

**CYNGOR CEFN GWLAD CYMRU
COUNTRYSIDE COUNCIL FOR WALES**

**STATEMENTS OF ACCOUNT PREPARED PURSUANT TO PARAGRAPH 21 OF SCHEDULE 6 TO THE
ENVIRONMENTAL PROTECTION ACT 1990**

INTRODUCTION AND BACKGROUD

History of the Body and Statutory Background

The Countryside Council for Wales 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 National Assembly for Wales. 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 the National Assembly for Wales with the approval of the Treasury. A copy of the Accounts Direction can be obtained from the Council.

The Joint Nature Conservation Committee was established on 5 November 1990 by Section 128(4) of the Environmental Protection Act 1990 to carry out such functions previously discharged by the Nature Conservancy Council listed in section 133 therein. The expenses of the Joint Nature Conservation Committee are met in accordance with Schedule 7 of the Act and defrayed in proportion to the funding agreed by English Nature, Scottish Natural Heritage and the Countryside Council for Wales. Assets and liabilities are jointly owned by English Nature, Scottish Natural Heritage and the Countryside Council for Wales, apportioned on the agreed funding percentage for that year.

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 six Whitley Committee Meetings during the year and the discussions have been wide-ranging and productive.

Disabled Persons

The Disability Discrimination Act 1995 brought in new legislation to counteract the discrimination that people with disabilities face. It gives rights to people who have or have had a disability, which makes it difficult for them to carry out normal day-to-day activities. The disability may be physical, sensory or mental but must be substantial and must last or be expected to last for at least 12 months.

The Council has been awarded the '2 tick', Positive about Disability, symbol, a status granted by the Employment Service to employers following best practice guidelines in dealing with people with disabilities. The use of the symbol demonstrates to the Council staff and external applicants that the Council is committed to providing employment opportunities to people with disabilities, and will judge them solely upon their abilities.

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.

The Countryside Council for Wales aims to settle all bills within the terms specified in accordance with the Better Payments Practice Code. During 2005-06, the Council paid 95.38% 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 11 to the Annual Accounts.

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

Council Members for 2005-06

J Lloyd Jones, OBE (Chairman)

Dr E M N Andrews *

Mr B Riddleston

Professor D Edwards

Mr R Lovegrove, OBE *

Mr R Pratt

Mr D Tomos

Mr R Jarvis

Mr R Williams

Dr S Shackley **

Dr K D Bishop

Mr A J Underwood

Mr W.P O'Reilly ***

Dr I Joyce ***

* Term of office ended on the 30th September 2005

** Term of office ended on the 31st January 2006

*** Term of office started 1st October 2005

MANAGEMENT COMMENTARY

Principal Activities

The Countryside Council for Wales champions the environment and landscapes of Wales and its 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 coming years, 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
- In which there is greater access to countryside and coast for all its people and its visitors, giving enjoyment and well-being

We want everyone in Wales to understand the value of - and consequently care more for - our natural environment. We will adopt a broader approach to raising the quality of our natural heritage - across the whole of Wales rather than focusing particularly on special sites. We also want to connect people more explicitly with nature, with the aim of influencing them to adapt their lifestyles to safeguard it better.

Our strategy will be implemented through five action plans:

- **Sustainable Living** - our overarching theme.
- **Raising Quality** - improving the natural heritage of Wales as a whole.
- **Enabling Others** - working with partners to achieve shared objectives and developing their capacity to do so.
- **Improving Accessibility** - of information, as well as physical access and enjoyment
- **Understanding Change** - monitoring change to our environment, and perception of it.

Remit Letter and Key Targets

CCW receives an annual remit letter from the Minister for Environment, Planning and Countryside, which sets out its role in relation to the Assembly Government's strategic agenda. It includes priority objectives and key targets that CCW are expected to achieve.

For 2005/06 CCW were set 24 key targets. In the year, 23 were achieved and the remaining one was largely met having been adversely affected by staff resource necessarily being redirected to Public Inquiry work.

In particular:

- 355 new Tir Gofal agreements were signed and 262 renegotiated at the five-year review. The budget of £23m was fully spent.
- We assisted in the successful all Wales launch of open access and evaluated the initial impact in terms of public awareness, identifying that about 8000 people had been to the countryside more often since the new rights.
- We became the first public body in Wales to achieve Green Dragon Level 5 and we also achieved ISO 14001.

Tir Gofal Agri Environment Scheme

In terms of significant future changes that are known, or can be foreseen at present, one issue is material enough to warrant a specific reference. The National Assembly for Wales has determined that the Tir Gofal Agri-Environment Scheme and certain associated delivery resources will transfer from the Countryside Council for Wales to being directly operated by the Environment, Countryside and Planning Division of the National Assembly for Wales from 16th October 2006. This will involve the transfer of significant numbers of staff and Scheme related funding.

Financial and Accounting Arrangements

The National Assembly for Wales provides Grant in Aid (GIA) to CCW to finance the excess of its expenditure over its income. The arrangements for financial management and control and the conditions attached to the payment of GIA are set out in a Financial Memorandum between the Assembly and CCW and Government Accounting.

CCW has no authority to overspend or borrow, or to hold general reserves or balances other than the authority to hold up to 2% of GIA in cash balances at any one time (including from one financial year to the next), as determined in the Financial Memorandum. CCW therefore manages its finances on a cash basis – this differs from the annual statement of accounts, which are prepared on an accrued basis.

Financial Review

The 2005-06 Income and Expenditure account records a deficit on operating activities of £2.174 million on total income of £68.217 million over total expenditure of £70.391 million. The deficit, for the year, on total activities was £1.456 million, which was taken to general reserves. A deficit occurred as a result of CCW spending monies in the current financial year where the income to fund the expenditure was actually received in the prior financial years, and was held as part of the retained surplus as at 31st March 2005, of £3.043 million, which was brought forward into the 2005-06 financial year. As at 31st March 2006 there is a retained surplus carried forward of £1.587 million.

The Council's expenditure is planned on the basis of the funds available to it through its annual receipts of grant in aid and other income and cash balances. The financial statements may record an operating 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 ensure that the cash carry forward remains within the two percent of total grant in aid for the year allowed by the National Assembly for Wales.

In 2005-06, the Council purchased £2.148 million of capital assets as detailed in Note 13 (excluding its share of JNCC asset purchases). The majority of land is held as nature reserves and a market value is not deemed appropriate.

Remuneration Report

Remuneration Policy

The National Assembly for Wales 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 Countryside Council for Wales. It is negotiated annually with The Public and Commercial Services and Prospect Unions and approved by the National Assembly for Wales. 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 grant in aid;
- 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 code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officers covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. 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 *

Salaries and benefits in kind of council members and senior employees are shown in the table below, no employees or council members refused their consent to disclosure.

Salary includes gross salary including any performance, bonus or overtime pay or allowances.

Only the Chief Executive is eligible for a performance bonus. It is based on targets set by the Council and approved by the National Assembly for Wales. 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 below.

Benefits in kind cover any benefits that are regarded by the Inland Revenue as taxable emoluments.

Remuneration *

Council Members

	Service Contract	2005-06		2004-05	
		Salary	Benefits in Kind (nearest hundred)	Salary	Benefits in Kind (nearest hundred)
		£'000	£	£'000	£
JL Jones (Chairman)	01-03-2000 28-02-2007	50-55	n/a	45-50	n/a
EMN Andrews	01-10-1997 30-09-2005	5-10	n/a	10-15	n/a
KD Bishop	05-11-2004 04-11-2007	5-10	n/a	0-5	n/a
RA Dodgshon	05-11-1997 04-11-2004	0	n/a	5-10	n/a
D Edwards	01-03-2001 28-02-2007	5-10	n/a	5-10	n/a
R Jarvis	01-03-2001 28-02-2007	10-15	n/a	10-15	n/a
I Joyce	01-10-2005 30-09-2008	0-5	n/a	0-5	n/a
R Lovegrove	01-10-1997 30-09-2005	0-5	n/a	5-10	n/a
WP O'Reilly	01-10-2005 30-09-2008	0-5	n/a	0-5	n/a
R Pratt	01-10-1997 30-09-2007	10-15	n/a	10-15	n/a
B Riddleston	01-10-1997 30-09-2007	10-15	n/a	10-15	n/a
S Shackley	01-02-2003 31-01-2006	5-10	n/a	5-10	n/a
D Tomos	01-10-1997 01-10-2005	5-10	n/a	10-15	n/a
A Underwood	01-10-2004 30-09-2007	5-10	n/a	0-5	n/a
RA Williams	01-01-2003 31-12-2008	10-15	n/a	10-15	n/a

Senior Staff

	Service Contract	2005-06		2004-05	
		Salary	Benefits in Kind (nearest hundred)	Salary	Benefits in Kind (nearest hundred)
		£'000	£	£'000	£
DR Thomas (Chief Executive)		85-90	4,000	80-85	3,100
MI Hill		45-50	43,600	45-50	0
TW Jones		45-50	2,000	45-50	1,600
D Parker		55-60	2,000	50-55	2,700
M Smith		0	0	20-25	0
J Taylor		55-60	0	50-55	0
L Warmington		55-60	0	50-55	0
D Worrall		45-50	0	45-50	0

Pension Benefits *

Council	Total accrued pension at age 60 at 31/03/05 and related lump sum		Real increase in pension and related lump sum at age 60		CETV at 31/03/06	CETV at 31/03/05	Real increase in CETV
	£'000		£'000		£'000	£'000	£'000
	Pension	Lump Sum	Pension	Lump Sum			
JL Jones	0-5	5-10	0-2.5	0-2.5	68	46	11
Senior Staff							
DR Thomas	35-40	0-5	2.5-5	0-2.5	678	490	61
MI Hill	5-10	15-20	0-2.5	2.5-5	122	79	12
TW Jones	10-15	35-40	0-2.5	5-7.5	179	115	20
D Parker	5-10	0-5	0-2.5	0-2.5	116	78	14
J Taylor	5-10	15-20	0-2.5	0-2.5	101	66	13
L Warmington	20-25	65-70	0-2.5	2.5-5	524	400	32
D Worrall	10-15	40-45	0-2.5	2.5-5	257	180	28

Pension benefits are provided through the Civil Service Pension (CPS) arrangements.

From 1st October 2002, civil servants may be in one of three statutory based 'final salary' defined benefits schemes (classic, premium and classic plus). The schemes are un-funded with the cost of benefits met by monies voted by Parliament each year.

Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Price Index. New entrants after the 1st October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant 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 and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The Partnership pension account is a stakeholder pension arrangement. The employer makes an age-related basic contribution of between 3 to 12.5 percent into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match up to a limit of 3 percent of pensionable salary (in addition to the employer's basic contribution). In addition, employers also contribute a further 0.8 percent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

* This information is subject to audit

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value is the actuarially assessed capitalised value of 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. It is a payment made by the 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 benefit 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 this disclosure applies. The CETV figures and other pension details, include the value of any pension benefit in another scheme or arrangement where the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2005 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2006.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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
8 September 2006

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 a statement of accounts in the form and on the basis determined by the National Assembly for Wales, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Council's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Council is required to:

- observe the accounts direction issued by the National Assembly for Wales, 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 have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Council will continue in operation.

The Accounting Officer for the National Assembly for Wales 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 National Assembly for Wales 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 (the Council) policies, aims and objectives, set by the National Assembly for Wales, whilst safeguarding the public funds and Council assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

Purpose of the system of internal control

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principle risks to the achievement of the Council's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with guidance.

Capacity to handle risk

Leadership is given to the risk management process by its 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.

Risk and Control Framework

CCW's risk management strategy has been drawn up and implemented in accordance with Treasury guidance. Key elements of the strategy include:

- Maintenance of an organisational wide Key Risk Register (KRR), which identifies high-level corporate risks and evaluates the likelihood of those risks being realised and the impact should they be realised.
- Maintenance of Regional and Group 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.
- For all identified risks, an assessment is made of the control measures in place to manage the risk and the effectiveness of those control measures, identifying need for improvement where appropriate. Additionally, a lead owner is identified, who has overall responsibility for the management of the risk.
- The Directors Team and Senior Management Team meetings include a standing agenda item on risk management and internal control. Directors Team additionally maintains an Annex to the KRR, which details current issues and the management thereof.
- All Committee papers presented to Council include a risk assessment relevant to the topic. 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 Council. The Audit and Risk Management Committee receive an annual risk management review, which reports on progress in the financial year ended.
- Risks identified in both the key and local risk registers are used to inform the work programme of the Internal Audit team.
- Risks associated with projects are managed in accordance with recognised project management methodologies.

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 Council 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. Plans are in place to address any weaknesses arising and to ensure continuous improvement of the systems.

CCW's Audit and Risk Management Committee comprises 5 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 Council receives regular reports from the chairman of the Audit and Risk Management Committee concerning internal control. Each Director, Group Head and Regional Manager has provided the Chief Executive with a written statement of assurance that all systems of management and financial control are fully effective. The issues that have been raised, which were dealt with in 2005/06, do not lessen the adequacy of internal control.

The Council has an Internal Audit Unit, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports to the Chief Executive and the Audit and Risk Management Committee, which include HIA's independent opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement.

Roger Thomas
Accounting Officer and Chief Executive
8 September 2006

THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO THE MEMBERS OF 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 2006 under the Environmental Protection Act 1990. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer is responsible for preparing the Annual Report and the financial statements in accordance with the Environmental Protection Act 1990 and National Assembly for Wales' directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities. My responsibility is to audit the financial statements 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 the Environmental Protection Act 1990 and National Assembly for Wales directions made thereunder. 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if 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 relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 1 to 9 and 11 to 28 reflects the Countryside Council for Wales' compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover 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 only the Introduction, the Management Commentary and 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 opinion

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 the Environmental Protection Act 1990 and directions made thereunder by the National Assembly for Wales, of the state of Countryside Council for Wales' affairs as at 31 March 2006 and of its deficit 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 the Environmental Protection Act 1990 and National Assembly for Wales directions made thereunder; and
- 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.

I have no observations to make on these financial statements.

Jeremy Colman

*Auditor General for Wales
Wales Audit Office
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Cardiff
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28 September 2006

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

STATEMENT 1

		2005/06	2005/06	(Restated) 2004/05
	Notes	£000	£000	£000
GROSS INCOME				
Grant in Aid	19	64,396		56,211
Shared Conservation Income	6	1,225		1,077
Release from Government Grant Reserve	18	1,325		1,730
Income from Activities	2a	775		614
Retainable European Income	2b	496		618
			68,217	60,250
EXPENDITURE				
National Nature Reserves and Site Protection	3	4,854		4,383
Scientific and Technical Support	4	2,518		2,101
Operational Support	5	1,561		1,291
Shared Conservation Expenditure	6	1,238		1,076
Grants Payable	7	6,929		5,837
Tir Cymen Grants Payable	8	1,351		2,145
Tir Gofal Grants Payable	9	23,147		18,449
Staff Costs and Council Members' Remuneration	10	20,692		17,763
Notional Cost of Capital		319		332
Other Operating Charges	11	6,432		6,255
Purchase of Heritage Assets		-		81
Depreciation	13	1,350		1,751
			70,391	61,464
Surplus/(Deficit) on Operating Activities			(2,174)	(1,214)
Surplus/(Deficit) on Disposal of Fixed Assets			110	31
Interest Receivable			263	310
Surplus/(Deficit) on Ordinary Activities			(1,801)	(873)
Non- retainable European Income	9	1,887		4,038
Add back of notional costs		319		332
Amount surrendered to the National Assembly for Wales	12	(1,887)		(4,038)
Transfer from Reserves	18	26		27
Surplus/(Deficit) on activities for the financial year			(1,456)	(514)
Surplus/(Deficit) for the financial year			(1,456)	(514)
Amount transferred to retained surplus for the year			(1,456)	(514)
Retained surplus at 1 April			3,043	3,554
Retained surplus at 31 March			1,587	3,040

All activities, other than Tir Gofal and Tir Cymen grant payments (the responsibility of which will transfer to the National Assembly for Wales on 16th October 2006), are regarded as continuing.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

STATEMENT 2

			(Restated)
	Notes	2005/06 £000	2004/05 £000
Surplus/(deficit) for the financial year		(1,456)	(514)
(Surplus)/deficit on revaluation of fixed assets	13&18	27	24
Movement in JNCC revaluation reserve	18	(8)	(7)
Movement on Government Grant Reserve	18	823	6
Movement on Donated Assets Reserve	18	(2)	(2)
Total recognised gains or (losses) for the year		<u>(616)</u>	<u>(493)</u>

The notes on pages 11 to 25 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2006

STATEMENT 3

		2005/06 £000	2005/06 £000	(Restated) 2004/05 £000
	Notes			
FIXED ASSETS				
Intangible Assets	13		5	8
Tangible Assets	13		4,408	3,563
CURRENT ASSETS				
Stock	15	22		25
Debtors	16	3,452		3,296
Cash at Bank and in Hand		11		1,259
		<u>3,485</u>		<u>4,580</u>
CURRENT LIABILITIES				
Creditors falling due within one year	17	<u>(1,900)</u>		<u>(1,540)</u>
NET CURRENT ASSETS			1,585	3,040
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,998</u>	<u>6,611</u>
FINANCED BY:				
CAPITAL AND RESERVES				
Government Grant Reserve	18		3,919	3,096
Donated Assets Reserve	18		32	34
Revaluation Reserve	18		409	382
Share of JNCC Revaluation Reserve	18		51	59
Income and Expenditure Reserve			1,587	3,040
			<u>5,998</u>	<u>6,611</u>

Accounting Officer
date:

Roger Thomas
08 September 2006

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

STATEMENT 4

Reconciliation of Operating Surplus to net cash inflow from operating activities			(Restated)
	2005/06		2004/05
	£000		£000
	Notes		
Surplus/(Deficit) on operating activities	(2,174)		(1,214)
Transfer from Government Grant Reserve	18	(1,325)	(1,730)
Depreciation	13	1,350	1,751
Increase in stock	15	3	17
Increase in debtors	16	(156)	(459)
Decrease in creditors	17	360	87
Notional Costs		319	332
Net cash outflow from operating activities		(1,623)	(1,216)

CASHFLOW STATEMENT			(Restated)
	2005/06		2004/05
	£000		£000
Operating Activities			
Net cash outflow from operating activities	(1,623)		(1,216)
Non Retainable European Income	8&9	1,887	4,038
Amount surrendered to the National Assembly for Wales	12	(1,887)	(4,038)
		(1,623)	(1,216)
Return on Investments and Servicing of Finance			
Interest received		263	310
Capital Expenditure			
Payments to acquire fixed assets	(2,156)		(1,737)
Proceeds from sale of fixed assets		112	34
		(2,044)	(1,703)
Net cash (inflow)/outflow before financing		(3,404)	(2,609)
Financing:			
Government grant received and applied to purchase fixed assets		2,156	1,737
Increase / (decrease) in cash		(1,248)	(872)

Reconciliation of net cash flow to movement in net funds			(Restated)
	2005/06		2004/05
	£000		£000
Increase/(decrease) in cash in period	(1,248)		(872)
Net funds at 1 April 2005	1,259		2,131
Net funds at 31 March 2006	11		1,259

The notes on pages 11 to 25 form part of these accounts.

NOTES TO THE ACCOUNTS

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

The Accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and on a going concern basis. Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. The Accounts Direction as issued by the National Assembly for Wales exempts the Council from the requirement to produce a statement of historical cost profits and losses.

1.2 Fixed Assets and Depreciation

1.2a Valuation Policy

Land, buildings and works services classified as non-operational heritage assets, located on designated conservation areas have been assigned a nil valuation on the balance sheet. All other freehold land and 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 2002 conducted by King Sturge Independent Property Valuers.

Equipment, computers and vehicles are shown at depreciated historical cost and are not revalued as in the opinion of the Council such adjustments would not be material.

Adjustments arising from revaluations are taken to the revaluation reserve. Any permanent reductions in value are charged to the Income and Expenditure Account.

Fixed assets costing less than £1,000 are charged to the income and expenditure account in the year of purchase

1.2b Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its residual value evenly over its expected useful life as follows:

Freehold Buildings	50 years or professionally estimated life
Freehold Buildings [short term structures]	20 years [or less if appropriate]
Computer Equipment	3 years [or up to 10 years on specific items]
Other Equipment	5 -10 years
Cars	4 years
Commercial Vehicles, Vans and 4WD	5 years

For freehold buildings, 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 Account.

The depreciation charge on all other tangible fixed assets calculated at the above rates is charged to the Income and Expenditure Account and an amount is transferred from the government grant account to cover the in year depreciation.

1.2c Sale of Fixed Assets

The proceeds from the sale of fixed assets are surrendered to the National Assembly for Wales in their entirety, except where the proceeds are used for like-for-like replacement.

1.2d Donated Assets

The value of donated assets, or donations used for the purchase of fixed 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 & Expenditure Account.

1.3 Joint Nature Conservation Committee

The Joint Nature Conservation Committee [JNCC] is funded jointly by the three Conservation Councils: English Nature, Scottish Natural Heritage and the Countryside Council for Wales. The percentage contribution and overall budget is set by the Department for Environment, Food and Rural Affairs in discussion with the devolved administrations in Scotland and Wales. The agreed percentage contributions are as follows:-

	2005/06	2004/05
	%	%
English Nature	57.15	56.61
Scottish Natural Heritage	28.56	29.03
Countryside Council for Wales	14.29	14.36

JNCC produces separate accounts, audited by National Audit Office. It is considered to be a JANE 'Joint Arrangement Not an Entity' as defined by FRS9 "Associates and joint ventures", and as such the proportionate share of the JNCC income, expenditure, assets, provisions and reserves is incorporated into the Countryside Council for Wales financial statements. The comparative figures for 2004/05 have been restated.

1.4 Stock Valuation

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

1.5 Taxation

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

1.6 Grant in Aid

Government grants received of a revenue nature or applied to the purchase of assets assigned a nil value in line with the Council's valuation policy [see 1.2a] are credited to income in the year to which they relate. Grants for capital expenditure are credited to the government grant reserve, and released to revenue over the expected useful life of the relevant assets by equal amounts.

1.7 Grants, Research Contracts and Management Agreements.

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

1.8 Notional Costs – Cost of Capital

A charge, reflecting the cost of capital utilised by the Countryside Council for Wales is included in the Income and Expenditure Account. The charge is calculated on the basis of the average net capital employed for 2005-06 at 3.5% excluding cash balances held with the Office of the Paymaster General.

1.9 Pension Values

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

2005/06		2004/05	
Salary Band	Percentage	Salary Band	Percentage
£18,000 and under	16.20%	£17,500 and under	12.00%
£18,001-£37,000	18.60%	£17,501-£36,000	13.50%
£37,001-£63,500	22.30%	£36,001-£62,000	16.50%
£63,501 and over	24.60%	£62,001 and over	18.50%

1.10 Derivatives

In accordance with FRS13 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.

NOTE 2 - INCOME

	2005/06 £000	2004/05 £000
a) Income from Activities		
Income from National Nature Reserves	60	65
Interpretation	11	12
Research	-	3
Non European Grants	280	305
Miscellaneous	424	229
	<u>775</u>	<u>614</u>
b) Retainable Grants from the European Community		
Grants from the Objective 5B Structural programme	-	36
Grants from the Objective 1 Structural programme	364	61
LIFE Programme Grants	16	39
Interreg Grants	92	19
EAGGF Structural funds *	24	463
	<u>496</u>	<u>618</u>

* A significant one-off item was received in 2004/05 for £462,860 relating to a project for the reinstatement of traditional field boundaries, co-financed from EAGGF structural funds. A further £24,366 was received in 2005/06.

NOTE 3 - MANAGEMENT OF NATIONAL NATURE RESERVES AND SITE PROTECTION

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

	2005/06 £000	2004/05 £000
National Nature Reserves		
Reserve Maintenance	2,227	1,392
Reserve Leases	117	36
Reserve Section 16 Management Agreement	365	349
Section 15 Management Agreement Costs		
Annual payments including Arrears to owners and other	1,527	2,041
Annual & Works Costs	319	291
Monitoring and Management Planning		
Monitoring	7	46
Management Planning	-	9
Associated Legal Costs		
Public Enquiries	100	16
Legal Costs Relating to Management Agreement	150	90
Other Costs		
Other Activities [Wayleaves, Licences etc]	28	92
Land Agency Consultancies	14	27
Reimbursements	-	(6)
	<u>4,854</u>	<u>4,383</u>

Forward Commitments on Management Agreements

As a result of management agreements concluded by 31 March 2006, commitments to continuing annual payments are as follows

	2005/06 £000	2004/05 £000
In the next financial year	1,323	1,870
In years 2-5 (annually)	751	956
5 years and over.	1,300	1,563

NOTE 4 - SCIENTIFIC AND TECHNICAL SUPPORT

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

	2005/06 £000	2004/05 £000
Natural Science Resource Base	831	848
Cultural Resource Base	76	113
Environmental Monitoring	485	426
Science / Policy Impact Studies	50	145
Grants Consultancies	-	46
Research to Develop Policy	818	415
Special Initiatives	-	28
Experiments in Sustainability	258	82
Reimbursements on Joint Projects	-	(2)
	<u>2,518</u>	<u>2,101</u>

NOTE 5 - OPERATIONAL SUPPORT

The cost of CCW's Operational Support.

	2005/06 £000	2004/05 £000
Agri Environment Support	407	422
Operational Projects (non Research)	413	327
Cartography Costs	55	166
Data Systems	60	-
Library Costs	22	120
Cost of Operational Equipment	18	24
Legal Costs	26	44
EU reimbursement to subordinate partners	338	59
Misc Operational Costs	222	129
	<u>1,561</u>	<u>1,291</u>

NOTE 6 - SHARED CONSERVATION IN RESPECT OF JNCC

The attributed share of the income and expenditure of JNCC is:		(Restated)
	2005/06	2004/05
Shared Conservation Income	£000	£000
Grant in Aid	901	847
European Union Funds	136	116
Income from Activities	188	114
	<u>1,225</u>	<u>1,077</u>
Shared Conservation Expenditure		
Staff Costs	569	503
Conservation Support	468	360
Other Operating Costs	167	183
Information and Publicity	31	27
Notional Costs	3	3
	<u>1,238</u>	<u>1,076</u>

NOTE 7 - GRANTS PAYABLE

	Public Sector £000	Private & Voluntary Sector £000	2005/06 Total £000	2004/05 £000
Capital	-	278	278	147
Biodiversity	616	645	1,261	1,463
Landscape	372	90	462	402
Awareness	119	913	1,032	936
Access	841	226	1,067	975
External Training	61	24	85	99
Education	-	134	134	238
Environment for all / Community Strategy	155	142	297	223
Phoenix Project	25	134	159	50
Special Initiatives	-	1,288	1,288	798
Sustainable Development	46	248	294	29
European Development Fund	257	-	257	244
Partnership Agreements	135	180	315	233
	<u>2,627</u>	<u>4,302</u>	<u>6,929</u>	<u>5,837</u>

NOTE 8 - TIR CYMEN GRANTS

	2005/06 £000	2004/05 £000
Annual Payments	1,174	1,753
Lump Sum Payments	177	392
	<u>1,351</u>	<u>2,145</u>

1. Forward Commitments on Tir Cymen Agreements

As a result of Tir Cymen agreements concluded by 31 March 2006, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	573	1,153
In years 2-5 (annual average)	237 *	481
5 years and over.	-	-

* Tir Cymen is a closed scheme, and all remaining agreements will mature and end by March 2008. £573k is due in 2006/7, with a further £237k due in 2007/8. On October 16th 2006 responsibility, for the remaining commitments at that time, will transfer to the National Assembly for Wales.

NOTE 9 - TIR GOFAL

	2005/06 £000	2004/05 £000
Annual Payments	17,325	12,922
Lump Sum Payments	5,822	5,521
Reimbursements	-	6
	<u>23,147</u>	<u>18,449</u>

The Countryside Council for Wales operates Tir Gofal within the framework of the European Union Agri-environment scheme and forms part of the Rural Development Plan for Wales.

The Countryside Council for Wales is entitled to reclaim reimbursement of part of most Management payment elements from either the European Agriculture Guidance & Guarantee Fund (EAGGF) (during 2005/06 the rate of 50% was applied between April - July 2005 and in March 2006, a rate of 6% was applied during August 2005 - February 2006 (prior year 50% throughout the year)) or from Modulation funds (at the rate of 50%) set aside by the National Assembly for Wales from other EU funded Schemes falling within the Wales Rural Development Plan. The EAGGF income is not retainable and is surrendered to The National Assembly for Wales and amounts to £1.887 million [Prior Year £4.038 million].

2. Forward Commitments on Tir Gofal Agreements

As a result of Tir Gofal agreements concluded by 31 March 2006, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	23,697	22,500
In years 2-5 (annually)	22,869	22,950
5 years and over	39,892	67,400

From 16th October 2006 the responsibility for Tir Gofal will transfer to the National Assembly for Wales and therefore the liability for the forward commitments, at that time, will transfer to them.

NOTE 10 - STAFF COSTS & COUNCIL MEMBERS REMUNERATION

Total Costs

	2005/06 £000	2004/05 £000
Salaries	15,402	14,553
National Insurance	1,167	1,046
Superannuation	2,885	2,084
Net Superannuation Transfer Values	-	1
Early Retirement Costs	1,238	79
	<u>20,692</u>	<u>17,763</u>

Average Numbers	585	607
-----------------	-----	-----

Staff are employed within the Council as follows :

	2005/06	2004/05
Chief Executive and Central Office	5	5
Regions	298	298
Science Directorate	90	92
Policy Directorate	83	88
Corporate Services Directorate	108	109
Joint Nature Conservation Committee Support Unit.	1	15
	<u>585</u>	<u>607</u>

NOTE 10 - STAFF COSTS & COUNCIL MEMBERS REMUNERATION (contd)

Council Members	£000	£000
Council members' Remuneration including National Insurance	100	97
Chairman's Remuneration including National Insurance and Superannuation	53	48

The Chairman is appointed by the First Secretary to the National Assembly for Wales. It is a part-time pensionable appointment of 130 days a year.

Council members are appointed by the National Assembly for Wales 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 and Council members appointed to the Audit and Risk Management Committee of JNCC work an equivalent of 5.5 days per year. Their appointments are non-pensionable, with the exception of the Chairman.

The following numbers of Council members received emoluments on the following ranges

	2005/06	2004/05
£10,001 - £15,000	1	-
£ 5,001 - £10,000	9	10
£ 0 - £ 5,000	3	2

Pensions

Pension benefits are provided through the Civil Service Pension (CPS) arrangements. From 1st October 2002, civil servants may be in one of three statutory based 'final salary' defined benefits schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Price Index. New entrants after the 1st October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). Pension benefits are provided through the Civil Service Pension (CPS) arrangements.

From 1st October 2002, civil servants may be in one of three statutory based 'final salary' defined benefits schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Price Index. New entrants after the 1st October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant 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 and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' 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 but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

For 2005/06 employers' contributions of £2.885M were payable to the PCSPS (2004/05 - £2.084M) in respect of employees in either Classic, Premium or Classic Plus schemes. Contributions were set at one of four rates in the range 16.2 to 24.6 percent [2004/05 12% - 18.5%] of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years, following a full scheme valuation. The contribution rates reflect benefits as they accrue, not when the costs are actually incurred, and reflect past experience of the scheme.

The Partnership pension account is a stakeholder pension arrangement. The employer makes an age related basic contribution of between 3 to 12.5 percent into a stakeholder pension product chosen by the employee. Employers contributions of £8,525.35 (2004/05 £8,633.33) were paid into one or more of a panel of four appointed stakeholder pension providers. The employee does not have to contribute but where they do make contributions, the employer will match up to a limit of 3 percent of pensionable salary (in addition to the employer's basic contribution). In addition, employers also contribute a further 0.8 percent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement). In 2005/06 this amounted to £485.70 (2004/05 £523.42).

During 2005/06 one person (2004/05 Nil) retired early on ill-health grounds. There were no additional accrued pension liabilities in the year (2004/05 £Nil)

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Countryside Council for Wales is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation. The resource accounts and further details about the CPS arrangements can be found at the website www.civilservice-pensions.gov.uk.

NOTE 11 - OTHER OPERATING CHARGES

	2005/06 £000	2004/05 £000
Accommodation Costs	1,647	1,593
Transport Costs	426	457
General Office Costs	734	630
Purchase, Hire & Maintenance of Equipment	308	288
Training	426	583
Travel and Subsistence	182	180
Information Systems Development	808	848
Corporate Services General	290	362
Miscellaneous legal costs	57	44
Audit Fee- statutory	23	22
Audit Fee- non statutory	4	5
Change in Stock Level	(1)	(1)
Publicity/Information/Education	1,519	1,365
Reimbursements relating to the above Service:	9	(121)
	<u>6,432</u>	<u>6,255</u>

NOTE 12 - APPROPRIATIONS TO THE NATIONAL ASSEMBLY FOR WALES

Non-retainable income payable to the National Assembly for Wales

	2005/06 £000	2004/05 £000
European Union grants in support of Tir Gofal [see note 9]	1,887	4,038
	<u>1,887</u>	<u>4,038</u>

NOTE 13 - FIXED ASSETS

	Share of JNCC	(Restated) TOTAL
	£000	£000
<u>Intangible Assets</u>		
COST OR VALUATION		
As at 1 April 2005	11	11
Additions	1	1
Disposals	0	0
Impairment	(2)	(2)
As at 31 March 2006	<u>10</u>	<u>10</u>
DEPRECIATION		
As at 1 April 2005	3	3
Charge for the year	3	3
Impairment	(1)	(1)
As at 31 March 2006	<u>5</u>	<u>5</u>
NET BOOK VALUE		
At 1 April 2005	<u>8</u>	<u>8</u>
As at 31 March 2006	<u>5</u>	<u>5</u>

NOTE 13 - FIXED ASSETS (contd)

<u>Tangible Assets</u>	Freehold Buildings /Land £000	Equipment £000	Computers £000	Vehicles £000	Share of JNCC £000	(Restated) TOTAL £000
COST OR VALUATION						
As at 1 April 2005	1,198	1,951	6,029	1,636	121	10,935
Additions	179	437	1,038	495	7	2,156
Disposals	-	(65)	(282)	(361)	(1)	(709)
Revaluation	36	-	-	-		36
As at 31 March 2006	1,413	2,323	6,785	1,770	127	12,418
DEPRECIATION						
As at 1 April 2005	186	1,435	4,729	951	71	7,372
Charge for the year	36	155	888	256	12	1,347
Disposals	-	(65)	(282)	(361)	(1)	(709)
As at 31 March 2006	222	1,525	5,335	846	82	8,010
NET BOOK VALUE						
At 1 April 2005	1,012	516	1,300	685	50	3,563
As at 31 March 2006	1,191	798	1,450	924	45	4,408

1. Fixed Assets - Non Operational Heritage

In accordance with Accounting Policy 1.2a, Heritage land and buildings are assigned a nil valuation. 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 £0.885m has been purchased by CCW, the cost of which has been charged to the income and expenditure account in the relevant year of acquisition.

As at 31 March 2006 CCW has 67 National Nature Reserves (NNR's) declared under several categories: 39 are managed by CCW; 17 are managed by CCW in partnership; a further 11 are managed by 3rd parties.

	2005/6 Hectares
NNR's Owned by CCW	8,463
NNR's Leased by CCW	6,468
NNR's under Nature Reserve Agreements	8,134
NNR's under S35 agreements	758
	23,823

The NNRs have been classified as non-operational heritage assets, and so no valuation has been placed upon them. We receive adequate information on NNR condition and maintenance, which enables us to fulfil our stewardship role of the NNRs. It is not our intention to dispose of these assets in the foreseeable future, given their importance to natural heritage. In accordance with our interpretation of Treasury Guidance we consider that obtaining a valuation of these assets is not warranted in terms of the benefits which the valuation would deliver. This policy will be kept under review for future years.

There are contractual commitments of £451,000 for future years in the following categories (Prior Year £171,000)

	£000
Freehold Buildings	32
Computers	253
Equipment	15
Vehicles	151
	451

NOTE 14 - ANALYSIS OF ANNUAL COMMITMENTS UNDER OPERATING LEASES

		Land/ Buildings £000	Vehicles £000	2005/06 Total
Leases which expire within 1 year	22 at	38		38
Leases which expire within 2-5 years	20 at	547	7 at 34	581
Leases which expire over 5 years	41 at	383	-	383
		<u>968</u>	<u>34</u>	<u>1002</u>

NOTE 15 - STOCK

	2005/06 £000	(Restated) 2004/05 £000
Publications	10	9
Shared Conservation	12	16
	<u>22</u>	<u>25</u>

NOTE 16 - DEBTORS

	2005/06 £000	(Restated) 2004/05 £000
Trade Debtors	83	98
Accrued Income	305	177
Prepayments	768	709
Other Debtors:		
National Assembly for Wales	2,041	1,425
Rural Payments Agency	-	748
Shared Conservation	251	134
Other	4	3
	<u>3,452</u>	<u>3,294</u>
Amounts falling due after more than one year	-	2
	<u>3,452</u>	<u>3,296</u>

NOTE 17 - CREDITORS

	2005/06 £000	(Restated) 2004/05 £000
Payable within 1 year:		
Trade Creditors	713	567
Other Creditors & Accruals	883	824
Shared Conservation	257	149
Bank Overdraft	47	-
	<u>1,900</u>	<u>1,540</u>

NOTE 18 - MOVEMENT OF FUNDS

	Donated Assets Reserve £000	Government Grant Reserve £000	JNCC Share of Revn Reserve £000	Revaluation Reserve £000	Income & Expenditure Account £000	2005/06 £000	(Restated) 2004/05 £000
Balance at 1 April	34	3,096	59	382	3,043	6,614	7,104
Retained surplus for the year	-	-	-	-	(1,456)	(1,456)	(514)
Capital grants & donations	-	2,148	-	-	-	2,148	1,736
Revaluation of tangible fixed assets	-	-	7	36	-	43	42
Transfers to Income & Expenditure	(2)	(1,325)	(15)	(9)	-	(1,351)	(1,757)
Balance at 31 March	32	3,919	51	409	1,587	5,998	6,611

NOTE 19 - GOVERNMENT GRANT IN AID

	(Restated)	
	2005/06 £000	2004/05 £000
Grant in Aid for general activities	64,164	56,695
Additional Grant in Aid for Gwent Levels Wetlands Reserve	884	119
Additional Grant in Aid for the European Development Fund	257	244
Total credited to Income and Expenditure account	65,305	57,058
Less: Grant in Aid ring-fenced for JNCC	-909	-847
Total Grant in Aid received in year	64,396	56,211

20. RELATED PARTY TRANSACTIONS

The Countryside Council for Wales is a Public Body sponsored by the National Assembly for Wales

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

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 English Nature and Scottish National Heritage. The Countryside Council for Wales, English Nature and Scottish National Heritage 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:

Mr J Ll Jones, Chairman, received an annual payment of £6,398 and a capital payment of £1,138 in relation to the Tir Gofal Scheme in 2005-06.

Mr Roger Thomas CCW Chief Executive is a non-executive Director of Arena Network

During the year, the following transactions took place:	£000
Payment to related party	14
Grants to related party	15
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

20. RELATED PARTY TRANSACTIONS (contd)

Mr Richard Jarvis is a Council member and is a board member of Cynnal Cymru.

During the year, the following transactions took place	£000
Payment to related party	-
Grants to related party	61
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Dr David Worrall is a Regional Manager and his partner is a committee member of the Environment Agency Wales.

Dr Margaret Hill is a Regional Manager and her spouse is a committee member for the Environment Agency - Environmental Advisory Committee.

During the year, the following transactions took place	£000
Payment to related party	91
Grants to related party	5
Receipt from related party	22
Amounts owed to related party year end	-
Amounts due from related party year end	-

Mr J Ll Jones is the Chairman, and his spouse is member of the Festival of the Countryside.

During the year, the following transactions took place	£000
Payment to related party	-
Grants to related party	14
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Mr J Ll Jones is the Chairman and is a board member for the Institute of Grassland and Environmental Research.

During the year, the following transactions took place	£000
Payment to related party	43
Grants to related party	-
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Mr J Ll Jones is the Chairman and is a board member of the Joint Nature Conservation Committee. Dr E M N Andrews, a council member (finished 30/9/05) and Mr B Riddleston, a council member are also board members of JNCC. Mr B Riddleston is also a member of the Audit and Risk Management Committee of JNCC.

During the year, the following transactions took place	£000
Payment to related party	929
Grants to related party	-
Receipt from related party	25
Amounts owed to related party year end	-
Amounts due from related party year end	-

Dr David Parker is a Director and is also a Director for the Network Biodiversity Network Trust.

During the year, the following transactions took place	£000
Payment to related party	15
Grants to related party	-
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

20. RELATED PARTY TRANSACTIONS (contd)

Mr Roger Thomas CCW Chief Executive is a a non-executive Director of Ponds Conservation Trust.

During the year, the following transactions took place	£000
Payment to related party	-
Grants to related party	23
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Mr Alan Underwood is a council member and is the Honorary Chairman of the Princes Trust Cymru' Sustainable Communities and Environment Wales Grants Committee and Mr David Worrall, a regional manager, is a committee member.

During the year, the following transactions took place	£000
Payment to related party	-
Grants to related party	41
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Dr S Shackley was a council member (term of office ended on 31st January 2006) and was a lecturer at the School of Biological Science University of Wales, Swansea.

During the year, the following transactions took place of some were	£000
Payment to related party	3
Grants to related party	10
Receipt from related party	-
Amounts owed to related party year end	1
Amounts due from related party year end	-

Mr Alan Underwood is a council member and is also a secretary for his spouse company Third Sector Development and Training.

During the year, the following transactions took place	£000
Payment to related party	3
Grants to related party	-
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Dr David Worrall is a Regional Director and his spouse is the treasurer of Wales Environmental Link.

During the year, the following transactions took place	£000
Payment to related party	-
Grants to related party	23
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Dr David Worrall is a Regional Director and his spouse is the Chief Executive of the Wildlife Trust South and West Wales.

During the year, the following transactions took place	£000
Payment to related party	87
Grants to related party	930
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

20. RELATED PARTY TRANSACTIONS (contd)

Professor Dianne Edwards is a council member and is Head of School at the School Earth Ocean and Planetary Sciences, Cardiff University.

During the year, the following transactions took place	£000
Payment to related party	10
Grants to related party	-
Receipt from related party	-
Amounts owed to related party year end	-
Amounts due from related party year end	-

Mr Bryan Riddleston is a council member and is a trustee and board member of RSPB.

During the year, the following transactions took place	£000
Payment to related party	71
Grants to related party	150
Receipt from related party	6
Amounts owed to related party year end	-
Amounts due from related party year end	-