff member of the GIAA. During the year, ARAC received regular reports from internal audit 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 JNCC's risk registers and through discussion with directors, senior managers and members of ARAC.

The Internal Audit Strategy and Plan are approved by ARAC and the auditors provide ARAC with regular updates on progress against the annual operational plan. Any changes to the internal plan require authorisation by ARAC and ELT.

Head of Internal Audit's annual opinion

For 2019/20, the annual opinion of the Head of Internal Audit was to give a moderate assurance rating over the framework of governance, risk management and control. The opinion is based on the following information:

- ❖ outcomes of the engagements on the 2019/20 internal audit plan;
- ❖ cumulative knowledge gained from attendance at ARAC meetings, access to risk registers, and discussions with management; and
- ❖ information from the National Audit Office.

All internal audit work is completed in accordance with Public Sector Internal Audit Standards.

External audit of JNCC

The external audit of the financial statements is undertaken by the National Audit Office (NAO). The audit is planned to respond to the risks of material misstatement to transactions and balances and irregular transactions. In 2019/20 NAO found no issues of irregularity or impropriety during their audit.

ARAC assurance statement

ARAC has operated to a high standard during the year and has received appropriate, regular and timely information about the production of JNCC's Annual Report and Accounts and about JNCC's internal control environment. ARAC assists the Accounting Officer and Joint Committee to formulate their assurance needs and consider how well assurance received meets these needs by gauging the extent to which assurance on the management of risk is comprehensive and reliable.

Assurance draws attention to the aspects of risk management, governance and control that are functioning effectively and, just as importantly, the aspects which need to be given attention to improve them. Assurance cannot be absolute, so ARAC needs to know that the organisation is making effective use of the finite assurance mechanisms at its disposal, targeting these at areas of greatest risk.

The establishment of JNCC's internal control and risk management systems is based on the identification of the numerous external and internal risk factors that could influence the operational and financial objectives of the organisation and contains a system of monitoring, reporting and operational reviews. All material risk management activities have been discussed with ARAC and subsequently reported to the Joint Committee through quarterly performance reports and an annual discussion paper on risk assessment and management.

Financial management in JNCC has continued to be applied with rigour, and reliance can be placed on the accuracy of the financial reports which have been routinely presented to the Joint Committee, as well as on the financial statements and disclosures presented in JNCC's Annual Report and Accounts.

Cyber incidents pose an increasing threat to management of JNCC's information, with hacking, ransomware, cyber fraud and potential accidental information losses. An additional complexity arises when JNCC needs to share data. JNCC and its partners need to have mutual trust in each other's ability to keep data secure and take assurance from each other's risk management and information assurance arrangements for this to happen successfully. Cyber security is an area of management activity that ARAC scrutinises regularly.

In the latter part of the year, Covid-19 represented a significant challenge to the organisation. ARAC monitored closely, the necessary change in working practices and the transition of staff to working from home. Policies, guidance and working practices were effectively revised to support the new situation. Re-planning work in line with government priorities, budget changes and other constraints is underway. Evaluating risks at each stage of the transition is vital and will continue as the organisation moves, in due course, to post Covid-19 working arrangements.

8. Risk management

Overall responsibility for risk lies with the Joint Committee. Responsibility for the effective management of risk within JNCC rests with ELT, 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 objectives and manage the risks it faces.

The risk management system is based on a hierarchical structure, with risk escalation processes in place up to corporate levels. This structure allows and promotes the escalation of risks that cannot be controlled at lower levels or which may have an impact on teams or the organisation as a whole. JNCC's risk management process comprises:

- a high-level corporate risk register, which includes the principal long-term risks affecting JNCC;
- an annual significant risk register capturing a small number of significant risks which are 'live' and require active management during the year;
- a comprehensive risk appetite statement;
- quarterly reporting on significant risks to ELT, the Joint Committee and the Audit and Risk Assurance Committee; and
- risk drill downs undertaken by non-executives to evidence and challenge the mitigation measures in place and propose additional action where required.

In addition to quarterly risk reporting on significant risks, regular consideration and reporting of new or fast-evolving risks is undertaken by ELT and ARAC. A review of the corporate risk register is undertaken annually by ELT and the Joint Committee.

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.

JNCC's significant risks in 2019/20 can be found in Table 2.

Risk appetite

In 2019/20, the risk appetite statement was reviewed by ARAC and the Joint Committee. JNCC focuses its efforts on addressing the significant risks affecting its ability to achieve the success measures set out in the business plan and to meet longer-term strategic goals but accepts that exposure to some risk is necessary to enable the effective delivery of objectives and in the pursuit of new opportunities and additional funding sources. Defining JNCC's risk appetite means defining as an organisation the amount and type of risk that it is prepared to seek, accept, tolerate or be exposed to in the pursuit of its long-term objectives.

Being clear at all levels of the organisation about the amount of risk JNCC is willing to take ensures that performance and delivery are maximised, and opportunities are seized whilst ensuring the stability of the organisation. In the main, JNCC has adopted an informed and prudent appetite for taking significant risks. The need to assure the quality of scientific evidence is vital and it is important to have a strong reputation and good working relationships with a range of stakeholders and partners. Acceptance of greater risk is necessary to foster innovation and generate income and represents a balance between the potential benefits of innovation and the risks that change inevitably brings.

Management of fraud risk

JNCC has zero tolerance towards fraud, bribery and corruption, and all staff are required to undertake mandatory 'Responsible for Information' training which includes content relating to fraud, bribery and corruption.

JNCC continued to contribute to Government counter-fraud initiatives and activities through collaboration with the Defra Fraud and Error Board where best practice is shared between Defra and its arm's-length bodies. In 2019/20, JNCC completed a Government Functional Standard (GovS 013) counter-fraud annual assurance checklist. This Cabinet Office requirement has supported JNCC in enhancing its fraud response and assessing compliance and training needs against the functional standard.

Regular training and internal communications with staff continue to provide an effective way of maintaining awareness of obligations and reporting arrangements for dealing with potential fraud, bribery, information security and whistleblowing matters.

Table 2 Significant risks faced by JNCC in 2019/20

| Risk | Management Action |
|--|--|
| Insufficient core funding to maintain a robust evidence base and deliver high-quality advice to governments | <ul style="list-style-type: none"> • Undertake discussion with Defra and devolved administrations to agree an adequately resourced annual business plan that meets governments' priorities • See also risk relating to income diversification |
| Post-Brexit changes in UK Government and/or devolved administrations have an adverse impact on JNCC's ability to discharge its functions | <ul style="list-style-type: none"> • Undertake dialogue with governments to understand their priorities and how JNCC can contribute • Increase co-location of JNCC staff in the offices of country nature conservation bodies and governments |
| Reputational damage from failing to deliver work which is of appropriate quality and/or to agreed timescales | <ul style="list-style-type: none"> • Implement revised quality assurance processes • Implement robust project planning, management and reporting • Provide Continuing Professional Development for staff to ensure they have appropriate skills |
| Failure to increase and diversify income, leading to reduced capability | <ul style="list-style-type: none"> • Adopt a strategic approach to identifying business development priorities • Implement a focused action plan and regularly review the income pipeline • Establish a new website that serves as a 'shop window' for JNCC • Strengthen partnerships with key organisations |
| High levels of staff turnover reduce JNCC's ability to deliver work programmes | <ul style="list-style-type: none"> • Maximise the use of flexibilities within government pay controls • Improve non-pay benefits and promote to staff • Identify and implement actions to reduce internal staff churn |
| Failure to change the organisation to deliver the strategy and meet changing customer requirements | <ul style="list-style-type: none"> • Implement a prioritised change plan • Communicate benefits of planned changes to staff |
| JNCC falls victim to criminal cyberthreats such as hacking, malware, pharming, phishing, ransomware, and distributed denial of service which limit the ability of the organisation to fulfil its obligations | <ul style="list-style-type: none"> • Employ a multi-layer security system internally on the boundary of the network and externally through cloud-based service to neutralise threats and reduce the risk to the end user • Educate staff on cyber security threats and how to mitigate potential breaches |

Covid-19 response

In response to the coronavirus (Covid-19) pandemic the Government introduced progressively restrictive social distancing measures during March 2020. On 24 March, JNCC offices in Peterborough and Aberdeen were closed and all staff moved to working from home. JNCC invoked its business continuity plan and began developing a response to the pandemic which comprised of three phases. In defining the three phases JNCC made the following assumptions:

- ❖ Restrictions on economic and social activity would last for at least six months. The direct and indirect impacts of Covid-19 would last well beyond six months.
- ❖ Capacity in JNCC during this period would be significantly diminished as staff were affected by illness, childcare responsibilities and other factors. The position could get worse as the pandemic progresses.
- ❖ Government priorities and associated resources would be substantially redirected to address the Covid-19 pandemic.

| Phase | Duration | Main features |
|---------|------------------------|--|
| Phase 1 | Up to 2 weeks | <ul style="list-style-type: none"> • Close offices and transition staff to home working • Revise policies, guidance and working practices to support new situation • Initial assessment of risks |
| Phase 2 | 2 weeks to 6+ months | <ul style="list-style-type: none"> • Re-plan work in line with government priorities, budget changes and other constraints • Implement revised work programme and keep under review as circumstances change • Engage with stakeholders • Keep risks under review as circumstances change |
| Phase 3 | From 6+ months onwards | <ul style="list-style-type: none"> • Transition to post-Covid-19 working arrangements • Support government in implementing recovery measures • Evaluate risks at each stage of the transition |

A team was established to oversee JNCC's response, chaired by the Chief Executive. The team initially met daily, which was gradually reduced to weekly. The Executive Leadership Team (ELT) provided overall direction.

All staff were able to work from home to a reasonable extent, but capacity across the organisation was significantly reduced by illness, childcare responsibilities and other factors. IT support for home working worked extremely well and JNCC made a step change in the use of tools to support communication and collaborative working.

At all levels of the organisation regular contact with governments, country nature conservation bodies and other key stakeholders was maintained. Senior managers had constructive discussions with the internal auditors, benefiting from their perspectives on risks relating to Covid-19.

Re-planning of JNCC's work programme for 2020/21 is underway, taking into account the disruption caused by Covid-19.

9. Assurance reporting

In 2019/20, JNCC introduced quarterly assurance reporting to gather information to build an assurance map of the organisation. Quarterly reporting assists in identifying gaps in assurance and strengthens accountability and ownership of control and risk issues within JNCC teams. Returns from teams are collated and an average organisational rating is calculated for each of 14 assurance areas. Action plans are devised to address any weaknesses with the Governance Manager offering support where required. Outputs from

reporting are shared with team leaders, ARAC and the Joint Committee. JNCC executive directors use outputs to provide evidence to support their annual Director Assurance Statements.

10. JNCC strategy and values

JNCC's strategy for 2017-20 sets out the direction of the organisation and contains five high-level strategic outcomes:

1. High-quality evidence on biodiversity and ecosystems to inform decisions affecting the environment.
2. Beneficial environmental outcomes for the UK through international leadership.
3. Cost-effective delivery of devolved environmental priorities through shared solutions and joint working.
4. Sustainable economic growth through a healthy environment in the UK's offshore marine waters.
5. Excellent, customer-focused delivery.

During 2019/20 JNCC developed a new five-year strategy that will be implemented from April 2020.

Alongside the strategy, JNCC has a set of values that help to shape the culture of the organisation. Communicating and living these values provides standards to guide actions, judgements and attitudes. JNCC's values are:

- **Be agile and embrace change** – We operate in a rapidly changing world and are quick to adapt skills to meet new situations.
- **Meet challenges creatively** – We apply our expertise to continuously improve and innovate what, and how, we deliver.
- **Communicate openly** – We maximise benefits from our expertise and develop and work to common goals because we share information, ideas and concerns.
- **Grow our expertise** – We are good at what we do because we invest in continuously developing and updating our skills and knowledge.
- **Deliver quality** - We create and provide excellent products and services – fit for purpose and right the first time.
- **Work collaboratively** – We maximise impact through teamwork across the organisation and with our partners.
- **Be accountable for our actions and decisions** – We create trust by meeting our commitments, being transparent and acting with integrity.
- **Be respectful** – We enjoy good relationships and high levels of engagement because we are respectful.

The values form part of JNCC staff performance appraisals and are communicated to JNCC partners and contractors.

11. Income diversification

Increasing and diversifying income helps us to invest in our people and systems, ensuring resilience for the future by maintaining a critical mass of expertise and delivering better value for money for government. In 2019/20, we continued to diversify our income and optimise the

use of JNCC's evidence and expertise, providing services to, and partnering with, organisations in both the private and public sectors in the UK and overseas.

In 2019/20, JNCC agreed a more strategic approach to income generation. The approach includes three elements:

- ◆ establishing Strategic Income Groups to build a picture of potential opportunities;
- ◆ assessing capacity and capability to pursue opportunities; and
- ◆ monitoring activities and outcomes to evaluate the success of the efforts expended.

In 2020/21, JNCC will continue to pursue suitable opportunities to diversify income to increase the organisation's long-term resilience, where this is consistent with HM Treasury's *Managing Public Money* and does not impact on the organisation's core purpose and delivery for Government customers.

12. Information management and cyber security

JNCC is an information-rich organisation. This information needs to be managed appropriately. JNCC maintains an information management policy which details processes and procedures to be used by staff when handling both scientific data and personal information. All JNCC staff undergo annual information management training in line with standard Civil Service policy and in 2019/20 staff were required to undertake social engineering training. Through the processes of financial management and control the Audit and Risk Assurance Committee considers the information used by the Joint Committee to be of good quality.

Data protection assurance for the Data Protection Act 2018 moved into the business as usual phase in 2019/20. The shifting nature of threats to IT is challenging, particularly to a small organisation like JNCC. EU exit provided additional challenges due to JNCC's increased profile and role in international agreements and conferences, increasing the overall risk profile in relation to state-level actors. To address cloud-based data hosting concerns associated with EU exit, some data are scheduled to be moved from EU data centres to the UK.

IT policy continues to evolve to meet new threats in a fast-evolving and changing environment. Security is a journey, not a destination. In 2019/20, JNCC held data that is classified (under the standard classification system) as:

- OFFICIAL
- OFFICIAL – SENSITIVE

JNCC does not hold any data of higher standard classification. All previous systems requiring special handling have been discontinued.

As a UK body, JNCC is uniquely placed to benefit from regular contact with a wide range of bodies, including UK Government departments, the devolved administrations and the country nature conservation bodies. Technical collaboration around remote working, incident remediation and cloud computing have enabled all parties to reduce costs, plan work, and learn from experiences.

13. Performance management

JNCC maintains a comprehensive performance management system. We use a dashboard style quarterly reporting format to provide information in a concise and accessible form, enabling executives and non-executives to quickly pick out important information.

Corporate success measures are set annually through JNCC's business planning process and are endorsed by the Joint Committee and the UK and devolved governments. The success measures are used to assess performance in-year. During the year, ELT and the Joint Committee undertake quarterly reviews of JNCC's performance against its success measures and its financial position. JNCC submits quarterly performance reports to its government sponsors.

JNCC performed well in 2019/20. Out of a total of 36 success measures, 27 were fully achieved and 9 were partially achieved.

The JNCC Chair and the Chief Executive usually have a performance review every six months with the Defra minister responsible for JNCC. In 2019/20 one performance review meeting was held with a senior Defra official.

14. Compliance with the NDPB Corporate Governance Code

In 2019/20 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 evaluates its 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 a comprehensive 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.

15. Evidence quality

JNCC has robust evidence quality assurance processes in place to maintain its reputation for scientific excellence. 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. JNCC's policy is compliant with *The Government Chief Scientific Adviser's Guidelines on the Use of Scientific and Engineering Advice in Policy Making* (2010).

In 2019/20, a series of in-house audits was conducted on projects subject to the evidence quality assurance process. These audits assessed whether processes had been followed and relevant documentation produced. Recommendations were raised to address any perceived weaknesses and ensure consistency across projects. Best practice was shared with JNCC project managers.

JNCC does not own any business-critical models.

16. Ministerial directions

In 2019/20 JNCC received no ministerial directions.

17. Whistleblowing

JNCC has a Public Interest Disclosure Policy (Whistleblower's 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'. Compliance with the policy is monitored and reported to the Audit and Risk Assurance Committee each quarter. In 2019/20, there were no instances of whistleblowing reported.

18. Plans and challenges for future years

During 2020/21, we anticipate delivering an ambitious and diverse programme of work in support of Defra and devolved administrations. A new strategy has been developed which will set direction for JNCC over the next five years.

The key risks facing JNCC in 2020/21 are considered to be:

- JNCC's ability to undertake its core functions is compromised because governments in the UK adopt divergent priorities, approaches and structures
- Insufficient core funding to maintain a robust evidence base and deliver high-quality advice to governments
- Failure to increase and diversify income, leading to reduced capability
- Internal processes and structures hinder implementation of JNCC's strategy
- Dissatisfaction with pay and reward leads to low staff morale and increased turnover
- Failure to take advantage of opportunities for international action on biodiversity and climate change.
- The Covid-19 pandemic adversely affects JNCC's ability to deliver its priorities.

The extent to which these risks are successfully managed will be kept under review during 2020/21 by the Joint Committee, ARAC and ELT. A programme of risk drill-downs undertaken by non-executive members of the Joint Committee and ARAC is in place to challenge the effectiveness of mitigating actions and propose additional action where appropriate.

19. Conclusion

During 2019/20, JNCC's governance arrangements were robust and well managed. The governance arrangements set out in this statement enabled JNCC to fulfil its role as a scientific authority on UK and international nature conservation and to deliver a wide-ranging programme of work on behalf of government and other stakeholders. The governance arrangements continue to support JNCC's aims as evidenced through high levels of customer satisfaction, world class scientific capability, sustainable finances and highly engaged staff. In forming my opinion of the governance arrangements, I have taken into account the various sources of assurance available to me, which include the Head of Internal Audit's opinion and the ARAC assurance statement.

In 2020/21, JNCC will continue to face a number of significant risks especially in relation to the complex and uncertain environment in which it operates. These risks are detailed in section 18 of this Governance Statement.

Mr M J M Yeo
Chief Executive
11 June 2020

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 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;
- 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

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the directors and other staff covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. 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.

Table 9: Independent Committee member appointment periods

| Independent Committee Member | Term (Years) | Commencement Date |
|--|--------------|-------------------|
| Professor CA Gilligan (reappointed) ¹ | 3.5 | 1 June 2017 |
| Professor CA Galbraith (reappointed) | 4 | 1 November 2017 |
| Professor IJ Bateman (reappointed) | 4 | 1 November 2017 |
| Professor MCV Austen | 3 | 15 December 2017 |
| Mr CER Banner | 3 | 15 December 2017 |
| Professor EM Scott | 3 | 15 December 2017 |

1. Professor CA Gilligan's appointment was extended on the 20th May 2020 until 4th December 2020

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 nature 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 2019/20 relate to performance in 2018/19.

Single total figure of remuneration (subject to audit)

Table 10: Committee member remuneration

| Committee members | Period of appointment | Days service 2019/20 | Salary (£000) | |
|----------------------------|--------------------------|----------------------|---------------|---------|
| | | | 2019/20 | 2018/19 |
| Prof CA Gilligan (Chair) * | 01.06.2014 to 04.12.2020 | 104 | 40-45 | 40-45 |
| Independent members | | | | |
| Prof CA Galbraith ** | 19.11.2014 to 31.10.2021 | 42 | 10-15 | 10-15 |
| Prof IJ Bateman ** | 19.11.2014 to 31.10.2021 | 30 | 5-10 | 5-10 |
| Prof MCV Austen | 15.12.2017 to 14.12.2020 | 30 | 5-10 | 5-10 |
| Mr CER Banner | 15.12.2017 to 14.12.2020 | 30 | 5-10 | 5-10 |
| Prof EM Scott | 15.12.2017 to 14.12.2020 | 30 | 5-10 | 5-10 |
| Mr NF Reader *** | 01.09.2016 to 31.08.2023 | 6 | 0-5 | 0-5 |
| Ms K Balmer *** | 02.09.19 to 01.09.2021 | 4.5 | 0-5 | 0 |

No Committee members received bonus payments or pension benefits in either 2018/19 or 2019/20.

* Prof CA Gilligan has had the term of his contract extended from 1 June 2020 to 4 December 2020.

** Prof CA Galbraith and Prof IJ Bateman have had the terms of their contracts extended from 1 November 2017.

*** Mr NF Reader and Ms K Balmer are not members of the Joint Committee but have been added to the disclosure because they were remunerated for their work for the Audit and Risk Assurance Committee. The term of Mr Reader's contract has been extended to 31 August 2023.

Table 11: Non-exec expenses

| | Prof CA Gilligan | Prof CA Galbraith | Mr CER Banner | Prof IJ Bateman | Prof MCV Austen | Prof EM Scott | Mr NF Reader | Ms K Balmer |
|-------|------------------|-------------------|---------------|-----------------|-----------------|---------------|--------------|-------------|
| Qtr 1 | 761 | 609 | 431 | 420 | 811 | 197 | 0 | 0 |
| Qtr 2 | 670 | 315 | 278 | 538 | 628 | 128 | 536 | 433 |
| Qtr 3 | 77 | 408 | 171 | 273 | 394 | 168 | 237 | 0 |
| Qtr 4 | 0 | 617 | 0 | 0 | 253 | 0 | 145 | 202 |
| Total | 1,508 | 1,949 | 880 | 1,231 | 2,086 | 493 | 918 | 635 |

Table 12: Senior staff remuneration

| Senior staff | Salary (£,000) | | Bonus payments (£,000) | | Pension benefits (£,000) ¹ | | Total (£,000) | |
|------------------------------|----------------|---------|------------------------|---------|---------------------------------------|---------|---------------|---------|
| | 2019/20 | 2018/19 | 2019/20 | 2018/19 | 2019/20 | 2018/19 | 2019/20 | 2018/19 |
| Mr MJM Yeo (Chief Executive) | 90-95 | 90-95 | 5 - 10 | 5-10 | 42 | 40 | 140-145 | 135-140 |
| Executive directors | | | | | | | | |
| Dr JC Goold | 55-60 | 55-60 | 0 - 5 | 0 - 5 | 23 | 22 | 80-85 | 75 - 80 |
| Professor C Maggs | 70-75 | 75-80 | 0 | 0 | 28 | 29 | 100-105 | 100-105 |
| Dr SB Wilkinson ³ | 35-40 | 0 | 0 - 5 | 0 | -10 | 0 | 25-30 | 0 |
| Mr PM Rose ⁴ | 35-40 | 55-60 | 0 - 5 | 0 - 5 | 2 | 8 | 40-45 | 65-70 |
| Dr SD Gibson ² | 0-5 | 55-60 | 0 | 0 - 5 | 61 | 21 | 60-65 | 75-80 |
| Mr CM Brooks | 70-75 | 55-60 | 0 | 0 | 28 | 23 | 100-105 | 80-85 |

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 increase excludes increase due to inflation or any increase or decreases due to a transfer of pension rights.

² Following a restructure at senior management level, the Executive Director post occupied by Dr SD Gibson ceased to exist. At this point on 8 April 2019 Dr Gibson commenced a full time secondment with Defra. His salary expressed as a full year equivalent falls into the band £60,000-£65,000. His salary expressed as a full year equivalent falls into the band £60,000-£65,000

³ Dr S Wilkinson was appointed as an executive director on 29 July 2019. His salary expressed as a full year equivalent falls in the band £50,000-£55,000

⁴ Mr PM Rose reduced his FTE from 1.0 to 0.6 on 14 May 2019 and resigned as an executive director on 31 March 2020. His salary expressed as a full time equivalent falls into the band £55,000-£60,000

⁵ Mr CM Brooks was appointed as an executive director on 4 June 2018. His salary for 2018 expressed as a full time equivalent falls into the band £70,000-£75,000

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 in the financial year 2019/20 was £100-105k (£90-£95k in 2018/19). This was 2.97 times the median remuneration of the workforce (2.76 times in 2018/19), which was £33.7k (£33.1k in 2018/19).

No employees received remuneration in excess of the highest paid director in either 2019/20 or 2018/19.

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)

Table 13: Pension Benefits

| Senior staff: | Total accrued pension at pension age at 31/03/20 and related lump sum £ 000s | Real increase in pension and related lump sum at pension age £ 000s | CETV at 31/03/20 £ 000s | CETV at 31/03/19 £ 000s | Real increase in CETV £ 000s |
|---|---|--|----------------------------|----------------------------|---------------------------------|
| Mr MJM Yeo (Chief Executive) ¹ | 45-50 | 0 - 2.5 | 870 | 803 | 27 |
| Dr JC Goold ¹ | 15-20 | 0 - 2.5 | 218 | 192 | 13 |
| Professor C Maggs ¹ | 0 - 5 | 0 - 2.5 | 80 | 49 | 23 |
| Dr SB Wilkinson ² | 15-20 plus lump sum of 35-40 | 0 plus lump sum of 0 | 301 | 300 | -13 |
| Mr PM Rose | 15 – 20 plus lump sum of 55 - 60 | 0 - 2.5 plus lump sum of 0 - 2.5 | 467 | 444 | 2 |
| Dr SD Gibson | 20 – 25 plus lump sum of 50-55 | 2.5 - 5 plus lump sum of 2.5-5 | 467 | 398 | 48 |
| Mr CM Brooks | 0 - 5 | 0 - 2.5 | 41 | 18 | 17 |

¹ Mr MJM Yeo, Professor C Maggs, Mr CM Brooks and Mr JC Goold are members of pension schemes that do not include a lump sum payment.

² Dr SB Wilkinson has now transitioned into a pension scheme that does 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: three 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 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **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 2.3%. 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 8% and 14.75% (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 0.5% of pensionable salary 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.

Mr MJM Yeo
Chief Executive
XXth June 2020

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.

For the purposes of these accounts it should be noted that in referring to the directors, this includes the Chief Executive who also holds the position of Accounting Officer.

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 Accounting Officer confirms that the annual report as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Certificate and Report of the Comptroller and Auditor General to the Members of the JNCC Support Co

Opinion on financial statements

I certify that I have audited the financial statements of the JNCC Support Co for the year ended 31 March 2020 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, including the significant accounting policies. The financial statements have been prepared under the accounting policies set out therein. 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.

In my opinion:

- the financial statements give a true and fair view of the state of JNCC Support Co company's affairs as at 31 March 2020 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)]; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the JNCC Support Co in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the JNCC Support Co's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- JNCC Support Co have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about JNCC Support Co' ability to continue to adopt the going concern basis.

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the JNCC Support Co's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the JNCC Support Co's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the JNCC Support Co's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the JNCC Support Co's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the JNCC Support Co to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Remuneration Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual;
- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic and Directors' 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 by the JNCC Support Co or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts 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.

Gareth Davies
Comptroller and Auditor General

Date XX June 2020

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

Profit and Loss Account
For the year ended 31 March 2020

| | Note | 2019/20 | 2018/19 |
|---|-------------|-----------------|-----------------|
| | | £ 000s | £ 000s |
| Turnover | 2 | 14,123 | 13,422 |
| Cost of activities | 2 | <u>(11,499)</u> | <u>(10,841)</u> |
| Gross profit | | 2,624 | 2,581 |
| Administrative expenditure | 3 | (2,181) | (2,387) |
| Operating gain/(loss) | 2 | 443 | 194 |
| Gain/(loss) on ordinary activities before interest | | 443 | 194 |
| Other interest receivable and similar income | 2 | 8 | 5 |
| Gain/(loss) on ordinary activities before taxation | | 451 | 199 |
| Tax on interest receivable | | (2) | (1) |
| Gain/(loss) for the financial year | | 449 | 198 |

The notes on page 61 form part of these accounts.

**Statement of Total Recognised Gains and Losses
For the year ended 31 March 2020**

| | Note | 2019/20 | 2018/19 |
|---|-------------|-------------------|-------------------|
| | | £ 000's | £ 000's |
| Gain/(loss) for the financial year | 2 | <u>449</u> | <u>198</u> |
| Total gain relating to and recognised in the year | | <u>449</u> | <u>198</u> |

The notes commencing on page 61 form part of these accounts.

Balance Sheet
As at 31 March 2020

| | Note | As at 31 March 2020 £ 000's | As at 31 March 2019 £ 000's |
|--|------|-----------------------------------|-----------------------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 7 | 11 |
| Tangible assets | 10 | 150 | 82 |
| | | 157 | 93 |
| Current assets | | | |
| Cash at bank and in hand | 11 | 2,720 | 1,521 |
| Debtors | 12 | 774 | 980 |
| | | 3,494 | 2,501 |
| Creditors | | | |
| Amounts falling due within one year | 13 | (2,049) | (1,434) |
| | | 1,445 | 1,067 |
| Net current assets | | 1,445 | 1,067 |
| Total assets less current liabilities | | 1,602 | 1,160 |
| Provisions for liabilities | 14 | (473) | (480) |
| | | 1,129 | 680 |
| Capital and reserves | | | |
| Profit and loss account | 15 | 1,129 | 680 |
| Total reserves | | 1,129 | 680 |

The Financial Statements on page 56 to 60 were approved by the board of directors on **XXth June 2020** and signed on its behalf.

Mr MJM Yeo
 Chief Executive and Accounting Officer
 Company Number 05380206 (England and Wales)

The notes commencing on page 61 form part of these accounts.

Cash Flow Statement
For the year ended 31 March 2020

| | Note | 2019/20 £000s | 2018/19 £000s |
|---|------|------------------|------------------|
| Gain/(loss) on ordinary activities before interest | 2 | 443 | 194 |
| Adjustments for: | | | |
| Amortisation of intangible assets | 9 | 5 | 8 |
| Depreciation of property, plant and equipment | 10 | 23 | 22 |
| (Increase)/decrease in trade and other receivables | 12 | 206 | (51) |
| Increase/(decrease) in provisions | 14 | (7) | 92 |
| Increase/(decrease) in trade payables | 13 | 615 | 147 |
| Cash from operations | | 1,285 | 412 |
| Income taxes paid | 2 | (2) | (1) |
| Net cash generated from operational activities | | 1,283 | 411 |
| Cash flows from investing activities | 10 | (91) | (28) |
| Purchase of property, plant and equipment | | | |
| Purchase of intangible assets | 9 | (1) | 0 |
| Interest received | 2 | 8 | 5 |
| Net cash from investing activities | | (84) | (23) |
| Net increase/(decrease) in cash and cash equivalents | 11 | 1,199 | 388 |
| Cash and cash equivalents at beginning of the year | 11 | 1,521 | 1,133 |
| Cash and cash equivalents at end of year | 11 | 2,720 | 1,521 |

| Analysis of changes in net debt | As of 01/04/19 £ 000's | Cash flows £ 000's | As of 31/03/20 £ 000's |
|--|---------------------------------------|-----------------------------------|---------------------------------------|
| Cash and cash equivalents | | | |
| Cash at bank and in hand | 1,521 | 1,199 | 2,720 |
| Short term debtors | 980 | (206) | 774 |
| | <u>2,501</u> | <u>993</u> | <u>3,494</u> |
| Debt | | | |
| Creditors due within one year | (1,434) | (571) | (2,005) |
| | <u>(1,434)</u> | <u>(571)</u> | <u>(2,005)</u> |
| Net debt | <u><u>1,067</u></u> | <u><u>422</u></u> | <u><u>1,489</u></u> |

The notes commencing on page 61 form part of these accounts.

JNCC Support Co Notes to the Financial Statements For the year ended 31 March 2020

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 Act 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.

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 Leadership Team 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, and royalties.

Expenditure is stated gross of VAT because as a non-trading 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 the next financial year, taking into account the amounts required to meet JNCC Support Co's budgeted liabilities for 2020/21, 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 2019/20 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 |

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.

Accrued holiday pay

In accordance with paragraph 28.6 of FRS 102, JNCC accrues for all short-term compensated absences as holiday entitlement earned, but not taken at the date of the statement of financial position.

Pension costs

Pension benefits are provided through the Civil Service pension arrangements, full details of which are described within the remuneration report.

Although the Civil Service pension arrangements include defined benefit schemes (the Principal Civil Service Pension Scheme (PCSPS) and Alpha), entities such as JNCC Support Co covered by these schemes 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 and Alpha, of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and Alpha.

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. The future cumulative cost of these pensions was calculated and based on this valuation a provision was taken for the liability, in line with the requirements of Section 21 of FRS 102 (Provisions and Contingencies). The estimated liability is reviewed each year and the current value of this provision is disclosed in note 15 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 qualifying 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 and is recognised on a cash basis. 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.

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 JNCC became a party to the contractual provisions of an instrument.

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's 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 2019/20 the amount of reclaimed input tax was £27k (£26k in 2018/19).

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 ended 31 March 2020

| | 2019/20 | 2018/19 |
|---|---------------|---------------|
| | £ 000's | £ 000's |
| Turnover | | |
| JNCC grant in aid | 11,665 | 11,565 |
| Notional income relating to corporate overheads | 2 | 3 |
| Secondment income | 420 | 314 |
| European Union funding | 288 | 225 |
| Royalties | 9 | 2 |
| Scientific advice and information | 1,739 | 1,313 |
| | 14,123 | 13,422 |
| Cost of activities | | |
| Conservation support | 2,474 | 2,831 |
| Publicity and information | 112 | 166 |
| Direct staff costs | 8,913 | 7,844 |
| | 11,499 | 10,841 |
| Gross profit | 2,624 | 2,581 |
| | | |
| Administrative expenditure | | |
| Directors' emoluments | 603 | 604 |
| Other administrative costs | 1,578 | 1,783 |
| | 2,181 | 2,387 |
| | | |
| Operating gain/(loss) | 443 | 194 |
| | | |
| Gain/(loss) on ordinary activities before interest | 443 | 194 |
| Other interest receivable and similar income | 8 | 5 |
| Gain/(loss) on ordinary activities | 451 | 199 |
| | | |
| Less tax on profit on investment activities | (2) | (1) |
| | | |
| Gain/(loss) after tax | 449 | 198 |

Operating loss/gain

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £ 000's | £ 000's |
| This is stated after charging | | |
| Total directors' emoluments | 603 | 604 |
| Auditors' remuneration | 23 | 18 |
| Depreciation and amortisation of owned assets | 33 | 30 |
| Pension costs | 1,742 | 1,248 |
| Operating lease rentals | 282 | 263 |

3. Schedule of overhead expenses for the year ended 31 March 2020

| | 2019/20 | 2018/19 |
|---|--------------|--------------|
| | £ 000's | £ 000's |
| Directors' emoluments | | |
| Directors' remuneration | 497 | 512 |
| Contribution to directors' pensions | 106 | 92 |
| | 603 | 604 |
| Other administration costs | | |
| Cash items | | |
| Auditors' remuneration | 23 | 18 |
| Rental costs under operating leases | 282 | 263 |
| Accommodation costs | 254 | 274 |
| Information technology | 244 | 228 |
| Human resources | 70 | 113 |
| Travel and subsistence | 506 | 601 |
| Printing, postage, stationery and subscriptions | 65 | 42 |
| Other expenses | 21 | 41 |
| Less reclaimed VAT | (27) | (26) |
| Legal and professional fees | 31 | 27 |
| Consultancy | 74 | 65 |
| Bank charges | 3 | 4 |
| Exchange rate losses | (3) | 2 |
| | 1,543 | 1,652 |
| Non-cash items | | |
| Corporate overhead recharge (notional) | 2 | 3 |
| Depreciation and amortisation for the year | 33 | 30 |
| Additions to provisions | 0 | 98 |
| | 35 | 131 |
| | 2,181 | 2,387 |

The external audit fee is £22k.

4. Directors' emoluments

| | 2019/20 | 2018/19 |
|---|------------|------------|
| | £ 000's | £ 000's |
| Directors' emoluments | 497 | 512 |
| Company contributions to defined benefit schemes in relation to directors' pensions | 106 | 92 |
| | 603 | 604 |

The Chief Executive and six 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:

| | 2019/20 | 2018/19 |
|-----------------------------------|--------------|--------------|
| | £ 000's | £ 000's |
| Directors' emoluments | 497 | 512 |
| Other wages and salaries | 6,629 | 5,933 |
| Voluntary Exit Scheme (VES) costs | 0 | 99 |
| Movement in holiday pay accrual | (4) | 36 |
| Social security costs | 633 | 604 |
| Apprenticeship Levy | 19 | 16 |
| Other pension costs | 1,742 | 1,248 |
| | 9,516 | 8,448 |

Total holiday pay accrued at 31 March 2020 was £334,000 (£271,000 at 31 March 2019).

6. Pension costs

JNCC's defined benefit pension schemes (the Principal Civil Service Pension Scheme (PCSPS) and Other Pension Scheme (CSOPS) are unfunded multi-employer schemes for which JNCC is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation <https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts>.

For 2019/20, employers' contributions of £1,724k were payable to the PCSPS (£1,226k in 2018/19) at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands.

The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019/20 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. Employers' contributions of £17k (£22k in 2018/19) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged between 8% and 14.75%.

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 (£1k in 2018/19), this representing 0.5% of pensionable pay.

Contributions due to the partnership pension providers at the balance sheet date were £1k (£2k at 31 March 2019). There were no prepaid contributions at this date.

7. Civil Service compensation schemes – voluntary exit packages

| Cost band | Number of departures agreed 2019-20 | Number of departures agreed 2018-19 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| < £ 10,000 | 0 | 0 |
| £ 10,000 - £ 25,000 | 0 | 0 |
| £ 25,001 - £ 50,000 | 0 | 0 |
| £ 50,001 - £ 100,000 | 0 | 1 |
| | <hr/> | <hr/> |
| Total number of exit packages | 0 | 1 |
| | <hr/> | <hr/> |
| Total cost (£000) | 0 | 99 |

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. There were no voluntary exit costs charged to the accounts for 2019/20 with £99k having been charged to the accounts for 2018/19.

8. Staff numbers

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

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | FTEs | FTEs |
| Chief Executive and executive directors | 6 | 6 |
| Chair and non-executive directors | 1 | 1 |
| Team Leaders | 24 | 23 |
| Science and Data Services | 135 | 124 |
| Corporate Services | 31 | 28 |
| IT | 4 | 4 |
| | <hr/> | <hr/> |
| | 201 | 186 |
| | <hr/> | <hr/> |

9. Intangible fixed assets

| 2019/20 | |
|------------------------------------|-------------------|
| | £ 000's |
| Cost | |
| At 1 April 2019 (opening balance) | 200 |
| Additions during year | 1 |
| Disposals | <u>(4)</u> |
| At 31 March 2020 (closing balance) | <u>197</u> |
| Amortisation | |
| At 1 April 2019 (opening balance) | 189 |
| Charge for the year | 5 |
| Amortisation on disposals | <u>(4)</u> |
| At 31 March 2020 (closing balance) | <u>190</u> |
| Net Book Value | |
| At 1 April 2019 (opening balance) | <u>11</u> |
| At 31 March 2020 (closing balance) | <u>7</u> |
| 2018/19 | |
| Cost | |
| | £ 000's |
| At 1 April 2018 (opening balance) | 200 |
| Additions during year | 0 |
| Disposals | <u>0</u> |
| At 31 March 2019 (closing balance) | <u>200</u> |
| Amortisation | |
| At 1 April 2018 (opening balance) | 181 |
| Charge for the year | 8 |
| Amortisation on disposals | <u>0</u> |
| At 31 March 2019 (closing balance) | <u>189</u> |
| Net Book Value | |
| At 1 April 2018 (opening balance) | <u>19</u> |
| At 31 March 2019 (closing balance) | <u>11</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.

10. Tangible fixed assets

| 2019/20 | | | | |
|------------------------------------|--|----------------------------------|-------------------------------|------------------|
| | Leasehold property improvements £ 000's | Computer equipment £ 000's | Other equipment £ 000's | Total £ 000's |
| Cost | | | | |
| At 1 April 2019 (opening balance) | 5 | 394 | 120 | 519 |
| Additions during year | (5) | 82 | 14 | 91 |
| Disposals | - | (37) | - | (37) |
| At 31 March 2020 (closing balance) | <u>-</u> | <u>439</u> | <u>134</u> | <u>573</u> |
| Depreciation | | | | |
| At 1 April 2019 (opening balance) | 5 | 316 | 116 | 437 |
| Charge for the year | (5) | 23 | 5 | 23 |
| Depreciation on disposals | - | (37) | - | (37) |
| At 31 March 2020 (closing balance) | <u>-</u> | <u>302</u> | <u>121</u> | <u>423</u> |
| Net Book Value | | | | |
| At 1 April 2019 (opening balance) | <u>-</u> | <u>78</u> | <u>4</u> | <u>82</u> |
| At 31 March 2020 (closing balance) | <u>-</u> | <u>137</u> | <u>13</u> | <u>150</u> |
| 2018/19 | | | | |
| | Leasehold property improvements £ 000's | Computer equipment £ 000's | Other equipment £ 000's | Total £ 000's |
| Cost | | | | |
| At 1 April 2018 (opening balance) | 5 | 430 | 178 | 613 |
| Additions during year | - | 28 | - | 28 |
| Disposals | - | (64) | (58) | (122) |
| At 31 March 2019 (closing balance) | <u>5</u> | <u>394</u> | <u>120</u> | <u>519</u> |
| Depreciation | | | | |
| At 1 April 2018 (opening balance) | 5 | 361 | 171 | 537 |
| Charge for the year | - | 19 | 3 | 22 |
| Depreciation on disposals | - | (64) | (58) | (122) |
| At 31 March 2019 (closing balance) | <u>5</u> | <u>316</u> | <u>116</u> | <u>437</u> |
| Net Book Value | | | | |
| At 1 April 2018 (opening balance) | <u>-</u> | <u>69</u> | <u>7</u> | <u>76</u> |
| At 31 March 2019 (closing balance) | <u>-</u> | <u>78</u> | <u>4</u> | <u>82</u> |

11. Cash at bank and in hand

| | 1 April 2019 £ 000's | Cash flows £ 000's | 31 March 2020 £ 000's |
|---|-------------------------|-----------------------|--------------------------|
| Analysis of changes in net funds | | | |
| Cash at bank | 1,521 | 1,198 | 2,719 |
| Cash in hand | - | 1 | 1 |
| Total cash | 1,521 | 1,199 | 2,720 |

12. Debtors – amounts falling due within one year

| | 2019/20 £ 000's | 2018/19 £ 000's |
|--------------------------------|--------------------|--------------------|
| Trade debtors | 459 | 634 |
| Other debtors | 4 | 5 |
| Prepayments and accrued income | 311 | 341 |
| | 774 | 980 |

The balance relating to debtors included £381k of intra-government balances. All balances were reviewed and no provision for bad debts was deemed necessary.

13. Creditors – amounts falling due within one year

| | 2019/20 £ 000s | 2018/19 £ 000s |
|------------------------------|-------------------|-------------------|
| Due within one year: | | |
| Trade creditors | 424 | 72 |
| Other creditors | 276 | 197 |
| Taxation and social security | 232 | 257 |
| Accruals | 708 | 745 |
| Deferred income | 409 | 163 |
| | 2,049 | 1,434 |

The balance for creditors at year end included £802k of intra-government balances.

14. Provisions for liabilities

| | Pensions and similar obligations | Other provisions | Total provisions |
|---------------------------------|----------------------------------|------------------|------------------|
| 2019/20 | £ 000's | £ 000's | £ 000's |
| Balance at 1 April 2019 | 82 | 398 | 480 |
| Provision for year | - | | - |
| Utilised | (7) | - | (7) |
| Balance at 31 March 2020 | 75 | 398 | 473 |

| | Pensions and similar obligations | Other provisions | Total provisions |
|---|----------------------------------|------------------|------------------|
| 2018/19 | £ 000's | £ 000's | £ 000's |
| Balance at 1 April 2018 | 88 | 300 | 388 |
| Provision for year | - | 98 | 98 |
| Utilised | (6) | - | (6) |
| Released to the profit and loss account | - | - | - |
| Balance at 31 March 2019 | 82 | 398 | 480 |

Other provisions of £398,000 includes £332,000 representing the expected cost of dilapidations that will be required when JNCC ceases to occupy Monkstone House in approximately two years, the amount reflecting a review carried out in March 2019. The remaining £66,000 is an amount set aside to provide against the potential costs arising from an ongoing HMRC compliance review which was established during 18/19, management expect this to be resolved in the next financial year. The pensions and similar obligations figure of £75,000 represents the remaining balance of a provision established in 2013/14 to reflect the estimated cost of future pension payments to retired JNCC Chairs entitled to a pension “by analogy to the Principal Civil Service Pension Scheme”.

15. Profit and Loss account

| | 2019/20 | 2018/19 |
|--------------------------|----------------|----------------|
| | £ 000's | £ 000's |
| Balance at 1 April 2019 | 680 | 482 |
| Gain/(loss) for the year | 449 | 198 |
| Balance at 31 March 2020 | 1,129 | 680 |

16. Leasing commitments

| | Land and buildings 2019/20 £ 000's | Others 2019/20 £ 000's | Land and buildings 2018/19 £ 000's | Others 2018/19 £ 000's |
|---------------------------------------|---|------------------------------|---|------------------------------|
| Operating leases which expire: | | | | |
| Within one year | 164 | - | 183 | - |
| Within 2 to 5 years | 656 | - | - | - |
| Total | 820 | - | 183 | - |

The operating lease represents the lease on Monkstone House. The previous lease expired on 17 March 2020 however JNCC have secured an extension to 17 March 2025 with an agreed rent of £163,990 per annum, this was signed on 28 May 2020.

JNCC also occupies Inverdee House in Aberdeen under a Memorandum of Terms of Understanding (MOTU) with the Scottish Environment Protection Agency (SEPA).

Although this is not a legal lease arrangement, the arrangement is consistent with a lease. The MOTU for Inverdee House operates on a three year rolling contract and the current agreement expires on 1 April 2022. The annual charge for 2019/20 was £42,499.

17. Legal status

The company is limited by guarantee. In the event of a 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.

18. Contingent liability

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

19. Ultimate controlling party

Fourteen of the fifteen directors in post at 31 March 2020 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.

20. 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 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 for Environment, Food and Rural Affairs (Defra), whereas prior to this date, grant in aid was received from the GB conservation bodies, the Department of Agriculture, Environment and Rural Affairs 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 Agriculture, Environment and Rural Affairs 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 | |
|--|--------------------|--------------------|--------------------------|--------------------|-----------------------------------|--------------------|
| | 2019/20 £ 000's | 2018/19 £ 000's | 2019/20 £ 000's | 2018/19 £ 000's | 2019/20 £ 000's | 2018/19 £ 000's |
| Natural England | - | - | 24 | 9 | 131 | 46 |
| Defra | 11,665 | 11,565 | 676 | 709 | 53 | 56 |
| Scottish Natural Heritage | - | - | 78 | 9 | 6 | - |
| Natural Resources Wales | - | - | 2 | - | - | - |
| Department of Agriculture, Environment and Rural Affairs | - | - | 78 | 35 | - | - |
| Northern Ireland | - | - | - | - | - | - |
| Total | 11,665 | 11,565 | 858 | 762 | 190 | 102 |

| Director | Corporate related body | Paid by JNCC | | Paid to JNCC | |
|----------------------------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2019/20 £000's | 2018/19 £000's | 2019/20 £000's | 2018/19 £000's |
| Mr P Rose (Trustee of NBN Trust) | National Biodiversity Network Trust | 0 | 25 | - | - |

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.

Annex 2

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
LONDON
SW1W 9SP

LETTER OF REPRESENTATION: JOINT NATURE CONSERVATION COMMITTEE SUPPORT COMPANY 2019-20

I acknowledge as Accounting Officer of the JNCC Support Co my responsibility for preparing accounts that give a true and fair view of the state of affairs and cash flows of the JNCC Support Co for the year ended 31 March 2020.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements and apply appropriate accounting policies on a consistent basis in accordance with UK GAAP in force at the reporting date;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that the JNCC Support Co is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2020:

- neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money;
- having considered and enquired as to the JNCC Support Co's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the JNCC Support Co to conduct its business or on the results and financial position disclosed in the accounts;
- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the JNCC Support Co have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and

- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the accounts.

INTERNAL CONTROL

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with HM Treasury guidance on the Governance Statement.

FRAUD

I acknowledge as Accounting Officer my responsibility for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the JNCC Support Co and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

ASSETS

General

All assets included in the balance sheet were in existence at the reporting date and owned by the JNCC Support Co, and free from any lien, encumbrance or charge, except as disclosed in the accounts. The balance sheet includes all tangible assets owned by the JNCC Support Co.

Non-Current Assets

All assets over £2,000 are capitalised. They are revalued annually using depreciated historic cost. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the JNCC Support Co's operations.

Other Current Assets

On realisation in the ordinary course of the JNCC Support Co's operations the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the JNCC Support Co which are known, or may be expected, to be irrecoverable.

LIABILITIES

General

All liabilities have been recorded in the balance sheet. There were no significant losses in the year and no provisions for losses were required at the year-end.

Provisions

Provision is made in the financial statements for:

- the expected cost of dilapidations that will be required when the JNCC Support Co ceases to occupy Monkstone House;
- an amount set aside to provide against the potential costs arising within the next 12 months from an ongoing HMRC compliance review and;
- the “by analogy” pension for previous Chairs. I consider the amount provided to be a reasonable estimate for the provision.

Contingent Liabilities

I am not aware of any pending litigation which may result in significant loss to the JNCC Support Co, and I am not aware of any action which is or may be brought against the JNCC Support Co under the Insolvency Act 1986.

OTHER DISCLOSURES

Results

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the JNCC Support Co, or circumstances of an exceptional or non-recurring nature.

Events after the Reporting Period

Except as disclosed in the accounts, there have been no material changes since the reporting date affecting assets, liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

EU Exit

Except as already disclosed in the accounts there are no other impacts to date arising from the UK’s EU exit which needs to be reflected in the financial statements.

Covid-19

Following the COVID-19 outbreak, the directors and I have sought to assess and manage the impact of the outbreak on JNCC Support Co’s operations. I can confirm that the annual report and accounts fully reflect the impact on JNCC of the COVID-19 outbreak.

Marcus Yeo
Chief Executive and Accounting Officer
June 2020