

COUNTRYSIDE COUNCIL FOR WALES

AUDITED FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

INTRODUCTION AND BACKGROUND

History of the Body and Statutory Background

The Countryside Council for Wales (CCW) was established on 5 November 1990 in accordance with the provisions of the Environmental Protection Act 1990, to carry out statutory responsibilities for promoting the conservation of the natural world and the enhancement of natural beauty together with encouraging recreation and enjoyment of the countryside of Wales, and advising Government on all matters relating to countryside and nature conservation issues, as set out in Part VII Section 130 of the Act. It is financed by annual grant-in-aid from the Welsh Assembly Government. Under Part VII Section 132(2) (a) of the Act the Council is empowered to accept gifts and contributions for the purposes of its functions, which are defined in Section 132(2). The Accounts are prepared under paragraph 21(1), schedule 6, of the Act in a form directed by Welsh Ministers with the approval of the Treasury. A copy of the Accounts Direction can be obtained from the CCW.

Employee Involvement

The Countryside Council for Wales involves employees through the Countryside Council for Wales Whitley Council, which brings together representatives of the management and trade unions in a working environment. There have been 6 Whitley Committee Meetings during the year and the discussions have been wide-ranging and productive.

Equality

CCW is committed to promoting equality through our policies and services for our staff and all people we work with. The Council has published an Equality Scheme and Action Plan, which set out how we intend to meet our duties under all legislation in relation to race, gender, disability, Welsh language, age, religion and belief, and sexual orientation. The plan also includes Social Justice and states how we intend to engage with disadvantaged groups in society.

Payment of Creditors Policy

The timing of payments is stipulated in all the Council's contracts and goods and service orders, the standard being payment within 30 days of receipt of goods or services or a valid invoice, whichever is the later. However, following a pledge by the Welsh Assembly Government in October 2008 to ease the current economic difficulties by minimising the turn-around times for payment of invoices for goods and services provided to the Assembly Government and Local Authorities, the Council moved to immediate payment terms for all suppliers.

During 2009-10, the Council paid 98.6% of invoices within the 30-day terms and the Council was not charged any interest on late payments.

Audit

The Accounts of the CCW are audited by the Auditor General for Wales as required under paragraph 21 of schedule 6 to the Environment Protection Act 1990. External Audit fees in respect of this and other audit work are shown in Note 5e to the Annual Accounts.

So far as the Accounting Officer is aware, there is no relevant audit information which the Council's auditors are unaware. The Accounting Officer has taken all the steps that he ought to have taken to make her aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Council Members for 2009/10

Dr I D Elis-Gruffydd
Mr G D George (deceased)
Dr S Gubbay
Dr G S Harris until 28/02/10
Dr I Joyce
Dr R Jarvis
Mr J Lloyd Jones, OBE (Chairman) until 28/02/10
Mr A J Middleton
Mr M Parry (Chairman) from 01/03/10
Mr W.P O'Reilly
Ms L Thomas
Mr A J Underwood
Mr R A Williams

MANAGEMENT COMMENTARY

Principle Activities

The Countryside Council for Wales is the Welsh Assembly Government's statutory advisor on sustaining natural beauty, wildlife and the opportunity for outdoor enjoyment in Wales and its inshore waters. We champion the environment and landscapes of Wales and our coastal waters as sources of natural and cultural riches, as a foundation for economic and social activity and as a place for leisure and learning opportunities. We aim to make the environment a valued part of everyone's life in Wales.

Our Vision

Over the next decade, we will strive for a Wales:

- which is more distinctive in landscape character and includes greater biodiversity;
- where the land and sea support more wildlife;
- where economic development respects the natural environment, including its historical and cultural aspects; and
- in which there is greater access to countryside and coast for all its people and its visitors, giving enjoyment and well-being.

How will we respond to this challenge and opportunity?

The Corporate Plan Outcomes have built on the outcomes identified in Environment Strategy for Wales to ensure the full scope and remit of our work is covered. We will be looking to work closely with Assembly Government officials to develop an outcome-based reporting system that clearly shows how CCW contributes to environmental outcomes for Wales. We therefore show in this document how our work Programme Groups relate to these Outcomes

Green Economy

This programme manages our work that helps inform the main policy drivers, and influences levers and processes that impact on our vision of a Wales where economic development respects the natural environment. Our input is reflected at the level in which we assist and advise on legislation (such as the Marine Bill, implementation of European Directives); make representations and help facilitate the development of plans and strategies, (e.g. Wales Spatial Plan, Local Service Boards and Local Development Plans); and engage in mechanisms and tools established to provide considered approaches (such as Land Use Planning process, Strategic Environmental Assessment).

The work is underpinned by an evidence base where we gather, interpret and present, showing how our natural environment provides a range of goods and services that are vital for human society and how that environment is changing.

Direct Outcomes:

- people in Wales recognise and understand that there is a relationship between the quality of the environment, the provision of jobs and business opportunities and overall quality of life;
- environmental considerations are fully integrated within all policies, programmes and service delivery. Decisions are based on high quality, consistent evidence and on sustainable development principles;
- developments and the use of resources in urban, rural and marine areas are appropriate and sensitive, respecting ecological limits and landscape distinctiveness and taking account of climate change and quality of life challenges ; and

- Wales successfully demonstrates the contribution that a small developed nation can make to global sustainable development.

Natural Wales

This programme focuses on safeguarding and improving the quality of our most special wildlife and earth science sites in Wales, and on protecting and enhancing the historic and natural character of our landscapes. Recognising that Wales' landscapes and wildlife are part of dynamic systems, we have continued our work to increase the connectivity between protected sites and their surroundings during the period 2008-12 and have encouraged ways of working that take environmental management beyond the boundaries of protected sites and areas.

This work is underpinned by a science-based approach to conservation and connectivity that will guide action for biodiversity on land and at sea, and an integrated Landscape Character approach to guide our landscape work.

Direct Outcomes:

- soil and water resources are able to support diverse, productive ecosystems and a healthy population;
- loss of biodiversity has been halted and we can see a definite recovery in the quality and extent of our key habitats and species populations;
- important sites and the wider environment are better able to support biodiversity and are managed in a way that recognises ecological limits and provides for greater connectivity between habitats; and
- the character, quality and diversity of Wales' natural and historic landscapes and seascapes, including their geological and earth science interest, is maintained and enhanced.

People and Environment

This programme focuses on providing better access opportunities so that more people can regularly use the environment in a sensitive and responsible way. Particular effort is directed at helping excluded sectors of society benefit as well. The programme aims to increase opportunities for green volunteering and to improve outdoor learning experiences and skill development amongst people of all ages in Wales. We also work to ensure that high quality information and knowledge is effectively shared with our partners and the public.

Direct Outcomes:

- more people from all sectors of society regularly use and benefiting from widespread and equitable access to countryside, coast and urban green space;
- Wales' key sites, species and landscapes are highly valued by its citizens and visitors; and
- more people in Wales are actively involved in managing their local environments.

Managing for the Future

This programme underpins the proactive work for Natural Wales, Green Economy and People and Environment Programmes, and is a programme of work focused on support services, and managing the organisation to be fit for the future.

Objectives

- undertake all decisions and activities with integrity and in the public interest. Ensure procedures are clear and easily understood;
- develop a team of highly skilled and well motivated staff capable of meeting the challenges of public sector reform in Wales;
- have a Business Planning process that provides clear direction for the organisation, securing support for our work programme, and delivering Assembly Government and CCW priorities;
- optimise the allocation and use of our resources;
- provide the tools and working environment to allow integrated and collaborative working for staff, and facilitate public access to our services, regardless of location;
- securely share operations with partners where this helps achieve shared objectives; and
- improve our environmental performance by maintaining our Green Dragon Level 5 / ISO14001 status and share our best practice with other public and non public sector organisations.

Remit letter and Key Targets

CCW receives an annual remit from the Minister for Environment, Sustainability and Housing. This sets out our role in relation to the Assembly Government's strategic agenda. It includes priority objectives and Key Targets that CCW are expected to achieve.

The most prominent areas of CCW's achievement in 2009-2010 are as follows:

Biodiversity

In working towards special site management targets 7580Ha of management actions were completed in year. Of this 4250Ha were Management Agreements renegotiated on better terms and 1940Ha were new Agreements. In addition 1390Ha of actions were progressed and 5640Ha of investigation actions were completed.

All relevant management actions for water dependent N2K sites have been adopted by River Basin Management Plans (RBMPs), and are reflected in the published plans. They include new funding and policy initiatives for tackling coastal squeeze, addressing drainage and diffuse pollution via Flood risk Management and Glastir.

CCW has provided draft proposals in relation to marine extensions to the 3 coastal breeding Special Protection Areas (SPA), which is in line with JNCC's 2005 guidance and is part of the UK's commitment to establish a coherent network of marine protected areas. Work has commenced gathering information on the Grassholm, Skomer and Skokholm SPA extensions for submission to the Welsh Assembly Government (WAG).

CCW has secured funding for and is now leading on the Anglesey and Llyn LIFE projects. CCW is also contributing to the Berwyn LIFE project that is being led by the RSPB.

Climate Change

CCW has actively contributed to the work of the Climate Change Commission for Wales which has been informing the development of the Climate Change Strategy for Wales which will be published in October 2010. We have also participated in the work of the Land Use and Climate Change Group, a sub-group of the Commission, with CCW advice being incorporated in the report presented to the WAG in March. CCW is also contributing to the preparation of the first UK Climate Change Risk Assessment (CCRA), as required by the Climate Change Act 2008, and in particular the development of the biodiversity and marine sector elements, and the Welsh Risk Assessment. The CCRA has so far identified a large number of climate change risks across 10 sectors and these have been prioritised at the UK level while the Welsh assessment will take place this autumn. Once complete the CCRA will provide a strategic steer for ensuring that Wales and the UK adapt to the changing climate.

We are continuing to monitor the on-going impacts of climate change on wildlife by contributing to UK-wide projects like BICCO-Net. This project is assessing existing biodiversity data sources such as the Biological Records Centre and Environmental Change Network to identify signals of climate change. We are also using our own monitoring information and that of others, for example, we have bought together snowline data for Snowdon from 1979 to 2010 to demonstrate the decline in snowcover. Following the publication of the new UK Climate Projections in 2009, CCW has been working with the Environment Agency trialing the use of these projections of future climate and we will be issuing guidance for staff on their use soon.

The first phase of work to assess the vulnerability of habitats in Wales to climate change impacts has been completed. This provides us with an assessment of the relative vulnerability of each of the 1020 SSSIs, as well as the SACs and SPAs in Wales. It will help decide on which sites we should be particularly concerned about and help us in focusing our efforts to adapt site management to reduce impacts. A further phase to evaluate marine habitats and the wider countryside is now underway. Following previous work on habitat connectivity, implementation at a local level is under consideration in South Wales, with studies taking place elsewhere in Wales.

CCW retains its Green Dragon Level 5 and ISO 14001 accreditation and has achieved Carbon Trust accreditation for the accurate reporting of emissions. The Action Plan for driving down emissions by 24% is now operating and contains 24 separate actions. 21 are currently on target.

A summary of CCW's Environmental Management performance for 2009/10 can be found in Annex 1

Spatial Planning and Green Infrastructure

CCW continued to work with WAG to provide advice and evidence to help inform the development of Marine Spatial Planning in Wales. Work is progressing well on fisheries sensitivity mapping in particular on marine mammal sensitivities and cumulative fishing gear effects. The fisheries sensitivity work underpinned our advice to WAG in relation to the formulation of WAG's Welsh Scallop Order. CCW are currently working to integrate this work with emerging requirements for vulnerability assessments on climate change and sub sea turbines. This work will help inform spatial guidance on how and where specified activities can proceed. CCW has provided advice on Marine Protected Areas and guidance on site selection criteria has been prepared for the technical advisory group to help inform process for selection of HPMA'S.

CCW participated fully in each Spatial Plan Area process including the low carbon regions work. Work was undertaken in relation to the Dee Valley Green Infrastructure project, Cambrian Mountains initiative and strategic regeneration area processes including Heads of the Valleys and Mon a Menai to help demonstrate the role and value of green infrastructure in taking forward wider regeneration and well being objectives.

Engagement with the Networked Environment Region (NER) national steering group has helped facilitate better

integration between the Rural Development Plan and WSP. Work on Integrated Rural Development pilots continue, especially on the Cambrian Mountains ecosystem work stream with work completed on the Carbon Foot-printing work of farm businesses.

CCW continues to support the work that the WAG is doing to review land management measures under Axis 2 of the Rural Development plan, with appropriate advice on ecosystem services and on landscape management. Significant effort has been undertaken to provide the spatial evidence base to help inform the development of the WAG Glastir scheme and its detailed prescriptions. CCW has provided input to the Glastir stakeholder group, and has participated in the Rural Development Plan programme group.

Complete coverage has been obtained for LANDMAP along with the landscape character assessment. This is helping Wales achieve compliance with the European Landscape Convention. The Welsh Seascapes assessment is also complete and has received a Landscape Institute Strategic Planning Award.

Strategic Environmental Assessment (SEA) and Habitats Regulation Assessment (HRA)

CCW has worked with WAG fisheries to develop a common understanding of our respective roles in assessments under the Habitats Directive. CCW has also worked with WAG to organise a series of training events in relation to the requirements of TAN5 "Nature Conservation", focusing on the requirements of the Habitats Regulations, and has organised a parallel series of events in relation to HRA of development plans. CCW continues to provide advice as a consultation body under the SEA Directive. Topic notes have been made available on the internet.

CCW has provided expertise as a consultation body to the Spatial Plan area groups on Strategic Environmental Assessment (SEA) and, as the appropriate body in relation to Habitats Regulation Assessment. CCW continued to provide advice to the Wales Spatial Plan team in relation to SEA and HRA assessment processes.

Energy

CCW have continued to provide advice and expert review of processes, approach and the findings from the Severn Tidal Power Feasibility Study. The input focuses on the final outputs of the study (the evidence base) and how the conclusions and outcomes from this evidence base are being drawn into and used in the advice to Ministers and the public consultation document.

Energy sector advice has been provided on emerging Government policy including the WAG Energy Strategy for Wales, UK Marine Energy Action Plan, and UK Offshore Energy SEA2. A strategic link has been established with the Infrastructure Planning Commission. Guidance has been prepared on Wind Turbines and Peat to help inform the Environmental Impact Assessment process, and advice provided on individual items of TAN 8 related casework

CCW's "working with developers" initiative has focused on relationships with the energy sector given its key strategic importance to Wales. Work continues to develop a Memorandum of Understanding with Renewable Energy UK setting out working arrangements and key initiatives such as training and briefings.

Access and Recreation

CCW successfully obtained an additional £3.72 million of EU funding towards the delivery of the Wales Coast Path. Work on the ground will accelerate in 2010-2011 and 2011-2012.

An NNR Community Engagement Strategy for Wales has been developed, which addresses volunteering. The strategy is being implemented at the site level, with overall coordination and steer being provided by the NNRs and People sub-group of the NNR Project Board. CCW is implementing selected aspects of the previously reported environmental education research using 3rd parties to deliver educational services to schools.

The on-going programme of improving interpretative provision on the NNR's has continued with a panel exhibition in the observatory at Cors Caron, and exterior panels at Carmel & Tycanol. The signage programme continues to be rolled out with completion due by the end of 2010-2011. Access plans have been written for all NNRs and the necessary work identified as part of an ongoing programme of maintenance and improvement. All recommendations identifying improvement to meet the Disability Discrimination Act have been completed. There are currently 184 Voluntary Wardens contributing to the work of the NNR's.

The annual National Trails Quality Standards Monitoring process has been completed and National Trails good practice work has progressed with advice sheets now finalised. Promotional leaflet distribution has been completed and National Trails are featured in all of the Wales "Bedroom Browsers" for 2010. Work to address the accommodation grading issue is under way with Visit Wales, focusing on Glyndwrs Way.

CCW's offers of grant aid, to support undertaking green space assessments, have been accepted by 17 of all 22 local authorities in Wales. Gwynedd and Merthyr intend to use their assessment to inform their Local Development Plan. Swansea has used its assessment to pursue a large funding bid. Wrexham and Newport are developing supplementary planning guidance using the evidence base from the toolkit assessment. Cardiff has worked with BTCV (formerly British Trust for

Conservation Volunteers) to further examine local community engagement with green space. The 5 Local authorities that have not undertaken their green space assessments using the toolkit and CCW grant aid are Powys, Conwy, Ynys Môn, Pembrokeshire, and the Vale of Glamorgan. These authorities will have to fund their open space assessments under TAN 16 without any subsidy from CCW to collect the baseline data which is common to both open space, and greenspace assessments.

Financial and Accounting Arrangements

The National Assembly for Wales provides cash Grant in Aid (GIA) to CCW to finance the excess of its expenditure over its income. Cash Grant in Aid is recognised in the accounts when received, rather than when earned. The arrangements for financial management and control and the conditions attached to the payment of cash GIA are set out in a Financial Memorandum between the Assembly, CCW and Managing Welsh Public Money.

CCW has no authority to exceed its cash limit provision for the year, or borrow without the Assembly's prior written consent, or to hold cash balances above two percent of cash grant in aid from one financial year to the next, as determined in the Financial Memorandum. In accordance with International Financial Reporting Standards CCW manages its finances and prepares the annual statement of accounts on a resource accounting and budgeting basis.

Financial Review

The 2009-10 Income Statement records net Net Surplus after Cost of Capital and Interest for the year of £42.3 million (£43.7m 2008/09), income of £1.2million (£0.6m 2008/09). The Net Surplus after Cost of Capital and Interest for the year has been taken to the Income and Expenditure Reserve. Grant in Aid received for the year was £44.6 million and has also been taken to the Income and Expenditure Reserve. As at 31st March 2010 the Total Taxpayers Equity stands at £12.4 million, an increase of £1.6 million on the previous year.

The Council's expenditure is planned on the basis of the funds available to it through its annual receipts of cash grant in aid, other income and cash balances. The financial statements may record a surplus or deficit as a result of planned activity or as a result of the change in net current assets from year to year. Activities are planned to achieve the cash carry forward remains within the two percent of total grant in aid for the year allowed by the National Assembly for Wales.

During the year CCW received an advance of grant £969k for Anglesey and Llyn Fens project from the European Commission (LIFE Nature) which is held in a separate bank account. Eligible expenditure on the project in year was £370k which forms part of CCW's gross annual budget. Due to a misinterpretation of our Financial Memorandum regarding the advance of EU funding it transpired during the audit this income should have been included in the year end cash management process. CCW secured agreement from WAG to carry forward 2.25% due to slippage in Wales Coastal Path. However due to the misinterpretation regarding inclusion of £370k income the actual carry forward was 2.7%. A request has been made to WAG to carry forward £221k (difference between 2.25% and 2.7%) to minimise the impact on 2010/11 cash position as a result of late WCP claims and this request has been approved.

In 2009-10, the Council purchased £1.7million of non current assets as detailed in Note 7 and 8.

Events after the reporting period

It was announced in the Budget on 22 June 2010 that the Government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that the Countryside Council for Wales provides to employees.

In July 2010 Welsh Assembly Government issued a statement explaining since January they have been working with stakeholders to develop a new Natural Environment Framework that will set out how we will enable Wales' land and water to deliver long-term well-being reflecting our guiding principle of sustainable development.

One of issues for the Framework is the need to look at whether the current delivery arrangements are suitable for future needs, especially at a time of economic constraints. The Welsh Assembly Government, the Environment Agency, the Countryside Council for Wales and the Forestry Commission Wales are already working together closely on the development of the new Framework and on how we share services and operational resources to deliver it.

The Welsh Assembly Government have now agreed that we should look together at more fundamental restructuring of delivery arrangements and functions in Wales in order to give best value in delivering an integrated, eco-system approach to the natural environment. The work will look at roles and functions, including the potential costs and benefits of separate Wales bodies and merging some or all of the delivery bodies and will make an initial report in the autumn 2010. If a compelling case is made for restructuring, then any plans would be developed with full involvement of those affected and would require legislation.

Risk and uncertainties

Director's Team regularly reviews the CCW's corporate key risk register to ensure actions being taken to reduce risks identified are effective and fit for purpose. CCW's Audit Committee also reviews the key risk register and risk management policy on an annual basis as well as Internal Audit plans and findings.

During 2009/10 CCW reviewed its risk management process in consultation with Internal Audit. The format of risk registers and the risk scoring matrix used by CCW was standardised. The changes will be fully implemented by the Senior Management Team by end of May 2010 and the new risk registers will be widely used at quarterly reviews and team meetings to embed CCW's risk management processes further.

Sickness Absence

During the year, employees incurred the following sickness absence:

CCW Sick Headlines

Total number of Staff	Number of Full Time Equivalent staff	Number of staff with recorded sick absence	Number of working days lost	Average percentage days lost	Average days lost per person employed	Average days lost per person with recorded sick absence
527	490	383	4870	4.2%	9.2	12.6

Analysis of Key reasons

Total days lost	Psychological Conditions	Ear, Nose & Throat	Miscellaneous	Hospital Stays	Stomach Disorders
4870	20.9%	16.4%	12.4%	8.6%	7.4%

Annex 1. Summary of CCW's Environmental Management Performance in 2009/10

One of the most fundamental principles which underpins CCW's purpose is the sustainable management and use of the environment. Our objectives are conservation of the natural heritage and promoting the ways in which it supports the social and economic development of Wales. Society derives countless goods and services from the environment: for example the health benefits of outdoor recreation and the role of peatlands in water quality and carbon management. With this remit, it is especially appropriate for CCW to limit the environmental impacts of our business activity. We aim to set an example.

CCW manages its environmental performance beyond the widely recognised standards. We first published our Environmental Management System (EMS) report in 2005. We maintained accreditation under ISO14001 and Green Dragon Level 5 in 2009/10. We have also attained the Carbon Trust Standard and were runner up in the 2009/10 Fleet News awards competing in two fleet manager categories.

EMS standard		First obtained	Most recent certification
ISO14001	ISO 14001 is an internationally accepted standard that sets out how you can go about putting in place an effective Environmental Management System (EMS).	September 2005	July 2010
Green Dragon Level 5	Green Dragon is a UK accepted stepped standard recognising effective environmental management.	August 2005	September 2009
Carbon Trust Standard	The standard measures direct emissions of Carbon Dioxide and other greenhouse gas emissions (CO ₂ e)	December 2009	December 2009

We go beyond these widely recognised standards by measuring CCW's ecological footprint and accounting for greenhouse gas emissions embedded in assets, consumables and waste. We measure these using Best Foot Forward methodology and calculator tool. Best Foot Forward is a leading carbon accounting consultancy.

CCW's greenhouse gas emissions and ecological footprint are good indicators of our overall environmental performance.

In 2009/10, CCW confirmed a corporate target to emit 24% less greenhouse gas during 2011/12 compared with 2007/08. We have a Carbon Reduction Management Plan to deliver this target.

Environmental Management System (EMS)

ISO14001

A British Standards Institution (BSi) audit on 26 July 2010 confirmed compliance with all elements of the ISO14001 standard.

No non conformance was outstanding from the previous report.

Green Dragon

A Groundwork Wales audit on 9 September 2009 confirmed compliance with all the elements of Level 5 of the Green Dragon standard.

No non conformance was outstanding from the previous report.

Greenhouse gas emissions

In 2009/10, CCW emitted 1,680 tonnes of CO₂e (carbon dioxide equivalent).

CCW's business accounts for emissions directly by consuming energy and indirectly from emissions created in manufacture and disposal of consumables, assets and waste (embedded emissions).

We measure most of our utility and business travel emissions directly, by the number of units used and the amount of fuel purchased. Other measures are calculated using conversion factors in Best Foot Forward's calculator.

Carbon Trust Standard

The Carbon Trust Standard requires accurate monitoring, measurement and improvement against the following sources of greenhouse gas emissions:

Business travel
Utilities (gas, electricity, heating oil)
NNR management and marine (vehicles, machines and boats)

Following an audit on 24 November 2009 CCW were accredited with the Carbon Trust Standard on 7 December 2009.

Performance against the 24% target

The 24% target applies to emissions of the basket of greenhouse gas emissions, expressed as tonnes of CO₂e.

The 24% target means we must reduce our emissions by 525 tCO₂e from their 2007/08 level of 2,189 tCO₂e. CCW's emissions in 2011/12 must be no more than 1,633 tCO₂e.

We set targets for direct, indirect and hazardous waste emissions (see Table 1). We have allocated the savings required across all areas of our business, especially electricity and business travel. We decided not to rely on the chance reduction of 354 tCO₂e which arose because we disposed of an abnormally large amount of hazardous waste in 2007/08.

Our target requires most of the savings to come the core areas of business, so we our actual target is to reduce emissions by 549 tCO₂e.

Table 1 - Targets and progress:

	Target reduction between 2007/08 and 2009/10 (tCO ₂ e)	Actual reduction between 2007/8 and 2009/10 (tCO ₂ e)
Direct emissions	431	49
Indirect emissions (excluding hazardous waste)	54	106
Combined direct and indirect emissions (excluding hazardous waste)	485	154
Hazardous waste	64	354

Figures 1 and 2 and Table 1 show we made steady progress since 2006/07 in reducing emissions. We reduced emissions from all categories during 2009/10. Table 2 gives a detailed breakdown. It shows how emissions from public transport doubled as we reduced emissions from vehicles.

Figure 1 - CCW Carbon Reduction Management Plan - Greenhouse gas emissions

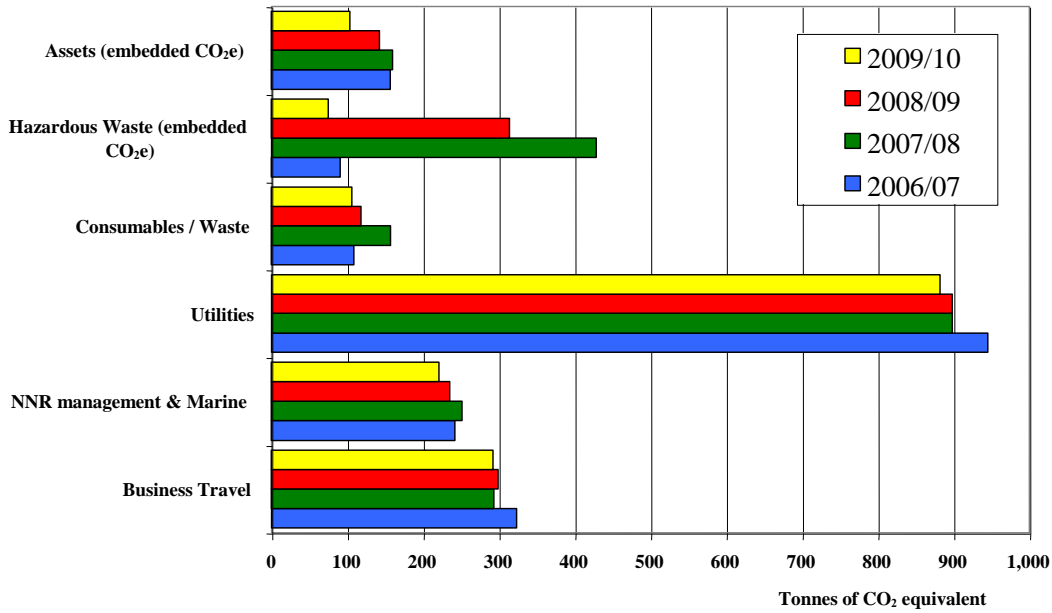
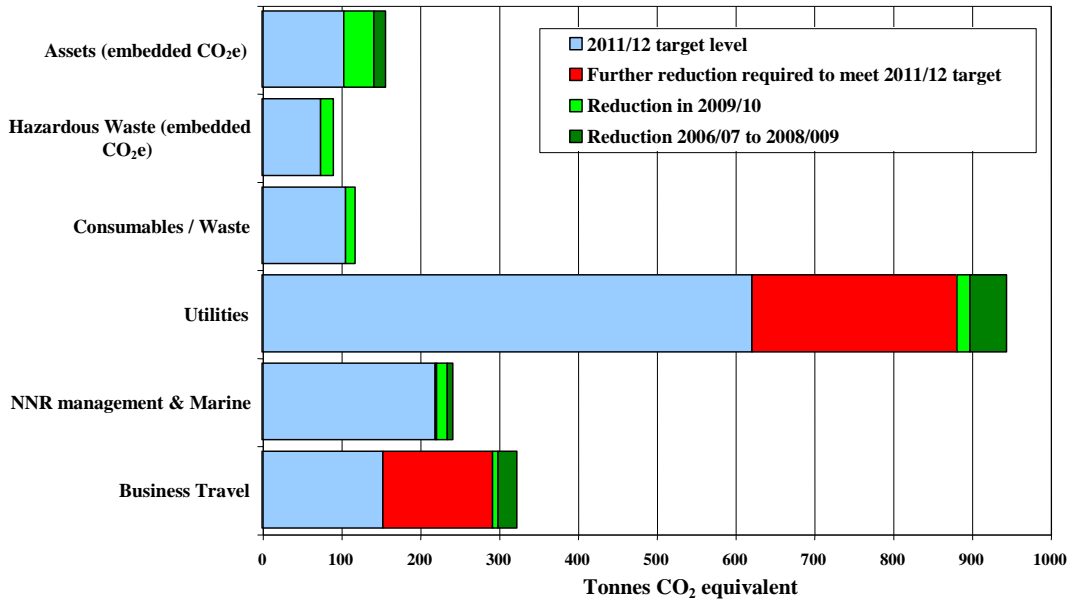


Figure 2 - CCW Carbon Reduction Management Plan - Progress between 2006/07 and 2009/10



Having developed the Carbon Reduction Management Plan during 2009/10, we started tackling the significant further reduction required from utilities and business travel. We will achieve this by avoiding waste of electricity and switching most internal meetings to telephone and video conferencing.

Table 2 - Detailed breakdown CO₂e emitted by business activity since 2006/07:

		Tonnes CO ₂ e			
		2006/07	2007/08	2008/09	2009/10
Business Travel	Public transport, ferry, taxi, cycling	18.6	23.0	32.5	46.6
	Car - Pool fleet - office	206.8	182.5	180.8	175.4
	Car - Grey fleet (private mileage)	63.5	51.0	42.5	35.6
	Car - Lease fleet	25.2	27.0	27.0	25.9
	Car - Hire cars	4.5	4.4	7.0	5.1
	Air travel	4.7	5.4	9.4	4.1
NNR management & Marine	Car - Pool fleet - NNR 4x4 & vans	170.4	163.3	153.1	138.2
	NNR Vehicles 4x4 & machines & boats	31.8	52.6	50.7	45.6
	NNR materials (herbicide, timber, aggregates)	39.7	35.6	31.4	37.6
Utilities	Electricity	648.5	609.8	594.1	607.9
	Building heating (Gas, LPG, Oil, not electricity)	291.9	284.1	300.0	270.3
	Water	4.6	4.4	4.3	3.9
Assets (embedded CO ₂ e)	Embedded in Assets	156.9	159.7	142.2	103.7
Consumables / Waste	Consumables (including non-hazardous waste)	108.7	157.1	118.2	105.9
Hazardous Waste (embedded CO ₂ e)	Hazardous Waste	90.6	428.5	314.1	74.6
TOTAL emissions in financial year		1,866	2,188	2,007	1,680

Ecological Footprint

CCW's ecological footprint in 2009/10, as measured by the Best Foot Forward calculator, was 567 global hectares. That is the estimate of the amount of biologically productive land and sea area CCW requires to produce the resources it consumes and absorb the waste it generates, and compares this measurement to how much land and sea area is actually available.

Initiatives in 2009/10

CCW implemented many initiatives to reduce the carbon and ecological footprints of the business and our staff:

- a) Approved installation of 185W of Photovoltaic panels on our Maes y Ffynnon HQ will reduce our greenhouse gas emissions by 12 tCO₂e.
- b) We installed smart meters in all offices to support efforts by staff to reduce electricity consumption.
- c) We continued efforts to source non-crop bio diesel, following successful trials with a 50% mix in our NNR vehicles and machines. We were unable to secure a source for 2009/10, but we have recently received approval to use 100% sustainable bio diesel in 2010/11 and are waiting to undertake supplier visits.
- d) At the end of 2009/10, we continued our programme of replacing the pool fleet with low emission vehicles. We replaced vehicles with emissions of 134 gCO₂/km with the equivalent Ford Fiesta Econetic 98 gCO₂/km and Ford Focus Econetic 104 gCO₂/km.
- e) Office greening groups supported bike and walk to work weeks, which prompted many staff to explore these alternatives to the driving to work.

REMUNERATION REPORT

Remuneration Policy

The Welsh Assembly Government sets the remuneration of the Chairman, Chief Executive and Council of the Countryside Council for Wales.

The remuneration of senior employees is based on the same conditions as all employees of the Countryside Council for Wales. It is negotiated annually between the executive of the Countryside Council for Wales, The Public and Commercial Services and Prospect Unions. The Welsh Assembly Government approves the pre negotiation remit and is informed of the settlement reached. Progression is subject to satisfactory performance and is assessed through an annual performance appraisal.

In reaching its recommendations the negotiation team has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the services including the requirement to meet the output targets for the delivery of services;
- the funds available through GIA; and
- the Government's inflation targets.

The negotiation team takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Service Contracts

Service appointments are made in accordance with a recruitment policy, which normally requires appointment to be on merit on the basis of fair and open competition but also includes circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officers covered by this report hold appointments, which are open-ended until they reach pension age. These officers are required to give three months notice if they were to resign from the organization and would be given six months notice if they were retired compulsorily. The policy relating to notice periods and termination payments is contained in the Countryside Council for Wales Staff Handbook.

Salary and Pension Entitlements *

* The following sections provide details of the remuneration and pension interests of Council Members and the most senior employees of CCW and they are subject to audit.

Remuneration

Council Members	Service Contract	2009/10 Salary £'000	2009/10 Benefits in Kind (nearest £100) £	2008/09 Salary £'000	2008/09 Benefits in Kind (nearest £100) £
Dr I D Elis-Gruffydd	01-03-2007 to 28-02-2013	5-10	n/a	5-10	n/a
Mr G D George (deceased)	02-01-2008 to 30-03-2010	5-10	n/a	0-5	n/a
Dr S Gubbay	02-01-2008 to 01-01-2011	5-10	n/a	0-5	n/a
Dr G S Harris	01-03-2007 to 28-02-2010	5-10	n/a	5-10	n/a
Dr R Jarvis	01-03-2001 to 28-02-2011	5-10	n/a	5-10	n/a
Mr JL Jones (Chairman)	01-03-2000 to 28-02-2010	40-45	n/a	40-45	n/a
Dr I Joyce	01-10-2005 to 30-09-2011	10-15	n/a	5-10	n/a
Mr A J Middleton	02-01-2008 to 01-01-2011	5-10	n/a	0-5	n/a
Mr M Parry (Chairman)	01-03-2010 to 28-02-2013	0-5	n/a	0	n/a
Mr WP O'Reilly	01-10-2005 to 30-09-2011	5-10	n/a	5-10	n/a
Ms L Thomas	02-01-2008 to 01-01-2011	5-10	n/a	0-5	n/a
Mr A J Underwood	01-10-2004 to 30-09-2011	5-10	n/a	5-10	n/a
Mr R A Williams	01-01-2003 to 31-12-2011	5-10	n/a	5-10	n/a

Senior Staff	2009/10 Salary £'000	2009/10 Benefits in Kind (nearest £100) £	2008/09 Salary £'000	2008/09 Benefits in Kind (nearest £100) £
DR Thomas (Chief Executive)	95-100	5700	95-100	5700
MI Hill	65-70	800	60-65	2300
TW Jones	60-65	3200	60-65	3200
D Parker	60-65	2500	60-65	2500
J Taylor	60-65	0	60-65	0
L Warmington (retired 03-07-09)	15-20	0	60-65	0
A Williams (joined 29-06-09)	30-35	0	0	0
D Worrall	60-65	1600	60-65	2450

Salary

Salary covers both pensionable and non-pensionable amounts and includes, gross salary, performance pay or bonuses, overtime and any allowances or payments that are subject to UK taxation.

Only the Chief Executive is eligible for a performance bonus. It is based on targets set for the Council by the Welsh Assembly Government. Council will determine whether the targets have been met and whether the performance bonus is payable. Other senior staff receives a gross salary only. None of the Council Members or senior staff received any remuneration other than shown above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Pension Benefits	Total accrued pension at pension age as at 31/03/10 and related lump sum		Real increase in pension and related lump sum at pension age		CETV at 31/03/10	CETV at 31/03/09	Real increase in CETV
	£'000		£'000		£'000	£'000	£'000
	Pension	Lump Sum	Pension	Lump Sum			
Council							
JL Jones (to 28-02-10)	5-10	15-20	0-2.5	0-2.5	132	115	13
Senior Staff							
DR Thomas (Chief Executive)	45-50	0-5	0-2.5	0-2.5	933	858	39
MI Hill	10-15	40-45	0-2.5	2.5-5	275	234	21
TW Jones	15-20	55-60	0-2.5	2.5-5	314	281	19
D Parker	10-15	0-5	0-2.5	0-2.5	246	201	26
J Taylor	10-15	10-15	0-2.5	0-2.5	199	170	18
L Warmington (retired 03-07-09)	25-30	80-85	0-2.5	0-2.5	662	644	9
A Williams (joined 29-06-09)	0-5	0-5	0-2.5	0-2.5	9	0	8
D Worrall	20-25	60-65	0-2.5	2.5-5	446	404	25

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). 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 set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries 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.

Roger Thomas
Accounting Officer and Chief Executive

Date: 10th September 2010

STATEMENT OF COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under paragraph 21 of schedule 6 to the Environmental Protection Act 1990 the Countryside Council for Wales is required to prepare for each financial year, a statement of resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Countryside Council for Wales in the form and on the basis determined by Welsh Ministers, in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual ("the FReM") issued by HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the principal Accounting Officer is required to comply with the requirements of the Managing Welsh Public Money and in particular to:

- observe the Accounts Direction issued by the Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the Financial Resource Statements on a going concern basis.

The Principal Accounting Officer for Welsh Ministers has designated the Chief Executive of the Countryside Council for Wales as the Accounting Officer for the Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum, issued by the Treasury.

CORPORATE GOVERNANCE STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Countryside Council for Wales (CCW) policies, aims and objectives, set by the Welsh Assembly Government. I am also responsible for safeguarding the public funds and Council assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the document Managing Welsh Public Money.

CCW is an Assembly Government Sponsored Body and, through the publication of the Annual Report, a Corporate Plan looking at a four year period and an Operational Plan looking at the current financial year, the CCW reports progress made and sets out how we propose to allocate the resources made available to us. The Welsh Assembly Government approve the Corporate Plan and the annual Operational Plan.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than completely eliminate all risk of failure to achieve policies, aims and objectives. Internal control can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of CCW's policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The system of internal control has been in place for the whole of the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with guidance.

Capacity to handle risk

CCW has a risk management policy endorsed by Council and the Audit Committee. Leadership is given to the risk management process through it being embedded into each part of the management, planning and reporting process. Responsibilities thus clearly relate to me as Accounting Officer and, in addition, the recognition of risk management as an integral part of management and delivery is reinforced. Business continuity plans have been developed for each office location and contingency plans are in place for potential avian and swine influenza outbreaks and major incidents.

During last year, CCW's business continuity plan was tested from an incidence of hardware failure – whilst this caused some temporary downtime, the system was restored with no loss of data whatsoever, all of which reinforced the robustness of our business continuity planning. As part of the lessons identified from this failure, the system architecture has been reviewed and this potential cause of failure has now been eliminated.

CCW's headquarters office building is undergoing a programme of refurbishment. The increased risk to health and safety presented by the works is being managed by practicing fire drills more frequently and the regular dispatch of newsletters and emails to staff regarding changes to the offices and facilities. This is enhanced by more prominent warning and information signs around the building and frequent meetings with the contractor.

Risk and control framework

CCW's risk management policy has been drawn up and implemented in accordance with Treasury guidance. CCW's approach to risk management was subject to an audit during the year. Whilst no high risk issues were found the audit concluded that the risk management process would benefit from an organisation-wide review. The audit identified the process needs to be more formalised with a stronger coherent approach and communicated throughout the organisation. The process also needed a corporate co-ordinating and championing role to drive risk management forward.

The approach has been reviewed, a corporate champion identified and the process strengthened with increased emphasis on the need for business risk management to be integrated fully within the organisation's management system to ensure risks are managed effectively, proportionately and consistently. We also wanted to ensure that there was an appropriate balance between risk and opportunity management and we believe the updated arrangements should help us deliver this. A revised standard format for risk registers and enhanced scoring matrix has been developed and they are in the process of being rolled out now alongside training to ensure an improved uniform approach is taken across the organisation. The risk management policy is reviewed by CCW's Audit Committee on an annual basis. Key elements of the risk management policy include:

- Maintenance of an organisational wide Key Risk Register (KRR), which identifies high-level corporate risks

evaluates the likelihood of those risks being realised and the impact should they be realised;

- maintenance of Regional and Directorate Local Risk Registers (LRRs), which identify risks specific to functional areas of operational activity, within the context of corporate risks. These are reviewed by the relevant management teams on a regular basis and risks elevated to the Directors Team where appropriate;
- assessment, for all identified risks, is made of the control measures in place to manage the risk and the effectiveness of those control measures, identifying the need for improvement where appropriate. Additionally, a lead owner is identified, who has overall responsibility for the management of the risk;
- a standing agenda item on risk management and internal control the Directors Team and Senior Management Team meetings. Directors Team additionally maintains an Annex to the KRR, which details current issues and the management thereof;
- a risk assessment relevant to the topic for all Committee papers presented to Council. Council has delegated the responsibility for managing risks to the Audit and Risk Management Committee who, through their fuller knowledge of systems of internal control, are better placed to consider risk on behalf of CCW. The Audit and Risk Management Committee receive an annual risk management review, which reports on progress in the financial year just ended;
- risks identified in both the key and local risk registers are used to inform the work programme of the Internal Audit team; and
- risks associated with projects are managed in accordance with recognised project management methodologies.

The CCW is led by a Council whose members are responsible, individually and collectively, to the Welsh Assembly Government for providing effective leadership for the organisation. They are also responsible for setting CCW's policy and for making sure it meets its objectives within the statutory, policy and financial framework laid down for it. The Chief Executive attends Council meetings. The Council has set up a Risk and Audit Committee to provide an oversight on matters of corporate governance and internal control.

The Chief Executive is the Accounting Officer and has a team of Directors and Regional Directors that provide leadership and direction to the organisation. The Countryside Council for Wales is audited by the Auditor General for Wales. CCW also has an Internal Audit function, which is operationally managed by the Director of Resources and Planning but which reports directly to the Chief Executive and has direct access to the Risk and Audit Committee Chair. Additional assurance is obtained through established programmes of external certification, including Investors in People and International Standards Organisation (ISO) certification in environmental management. CCW has ISO 14001 and Green Dragon Level 5 accreditation.

The Countryside Council for Wales manages work to achieve its aims, objectives and targets through implementing its Operational Plan, which is agreed annually with the Welsh Assembly Government. The organisation's targets are set over a four year period in the Corporate Plan. CCW reports to the Welsh Assembly Government on achievement against annual key targets.

Established corporate policies continue to operate and are updated periodically, covering a wide range of issues. They provide part of an effective control framework across a range of risks, including health and safety, human resource matters, planning, finance, procurement, release of personal data to third parties and information technology. Individual security policies are maintained for key systems and are reviewed on a rolling programme by CCW's security forum.

Review of Effectiveness

As Accounting Officer, I have the responsibility for reviewing the effectiveness of the systems of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Audit and Risk Management Committee which oversees the work of the Internal Auditor, the executive managers within the CCW who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

CCW's Audit and Risk Management Committee comprises 6 non-executive members from our Council and 1 independent member. It raises issues and concerns as necessary with me as Accounting Officer. Its Terms of Reference ensure that risk management and internal control are regularly considered within the year. The Audit Committee members and officers have received training on governance and audit committee best practice.

The Council receives regular reports from the chairman of the Audit and Risk Management Committee concerning internal control. Each Director, Regional Director and Group Head has provided the Chief Executive with a written statement of assurance that all systems of management and financial control are effective. The majority of the issues that

have been raised are strategic and do not lessen the adequacy of internal control. The issues raised in the written statements are noted, reviewed by the Audit Committee and their resolution is monitored through an action plan.

CCW's collaborative Internal Audit contract with Denbighshire County Council has been extended to provide the resource required to manage the Audit Plan as agreed by the Audit Committee. CCW's Internal Audit Unit operates to standards defined in the Government Internal Audit Manual and has direct access to the Chief Executive and the Chair of the Audit Committee. Annual audit plans, which are risk based, are approved by the Audit Committee, to whom Internal Audit make regular reports. For each assignment, Internal Audit provide an opinion on the adequacy and effectiveness of the system of internal control and identify issues arising for management to address. Issues arising from audits are followed up as quickly as possible to ensure that appropriate action is taken and improvements in the risk management, governance and internal control processes are achieved where necessary. Senior management regularly review progress achieved in implementing audit action plan. During the year the audit team carried out two reviews at the request of the Director of Planning and Resources - a review of the procurement of fleet vehicles to critically examine the processes and identify areas for future improvement and a review of the absolute separation of duties in Finance Group to protect staff and CCW. Three high risk issues were raised as a consequence of the review of procurement of fleet vehicles. One other high risk issue was raised during the year relating to sickness absence.

Following completion of the annual plan, Internal Audit produces an annual report which is presented to the Audit Committee. This report summarises the work completed during the year and identifies any significant issues which may have impacted upon the effectiveness of CCW's control environment and which should be incorporated into this statement. An opinion on the adequacy and effectiveness of CCW's system of internal control is also provided.

In light of the audits undertaken in 2009/10, the overall opinion of the Head of Internal Audit is that the Accounting Officer can have assurance in the overall adequacy and effectiveness of its internal control and governance environment, with risk management subject to significant development over the next accounting period.

Roger Thomas
Accounting Officer and Chief Executive

Date 10th September 2010

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Countryside Council for Wales for the year ended 31 March 2010 under paragraph 21 of Schedule 6 to the Environmental Protection Act 1990. These comprise the Income Statement, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Taxpayers Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive as Accounting Officer and auditor

The Chief Executive as Accounting Officer is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with paragraph 21 of Schedule 6 to the Environmental Protection Act 1990 and Welsh Ministers' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Councils and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with paragraph 21 of Schedule 6 to the Environmental Protection Act 1990 and Welsh Ministers' directions made thereunder. I report to you whether, in my opinion, the information which comprises the Introduction and Background and Management Commentary given in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I report to you if in my opinion the Countryside Council for Wales has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Countryside Council for Wales' compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Countryside Council for Wales' corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Countryside Council for Wales' circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with paragraph 21 of Schedule 6 to the Environmental Protection Act 1990 and directions made thereunder by Welsh Ministers, of the state of the Countryside Council for Wales' affairs as at 31 March 2010 and of its net costs, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with paragraph 21 of Schedule 6 to the Environmental Protection Act 1990 and Welsh Ministers' directions made thereunder; and
- information which comprises the Introduction and Background and the Management Commentary, given within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Gillian Body
Auditor General for Wales
24 Cathedral Road
Cardiff
CF11 9LJ
28 September 2010

**Income Statement
for the Year Ended 31 March 2010**

		2009/10	2008/09
		£000	£000
	Note		
Income			
Income from Activities	6	(536)	(555)
Retainable European Income	6	<u>(647)</u>	<u>(21)</u>
		(1,183)	(576)
Expenditure			
Staff Costs and Council Members' Remuneration	4	19,492	18,336
Depreciation, Amortisation and loss on revaluation	7,8	1,580	1,576
Other expenditure:			
National Nature Reserves and Site Protection	5a	3,955	4,190
Scientific and Technical Support	5b	2,012	2,356
Operational Support	5c	1,217	1,500
Grants Payable	5d	9,841	11,113
Other Operating Charges	5e	<u>5,180</u>	<u>5,171</u>
		43,277	44,242
Net Expenditure		<u>42,094</u>	<u>43,666</u>
Surplus on disposal of current assets held for sale		(29)	0
Surplus on disposal of non-current assets during year		(5)	(68)
Transfer from reserves	20	(2)	(2)
Annual Compensation Payments: Changes in Discount	15	14	0
Cost of Capital		308	274
Interest receivable		(17)	(127)
Net Expenditure after cost of capital and interest		<u>42,363</u>	<u>43,743</u>

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Statement of Financial Position
as at 31 March 2010

		31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
	Note			
Non-current assets				
Property plant & equipment	7	9,307	9,263	9,900
Intangible assets	8	714	752	765
Total non-current assets		<u>10,021</u>	<u>10,015</u>	<u>10,665</u>
Current Assets				
Assets held for sale	10	0	86	60
Inventories	11	9	10	9
Trade and other receivables	12	2,497	1,594	1,676
Cash and cash equivalents	13	1,830	403	56
Total current assets		<u>4,336</u>	<u>2,093</u>	<u>1,801</u>
Total assets		<u>14,357</u>	<u>12,108</u>	<u>12,466</u>
Current liabilities				
Trade and other payables	14	(800)	(303)	(1,244)
Other Liabilities - Untaken Staff Leave	14	(321)	(490)	(511)
Total current liabilities		<u>(1,121)</u>	<u>(793)</u>	<u>(1,755)</u>
Non-current assets plus/less net current assets/liabilities		<u>13,236</u>	<u>11,315</u>	<u>10,711</u>
Non-current liabilities				
Provisions	15	(831)	(484)	(662)
Other Payables	14	(3)	(4)	(6)
Total non-current liabilities		<u>(834)</u>	<u>(488)</u>	<u>(668)</u>
Assets less liabilities		<u>12,402</u>	<u>10,827</u>	<u>10,043</u>
Taxpayers' Equity				
Reserves				
Government Grant Reserve		85	7	9
Donated Assets Reserve		26	27	29
Revaluation Reserve		778	971	1,421
Income and Expenditure Reserve		11,513	9,822	8,584
		<u>12,402</u>	<u>10,827</u>	<u>10,043</u>

As a result of IAS 1 (revised), 'Presentation of financial statements', we are required to prepare and present an opening balance sheet as a primary statement at the date of transition to IFRS.

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

(Signed) (Accounting Officer and Chief Executive)

Statement of cash flows
for the year ended 31 March 2010

	2009/10	2008/09
Note	£000	£000
Cash flows from operating activities		
Net expenditure after cost of capital and interest	(42,363)	(43,743)
Adjustment for cost of Capital	308	274
Adjustment for transfer from reserves	(2)	(2)
Surplus on disposal of assets	(34)	(68)
Adjustment for Depreciation	1,580	1,576
(Increase)/Decrease in trade and other receivables	(903)	82
(Increase)/Decrease in inventories	1	(1)
Increase/(Decrease) in trade and other payables	328	(962)
Increase/(Decrease) in long term accrual	(1)	(2)
Increase/(Decrease) in provisions	347	(178)
Net cash flow from operating activities	<u>(40,739)</u>	<u>(43,024)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	7 (1,326)	(957)
Purchase of intangible assets	8 (422)	(435)
Proceeds on disposal of property, plant and equipment	12	29
Proceeds on disposal of Assets Held for Sale	115	60
Net cash outflow from investing activities	<u>(1,621)</u>	<u>(1,303)</u>
Cash flows from financing activities		
Government grant in aid received	42,675	43,762
Capital grants and donations received	1,959	1,759
Transfer to JNCC	(847)	(847)
Net Financing	<u>43,787</u>	<u>44,674</u>
Net increase in cash and cash equivalents in the period	1,427	347
Cash and cash equivalents at the beginning of the period	<u>403</u>	<u>56</u>
Cash and cash equivalents at the end of the period	<u>1,830</u>	<u>403</u>

The accounting policies and notes on pages 22 to 47 form part of these financial statements.

Statement of Changes in Taxpayers Equity
for the year ended 31 March 2010

Note	Government Grant Reserve £000	Donated Asset Reserve £000	Revaluation Reserve £000	Share of JNCC Grant Reserve £000	Income and Expenditure Reserve £000	Total Taxpayers equity £000
Changes in taxpayers' equity for 2009-10						
			(155)			(155)
	(2)					(2)
20	80	(1)	(38)		(41)	0
					308	308
					(42,363)	(42,363)
	78	(1)	(193)	0	(42,096)	(42,212)
					42,675	42,675
					1,959	1,959
					(847)	(847)
	85	26	778	0	11,513	12,402
Changes in taxpayers' equity for 2008-09						
	9	29	1,077	37	4,936	6,088
1,2			344	(37)	3,648	3,955
	9	29	1,421	0	8,584	10,043
			(419)			(419)
	(2)					(2)
		(2)	(31)		33	0
					274	274
					(43,743)	(43,743)
	(2)	(2)	(450)	0	(43,436)	(43,890)
					43,762	43,762
					1,759	1,759
					(847)	(847)
	7	27	971	0	9,822	10,827

* Our Grant in Aid from WAG includes £847k to finance JNCC as detailed in our remit letter.
The accounting policies and notes on pages 22 to 47 form part of these financial statements.

1 STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention modified by the inclusion of certain non current assets at valuation, as stated below, and in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1985 and in accordance with the current Government Financial Reporting Manual (FRoM) issued by HM Treasury, in so far as it applies to Assembly Government Sponsored Bodies.

The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS), adapted and interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the National Assembly for Wales for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Welsh Assembly Government for CCW are described below. They have been applied consistently in dealing with items that are considered material to the accounts

1.2 Non-current Assets

1.2a Capitalisation

The threshold for capitalising non current assets is £1,000. Non-current assets costing less than £1,000 are charged to the Income Statement in the year of purchase.

1.2b Valuation policy

Heritage land are located on designated conservation areas and are held in support of one of the primary aims of increasing knowledge, understanding and appreciation of the Welsh natural environment. CCW's heritage land has been accounted for on the following basis. CCW consider that obtaining external valuations would involve disproportionate cost. This is because of the diverse nature of the land held and the lack of comparable market values. Heritage land is held at cost and any gain or loss on revaluation is charged to the Statement of Changes to Taxpayers Equity. Acquisitions are normally made by purchase or donation. Purchases are initially recorded at cost and donations are recorded at a current valuation ascertained by a CCW Land Agent. Preservation costs - expenditure which is required to preserve the heritage land is recognised in the Income Statement when it is incurred. Further information on Heritage Land can be found in note 7b.

Buildings are valued at open market valuation for existing use or depreciated replacement cost in the case of specialised buildings. Full valuations are obtained every 5 years and are updated by appropriate indices in the intervening years. The last revaluation was in March 2007 conducted by King Sturge Independent Property Valuers and Knight Frank Property Consultants.

Adjustments arising from revaluations are taken to the revaluation reserve until the balance in respect of that non current asset is used up, after which the movement is recognised in the Income Statement. Any permanent reductions in value are transferred to the Income and Expenditure Reserve.

Non current assets are subject to regular impairment reviews. An impairment review is also carried out when a decision is made to dispose of a non current asset. Any adjustment in value to the net recoverable amount is charged to the Income Statement as an impairment charge.

1.2c Non current assets under construction

All tangible non current assets being developed and not in operation at the year-end are capitalised as a non current asset under construction. They are carried at cost and transferred to the appropriate non current asset category when completed and ready for use. No depreciation is recognised until the non current asset is brought into use.

1.2d Leasehold improvements

Expenditure in respect of major capital refurbishment and improvement of properties occupied but not owned by CCW is capitalised because the expenditure provides a long-term benefit to the organisation.

1.2e Depreciation

Depreciation / amortisation is provided on all non-current assets, other than freehold land, heritage land and non current assets under construction, from the date of acquisition at rates calculated to write off the cost or valuation of each asset to its residual value evenly (apart from vehicles where the reducing balance method is employed) over its expected useful life as follows:

Freehold/Leasehold Buildings :	50 years or professionally estimated useful life
Leasehold Improvements :	Shorter of the remaining lease term and assessed life of improvement
Plant and Machinery	5 – 10 years
Information Technology	3 – 10 years
Transport Equipment	4 - 5 years
Software Licenses	3 – 10 years

The depreciation charge calculated at the above rates is charged to the Income Statement.

Where equipment is still in use and is beyond their initial expected lives, they are reviewed to consider future year's potential and an adjustment is made through the Income Statement.

1.2f Revaluation reserve

An amount representing the difference between the depreciation charged on the revalued assets and that which would have been charged if the assets were shown at cost is either added to or deducted from the revaluation reserve and either debited or credited to the Income and Expenditure Reserve.

1.2g Intangible Assets

Purchased computer software licences are capitalised as intangible non-current assets and are depreciated over 3 to 10 years reflecting their useful expected life. They are valued at depreciated historical cost. Internally generated computer software development costs and external software costs are charged to the Income Statement as incurred, unless future economic benefit will accrue directly from the investment.

1.2h Sale of non-current assets

The proceeds from the sale of non current assets are surrendered to the Welsh Assembly Government in their entirety, except where the proceeds are used for like-for-like replacement. Non current assets authorised by management to be sold but still owned by Countryside Council for Wales on 31st March are reclassified as Assets Held for sale under current assets.

1.2i Donated Assets

The value of donated assets, or donations used for the purchase of non current assets are credited to the donated assets reserve. An amount representing the depreciation on these assets is deducted from the donated assets reserve and credited to the Income and Expenditure Reserve.

1.2j Government Grant Reserve

The government grant reserve reflects that proportion of the net book value of an asset financed by a government grant, including from the EU. Grants for capital expenditure applied to specific non current assets that are held at valuation are credited to the government capital grant reserve, and released over the expected useful life of the relevant assets by equal amounts. Note 20 to the accounts provide detailed analysis of the movements in the reserve and distinguish between UK grants and EU grants.

1.3 Stock valuation

Stocks are valued on a first in first out basis at the lower of cost and net realisable value.

1.4 Operating leases

All leases are assessed using the criteria as laid down in IAS 17. Costs relating to operating leases are charged to the Income statement in the year in which they are incurred.

1.5 Taxation

CCW is not liable to corporation tax or capital transfer tax on gifts and bequests received. Income is shown net of VAT. Expenditure and non current asset purchases are shown inclusive of VAT, which is not generally recoverable.

1.6 Grant in Aid

Government grant in aid received of a revenue nature or non-specific capital grant in aid are credited to the Income and Expenditure Reserve in the year to which they relate.

1.7 Grants, Research contracts and Management Agreements

Research expenditure, grants awarded and management agreements payments are charged to the Income Statement when incurred.

1.8 Notional costs

1.8a Cost of Capital

In line with HM Treasury guidance in the FReM, the Countryside Council for Wales accounts for notional costs of the cost of capital. The financing structure of the Countryside Council for Wales does not include specific interest bearing debt, but to ensure that the Income Statement bears an appropriate charge for the use of capital in the business in the year, a notional interest charge is included. In accordance with Treasury Guidance, the calculation is based on a 3.5% cost of capital on average net assets.

1.9 Pension values

Employers' contributions are payable to the Principal Civil Service Pension Scheme (which the Countryside Council for Wales joined on 1st October 2002) at one of four rates, as set out below, based on salary bands.

2009/10 Salary Band £	2009/10 Percentage	2008/09 Salary Band £	2008/09 Percentage
20,500 and under	16.7	19,500 and under	17.1
20,501 to 42,000	18.8	19,501 to 40,500	19.5
42,001 to 72,000	21.8	40,501 to 69,000	23.2
72,001 and over	24.3	69,001 and over	25.5

1.10 Derivatives

In accordance with IFRS 7 and IAS 32 the Council has to provide information about the role that financial instruments play in creating or changing the risks that it faces in its activities. The Council has no borrowings and relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all material assets and liabilities are in denominated sterling, so it is not exposed to interest risk or currency risk.

1.11 Segmental reporting

In accordance with IFRS 8 the Council has to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. The operating results and segments disclosed in the accounts are regularly reviewed by the Council's Directors Team to make decisions about allocation of resources to those segments and to assess their performance.

1.12 Short Term Employee Benefits

Employees earn annual leave entitlements as they provide services to the organisation. The entitlement accrues evenly throughout the year and employees are entitled to carry forward leave not taken within their individual leave cycle, into the following year's entitlement. Employees who leave are entitled to cash payment in respect of any unused entitlement.

The cost of providing this benefit is recognised in the period in which the employee earns the benefit, rather than when it is paid or payable. A liability is recognised when the organisation expects to pay an additional amount as a result of the unused entitlement that has accumulated at the Statement of Financial Position date.

1.13 Provisions

Where CCW makes provisions these are stated at discounted amounts. The discount rate used was 1.8% (2008/9 2.2%)

1.14 First Time Adoption of IFRS

These accounts have been prepared under IFRS (International Financial Reporting Standards) for the first time and has necessitated a number of changes to accounting policy and the restatement of the closing statement of financial position as at 31 March 2009. The changes are summarized in Note 2.

2. First-time adoption of IFRS

	Government Grant Reserve £000	Donated Asset Reserve £000	Revaluation Reserve £000	Share of JNCC Grant Reserve £000	Income and Expenditure Reserve £000
Taxpayers' equity at 31 March 2009 under UK GAAP	7	27	645	39	6,065
Adjustments for IFRS:					
- Removal of JNCC consolidation				(39)	(4)
- Leased asset incentive payments					(7)
- Leased asset premium paid on inception					39
- Employee Benefits					(511)
- Non qualifying software costs written off					(384)
- Recognition of Heritage Land					4,518
- Release of reserves to Income Statement					106
Adjustments for corrections to GAAP identified during transition to IFRS					
- Valuation Bryn Mwcog Farmhouse & Buildings			326		
Taxpayers' equity at 1 April 2009 under IFRS	7	27	971	0	9,822

	2008/09 £000
Net Expenditure for 2008-09 under UK GAAP	44,686
Adjustments for:	
Operational Support	302
Shared Conservation Expenditure (JNCC)	(1,000)
Staff Costs - Movement on Accrued Leave	(21)
Other Operating Charges	5
Depreciation and loss on revaluation	(403)
Shared Conservation Income (JNCC)	161
Transfer from reserves	11
Interest Receivable	2
Net Expenditure for 2008-09 under IFRS	43,743
Reconciliation to Cash flows under UK GAAP	
Cash balance 31 March 2009 under UK GAAP	472
Adjustment for JNCC	(69)
Cash balance 1 April 2009 under IFRS	403

3. Analysis of resource requirement by segment

The operating results disclosed in the accounts are regularly reviewed by the Council's Directors Team to make decisions about allocation of resources and to assess their performance. Other analysis provided to the Directors Team on a regular basis to make decisions about the allocation of resources did not exceed the quantitative thresholds requiring separate disclosure under IFRS 8

4. Staff numbers and related costs

Staff costs comprise:

	2009/10 £000	2009/10 £000	2009/10 £000	2008/09 £000
	Permanently Employed			
	Total	Staff	Others	Total
Wages and salaries	15,359	14,252	1,107	14,687
Social security costs	1,115	1,047	68	1,065
Other pension costs	2,802	2,490	312	2,794
Sub Total	19,276	17,789	1,487	18,546
Less Recoveries in respect of Outwards Secondments	(213)	(213)		(214)
Net Salary costs	19,063	17,576	1,487	18,332
Annual Compensation Payments and Early Severance Costs	132	132	0	0
Movement in Accrued Holiday Pay	(169)	(169)	0	(21)
Transfer to Provision for Annual Compensation Payments	466	466	0	25
Total Staff Costs	19,492	18,005	1,487	18,336

Movement on Accrued Holiday pay includes a change in estimated daily rates to match amounts that would be paid. If no change in estimated rates had been applied the movement during 2009/10 would be an increase of £31k.

Details of the Pension Scheme are given on pages 9 and 10 of these Accounts

Employers' contributions are payable to the Principal Civil Service Pension Scheme (which the Countryside Council for Wales joined on 1st October 2002) at one of four rates, details given in Note 1.9 (page 28) of these accounts

	2009/10 £000	2008/09 £000
Council Members Costs (included above)	98	100
Chairman's Remuneration including National Insurance and Pension costs (included above)	56	57

The Chairman is appointed by the Principal Accounting Officer for the Welsh Ministers. It is a part-time pensionable appointment equivalent of 130 days a year. Council members are appointed by Welsh Ministers on a part-time basis equivalent to 30 days a year. Council members appointed to the board of JNCC work additional days equivalent to 12 days a year. Their appointments are non-pensionable.

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	2009/10 Number	2009/10 Number	2009/10 Number	2008/09 Number
	Permanently Employed			
	Total	Staff	Others	Total
Directly Employed	492	468	24	482
Other	7	0	7	7
Total	499	468	31	489

5. Expenditure

5a. National Nature Reserves

The cost of leasing, managing and maintaining National Nature Reserves and the cost of payments to Landowners of Sites of Special Scientific Interest for the environmentally beneficial management of their land.

	2009/10	2008/09
	£000	£000
Reserve Maintenance	1,367	1,534
Reserve Building rents	77	71
Reserve Leases	84	57
Reserve Section 16 Management Agreements	345	452
Section 15 Management Agreement Costs		
Annual payments including Arrears to owners and occupiers	1,464	1,413
Annual & Works Costs	397	379
Monitoring and Management Planning		
Monitoring	26	22
Site Protection	90	81
Associated Legal Costs		
Public Enquiries	30	48
Legal Costs Relating to Management Agreements	66	79
Other Costs		
Other Activities [Wayleaves, Licences etc]	6	45
Land Agency Consultancies	3	9
Total National Nature Reserves and Site Protection	<u>3,955</u>	<u>4,190</u>

5b. Scientific and Technical Support

The cost of contracts to support CCW's scientific and technical programmes and the development of environmental policies

	2009/10	2008/09
	£000	£000
Natural Science Resource Base	834	889
Cultural Resource Base	18	14
Environmental Monitoring	438	400
Science / Policy Impact Studies	10	22
Research to Develop Policy	538	798
Experiments in Sustainability	174	233
Total Scientific and Technical Support	<u>2,012</u>	<u>2,356</u>

5c. Operational Support

	2009/10	2008/09
	£000	£000
Operational Projects (non Research)	606	783
Cartography Costs	68	105
Data Systems	80	142
Library Costs	103	108
Cost of Operational Equipment	76	58
Misc Operational Costs	284	304
Total Operational Support	<u>1,217</u>	<u>1,500</u>

5. Expenditure (cont.)

	2009/10 £000	2009/10 £000	2009/10 £000	2008/09 £000
5d. Grants Payable				
	Total	Public Sector	Private & Third Sector	Total
Capital	0	0	0	49
Biodiversity	1,759	741	1,018	1,487
Landscape	222	124	98	542
Awareness	1,144	82	1,062	1,357
Access	686	603	83	998
External Training	52	33	19	103
Education	137	5	132	180
Environment for All / Community Strategy	1,767	1,069	698	1,536
Special Initiatives	2,933	2,858	75	4,100
Sustainable Development	160	5	155	83
European Development Fund & Review of Consents	407	407	0	450
European Funding to Partners	344	336	8	3
Partnership Agreements	230	15	215	225
Total grants	9,841	6,278	3,563	11,113

5e. Other Operating Charges

	2009/10 £000	2008/09 £000
Accommodation Costs	977	1,087
Transport Costs	214	298
General Office Costs	335	270
Purchase of Equipment and Consumables	183	176
Hire & Maintenance of Equipment	18	10
Operating Lease rentals	725	726
Training	356	304
Travel and Subsistence	333	329
Information Systems Development	675	757
Corporate Services General	315	283
Miscellaneous Legal Costs	56	9
Operational Legal Costs	1	0
Audit Fee - Statutory	42	39
Audit Fee- non statutory	8	0
Repayment of Bank Interest	12	0
Movement in stock	1	0
Publicity/Information/Education	888	882
Write offs and Provisions	41	1
	5,180	5,171

6. Income

	2009/10 £000	2008/09 £000
6a. Income from activities		
Income from National Nature Reserves	68	60
Collaborative projects	388	476
Refund of Project costs	61	0
Salary Deductions	12	11
Rent and Sale of Goods	7	8
Total	<u>536</u>	<u>555</u>
6b. Retainable grants from the European Community		
Grants from the EDRF Convergence Fund	277	17
LIFE Programme Grants	370	4
Total	<u>647</u>	<u>21</u>

7. Property plant and equipment

	Freehold Land and Buildings £000	Short term Leasehold Land and Buildings £000	Leasehold Improvements £000	Dwellings £000	Information Technology £000	Transport Equipment £000	Plant & Machinery £000	Infra- structure Assets £000	Heritage Assets £000	TOTAL £000
Cost or valuation										
At 1 April 2009	1,044	1,154	233	220	3,713	1,486	2,556	0	4,511	14,917
Additions	79		34		430	223	423	51	86	1,326
Disposals					(310)	(19)	(50)			(379)
Revaluations (Reserve)	(57)	(110)		(22)						(189)
Revaluation charge to Income Statement	(57)	(2)	(9)							(68)
At 31 March 2010	1,009	1,042	258	198	3,833	1,690	2,929	51	4,597	15,607
Depreciation										
At 1 April 2009	153	251	61	4	2,809	586	1,790	0	0	5,654
Charged in year	35	23	20	4	508	209	261			1,060
Disposals					(306)	(16)	(50)			(372)
Revaluations (Reserve)	(11)	(23)								(34)
Revaluation credit to Income Statement	(5)	(2)	(1)							(8)
At 31 March 2010	172	249	80	8	3,011	779	2,001	0	0	6,300
Net book value at 31 March 2010	837	793	178	190	822	911	928	51	4,597	9,307
Net book value at 31 March 2009	891	903	172	216	904	900	766	0	4,504	9,263
Asset Financing										
Owned	837	793	178	190	822	911	928	51	4,597	9,307
On-balance sheet PFI contracts										0
Net book value at 31 March 2010	837	793	178	190	822	911	928	51	4,597	9,307

Property is valued every 5 years, no valuations were carried out in year, the next Property valuation is due in March 2012.
Property is revalued between valuations using appropriate indices.

	Freehold Land and Buildings £000	Short term Leasehold Land and Buildings £000	Leasehold Improvements £000	Dwellings £000	Information Technology £000	Transport Equipment £000	Plant & Machinery	Infra structure Assets £000	Heritage Assets £000	TOTAL £000
At 1 April 2008	1,154	1,435	187	250	3,779	1,706	2,570	0	4,511	15,592
Additions	24	32	83		399	309	110			957
Disposals					(521)	(254)	5			(770)
Transfer to Assets Held for Sale						(275)				(275)
Reclassifications	10		(10)							0
Revaluations (Reserve)	(83)	(310)	0	(30)	56		(129)			(496)
Revaluation charge to Income Statement	(61)	(3)	(27)							(91)
	1,044	1,154	233	220	3,713	1,486	2,556	0	4,511	14,917
Depreciation										
At 1 April 2008	142	283	4	0	2,797	803	1,663	0	0	5,692
Charged in year	37	30	60	4	493	206	219			1,049
Disposals					(521)	(234)	(54)			(809)
Transfer to Assets Held for Sale						(189)				(189)
Revaluations (Reserve)	(21)	(59)	0		40	0	(38)			(78)
Revaluation credit to Income Statement	(5)	(3)	(3)							(11)
At 31 March 2009	153	251	61	4	2,809	586	1,790	0	0	5,654
Net book value at 31 March 2009	891	903	172	216	904	900	766	0	4,511	9,263
Net book value at 1 April 2008	1,012	1,152	183	250	982	903	907	0	4,511	9,900

Non operational Heritage Assets

The National Nature Reserves (NNRs) have been classified as non-operational heritage assets and previously CCW held these assets at nil value. Under the first time adoption of IFRS and in accordance with IAS 16 it has been possible to capitalise (at cost) these assets where the accounting records exist for past accounting periods. Where the records no longer exist, since the cost of reconstructing them would be prohibitive or disproportionate to the benefit obtained or where the cost information is of such an age as to make it meaningless, a reasonable view has been taken of the value of the asset today.

Heritage land valued at £3.314m (historic cost) was transferred to CCW from its predecessor organisation (the Nature Conservancy Council). Since 1st April 1995 heritage land costing £1.29m has been purchased by CCW.

As at March 2010 CCW has 72 NNRs and 1 Marine Nature Reserve (MNR) declared under several categories: 44 are managed by CCW; 11 are managed by CCW in partnership; a further 18 are managed by 3rd parties. CCW also has 12 non-NNR landholdings (some pending declaration)

	2009/10
	Hectares
Declared NNR/MNRs:	
Owned by CCW	9,158
Leased by CCW	6,895
S16 agreements	8,124
S35 agreements	1,016
	<u>25,193</u>
Undeclared landholdings/non NNR sites:	
Owned by CCW	302
Leased by CCW	72
	<u>374</u>

We receive adequate information on NNR condition and maintenance, which enables our stewardship role of the NNR's. It is not our intention to dispose of these assets in the foreseeable future, given their importance to natural heritage.

8. Intangible assets

Intangible Assets comprise Software Licences and Development of Software

	Software Licences £000	Licenses	Information Technology £000	TOTAL £000
Cost or valuation				
At 1 April 2009	1,553	7	1,552	3,112
Additions	195		227	422
Disposals	(164)		(1)	(165)
At 31 March 2010	1,584	7	1,778	3,369
Amortisation				
At 1 April 2009	1,321		1,039	2,360
Charged in year	130		330	460
Disposals	(164)		(1)	(165)
At 31 March 2010	1,287	0	1,368	2,655
Net book value at 31 March 2010	297	7	410	714
Cost or valuation				
At 1 April 2008	1,445	7	1,248	2,700
Additions	129		306	435
Disposals	(21)		0	(21)
Revaluations	0		(2)	(2)
At 31 March 2009	1,553	7	1,552	3,112
Amortisation				
At 1 April 2008	1,193	0	742	1,935
Charged in year	149	0	298	447
Net book value at 1 April 2008 (Pre 1st time adoption IFRS)	(21)	0		(21)
Revaluations			(1)	(1)
At 31 March 2009	1,321	0	1,039	2,360
Net book value at 31 March 2009	232	7	513	752
Net book value at 1 April 2008	252	7	506	765

9. Financial Instruments

As the majority of the cash requirements of CCW are met through Grant -in-Aid provided by the Department of Environment, Sustainability and Housing in the Welsh Assembly Government, financial instruments do not play a role in creating and managing risk. CCW holds no financial instruments including those which relate to contracts to buy non-financial items in line with CCW's expected purchase and usage requirements. CCW is therefore exposed to little credit, liquidity or market risk.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. The fair value of trade and other receivables is usually the original invoice d amount.

Cash at bank and in hand comprises cash in hand and current balances with banks and are in sterling.

10. Assets Held For Sale

On 1 April 2008 CCW held vehicles which were classified as held for sale under IFRS 5, with value of £60k. On 31 March 2009 CCW held vehicles which were classified as held for sale under IFRS 5, with Net Book Value of £86k. These vehicles were sold by auction in May 2009. On 31 March 2010 no assets meeting the criteria of IFRS5 were held.

	2009/10	2008/09
	£000	£000
Balance at 1st April	86	60
Plus assets classified as held for sale during year	0	86
Less assets sold in year	(86)	(60)
Balance at 31 March	<u><u>0</u></u>	<u><u>86</u></u>

11. Inventories

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Publications - Ynys Las Stock	<u>9</u>	<u>10</u>	<u>9</u>
	<u><u>9</u></u>	<u><u>10</u></u>	<u><u>9</u></u>

12. Trade receivables and other current assets

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Amounts falling due within one year:			
Trade receivables	287	390	698
Provision for Doubtful Debt	(20)	0	0
Prepayments and Accrued Income	1,660	1,197	912
Deposits and Advances	567	0	0
Other receivables	3	7	66
	<u>2,497</u>	<u>1,594</u>	<u>1,676</u>
Analysis of receivables			
Other Central Government Bodies	483	501	694
Local Authorities	329	303	21
Bodies External to Government	1,685	790	961
	<u>2,497</u>	<u>1,594</u>	<u>1,676</u>

13. Cash and cash equivalents

	31 March 2010	31 March 2009
	£000	£000
Balance at 1 April	403	56
Net change in cash and cash equivalent balances	1,427	347
Balance at 31 March	<u>1,830</u>	<u>403</u>
The following balances were held at 31 March		
The Office of Paymaster General. CCW General Account	855	397
The Office of Paymaster General. LIFE+ Account	969	0
Cash in Hand	6	6
	<u>1,830</u>	<u>403</u>

14. Trade payables and other current liabilities

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
VAT	21	9	23
Other Taxation and Social Security	8	9	87
Trade Payables	47	187	809
Other Accruals and deferred income	724	98	325
Accrual for Untaken Staff Leave	321	490	511
	<u>1,121</u>	<u>793</u>	<u>1,755</u>
Analysis of Creditors			
Other Central Government Bodies	725	224	709
Local Authorities	0	17	380
Bodies External to Government	396	552	666
	<u>1,121</u>	<u>793</u>	<u>1,755</u>
Amounts falling due after more than one year:			
Long term rent incentive	<u>3</u>	<u>4</u>	<u>6</u>

15. Provisions for liabilities and charges

	31 March 2010	31 March 2010	£000
	£000	£000	Total
	Staff	Trade	
Balance at 1 April 2009	484	0	484
Additional provision provided in the year	466	16	482
Provisions used in the year	(149)	0	(149)
Increase in provision due to lower discount rate	3	0	3
Unwinding of discount	11	0	11
Unused amounts reversed	0	0	0
Balance at 31 March 2010	<u>815</u>	<u>16</u>	<u>831</u>

A provision has been made for the annual compensation payments to be made for staff who left CCW in March 2006 and in March 2010 under the Early Retirement Programmes. These payments will remain in force until each individual reaches pensionable age of 60 (last payment due in 2017/18).

The provision represents the estimated future cost to CCW, calculated assuming an annual increase of 2.75% (Retail Price Index) in the pension paid. The estimated payments have been discounted by the Treasury discount rate of 1.8% (2008/9 - 2.2%) in real terms. The effect of this reduced discount rate is to increase the provision by £11k.

In 2008 CCW let a contract for works which was subsequently cancelled. A claim of £21k has been made against CCW. We have sought legal advice and are currently awaiting WAG agreement on what further action to take. This should be resolved in 2010-11.

Analysis of expected timing of discounted flows

In 2010/11	217
Between 2011 and 2014	422
Between 2014 and 2018	192
Thereafter	0
Total Provision at 31 March 2010	<u>831</u>

16. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Property Plant & Equipment			
Freehold Land		12	
Freehold Buildings	9		6
Plant & Machinery	139		10
Information Technology	1	126	4
Transport Equipment	130		46
Leasehold Improvements	120	22	
	<u>399</u>	<u>160</u>	<u>66</u>
Intangible Assets			
Licences	4	0	0
Information Technology	45	0	0
	<u>49</u>	<u>0</u>	<u>0</u>

17. Commitments under Leases

17.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Obligations under operating leases comprise:			
Land and Buildings			
Not later than one year	844	827	848
Later than one year and not later than five years	1,870	1,458	1,901
Later than five years	5,370	1,612	1,861
	<u>8,084</u>	<u>3,897</u>	<u>4,610</u>
Other:			
Not later than one year	24	37	37
Later than one year and not later than five years	7	31	27
Later than five years	<u>31</u>	<u>68</u>	<u>64</u>

Previous year figures have been restated to comply with current accounting standards. This note now shows the total amounts owing under operating leases in various periods, instead of annual amounts due according to end date of agreement.

17.2 Finance leases

There are no finance leases.

18. Other financial commitments

CCW has entered into non-cancellable contracts (which are not leases or PFI contracts), for Purchases, Land Management Agreements and Grants. The payments to which CCW is committed during 2009–10, analysed by the period during which the commitment expires are as follows.

	31 March 2010	31 March 2009
	£000	£000
Not later than one year	6,556	7,973
Later than one year and not later than five years	5,082	5,906
Later than five years	1,801	1,867
	<u>13,439</u>	<u>15,746</u>

19. Contingent Liabilities

CCW has no contingent liabilities at 31 March 2010

20. Movement on Government Grant Reserve

	2009/10	2008/09
	£000	£000
UK GRANTS		
Balance at 1st April	7	9
Grant applied during year	0	0
Grant amortised to revenue during year	(2)	(2)
Balance at 31st March	<u>5</u>	<u>7</u>
EU GRANTS		
Balance at 1st April	0	0
Grant applied during year	80	0
Grant amortised to revenue during year	0	0
Balance at 31st March	<u>80</u>	<u>0</u>
TOTAL BALANCE ON RESERVE at 31 March	<u>85</u>	<u>7</u>

21. Events after the reporting period

It was announced in the Budget on 22 June 2010 that the Government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operation of the pension schemes that the Countryside Council for Wales provides to employees.

It was announced in July 2010 that the Welsh Assembly Government, the Environment Agency, the Countryside Council for Wales and the Forestry Commission Wales are already working together closely on the development of a new Natural Environment Framework for Wales and on how we share services and operational resources to deliver it. If a compelling case is made for restructuring, then any plans would be developed with full involvement of those affected and would require legislation. No estimates of the financial effect, if any, can be made at this point in time.

22. Related Parties

The Countryside Council for Wales is an Assembly Government Sponsored Body.

The Welsh Assembly Government is regarded as a related party. During the year the Countryside Council for Wales has had various material transactions with the Welsh Assembly Government and with other entities for which the Welsh Assembly Government is regarded as the parent department viz National Museum of Wales and Sports Council for Wales.

In addition, the Countryside Council for Wales has had a small number of transactions with other Government Departments and other central government bodies. Most of these transactions have been with Natural England (formally English Nature) and Scottish National Heritage. The Countryside Council for Wales, Natural England, Scottish National Heritage and the Department of Environment in Northern Ireland execute their joint functions through the Joint Nature Conservation Committee and provide funding for the Committee on an agreed proportionate basis.

During the year, The Countryside Council for Wales, in the normal course of its business, entered into material transactions with the following organisations in which Council Members, members of the key management staff or other related parties have an interest:

22a. Chairman

Mr John Lloyd Jones was a board member of the Joint Nature Conservation Committee (JNCC) and a Director of the JNCC Support Company to 28/02/2010.

During the year the following transactions took place with the JNCC:

	£000
Expenditure	47
Grant in Aid Paid	847
Income	22
of which was owed to CCW at year end	19

Mr John Lloyd Jones is a Member of the Forestry Commission Welsh Woodlands Strategic Advisory panel
During the year the following transactions took place with the Forestry Commission:

	£000
Expenditure	23
Income	92
of which was owed to CCW at year end	21

Mr John Lloyd Jones is a Member of the National Trust Council and Land Use Panel and Access Panel
During the year the following transactions took place with the National Trust:

	£000
Expenditure	161

Mr John Lloyd Jones's spouse is Chairperson of Gwynedd Unitary Authority

During the year, the following transactions took place with Gwynedd Unitary Authority:

	£000
Expenditure	282
of which was a pre-payment	149
Grants	550
of which was owed by CCW at year end	1

Mr John Lloyd Jones's spouse is a member of the Snowdonia National Park Environment Development Fund Panel
During the year the following transactions took place with Snowdonia National Park Authority:

	£000
Expenditure	70
Grants	74
Income	2

Mr Morgan Parry is a Director/Board Member of Cynnal Cymru/Sustain Wales

During the year the following transactions took place with Cynnal Cymru:

	£000
Grants	22

22b COUNCIL MEMBERS

Mr Geraint George was a member of the Forestry Commission Welsh National Committee.
During the year the following transactions took place with the Forestry Commission.

	£000
Expenditure	23
of which was a pre-payment	4
Grants	92
of which was owed by CCW at year end	21

Mr Geraint George was a member of the RSPB Cymru Consultative Committee
During the year the following transactions took place with the RSPB:

	£000
Expenditure	78
Grants	234
Income	1

Mr Geraint George was a member of the Snowdonia National Park Authority
During the year the following transactions took place with the SNPA:

	£000
Expenditure	70
Grants	74
Income	2

Mr Geraint George was a member of the NATUR Executive Committee
During the year the following transactions took place with NATUR:

	£000
Grants	38

Mr Geraint George was a member of the Bangor University Welsh Medium Student Sponsorship Scheme
During the year the following transactions took place with Bangor University:

	£000
Expenditure	167
of which was owed by CCW at year end	1

Dr Graeme S Harris is Chair of a Committee of the Environment Agency Wales.
During the year the following transactions took place with the Environment Agency:

	£000
Expenditure	126
of which was owed by CCW at year end	24
Income	39

Dr Richard Jarvis is a Director of Cynnal Cymru
During the year the following transactions took place with Cynnal Cymru:

	£000
Grants	22

Dr Ieuan Joyce is a member of the JNCC and a Director of the JNCC Support Company
During the year the following transactions took place with the JNCC;

	£000
Expenditure	47
Grant in Aid Paid	847
Income	22
of which was owed to CCW at year end	19

Mr Patrick O'Reilly is a committee member of the Orchid Study Group associated with the National Botanic Garden of Wales (NBGW)

	£000
Expenditure	19
Grants	32

Mr Alan Underwood is a Director / Trustee of the Wales Council for Voluntary Action (WCVA).
During the year, the following transactions took place with the WCVA:

	£000
Expenditure	1
Grants	5

Mr Alan Underwood's wife is on the board of the Brecon Beacons National Park Authority
During the year, the following transactions took place with Brecon Beacons National Park Authority:

	£000
Expenditure	5
Grants	135
Income	2

Dr Susan Gubbay undertook consultancy work for CCW
During the year the following transactions took place with Dr Gubbay:

	£000
Expenditure	7

Mr Andy Middleton was a Director of Cynnal Cymru
During the year the following transactions took place with Cynnal Cymru:

	£000
Grants	22

Ms Lynnette Thomas is Director of Operations at DECIPHER, Cardiff University.
During the year the following transactions took place with the Cardiff University:

	£000
Expenditure	21

22c CHIEF EXECUTIVE

Mr Roger Thomas is a Trustee of Tir Coed.
During the year, the following transactions took place with Tir Coed:

	£000
Grants	19

Mr Roger Thomas is a Trustee of Ponds Conservation Trust
During the year, the following transactions took place with the Ponds Conservation Trust:

	£000
Grants	25

Mr Roger Thomas is a Director/Board member of Cynnal Cymru
During the year the following transactions took place with Cynnal Cymru

	£000
Grants	22

Mr Roger Thomas is the Chairman of Coed Cymru Cyf
During the year the following transactions took place with Coed Cymru Cyf:

	£000
Grants	47

22d SENIOR MANAGEMENT

Dr David Worrall's partner Dr Madeleine Harvard is a Trustee & Chair of Wales Environment Link
During the year, the following transactions took place with the Wales Environment Link:

	£000
Grants	36

Dr David Parker is a Director / Trustee of the Natural Biodiversity Network Trust (NBN Trust)
During the year, the following transactions took place with the NBN Trust:

	£000
Expenditure	25

Dr David Parker is a Director of Natur Cymru Ltd
During the year, the following transactions took place with Natur Cymru:

	£000
Grants	7

Dr David Parker is a Director of Plantlife International Ltd
During the year, the following transactions took place with Plantlife International Ltd.:

	£000
Expenditure	20
of which was owed by CCW at year end	1
Income	1
Grants	173