

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

## FOREWORD

### 1. 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 Support Unit 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.

### 2. Funding

The Council's grant-in-aid from the National Assembly for Wales finances the excess of its capital and revenue expenditure (excluding depreciation) over its income.

### 3. Results and Appropriations

The 2003-04 Income and Expenditure account records a surplus on operating activities of £0.345 million on total income of £54.369 million over total expenditure of £54.024 million.

The income included £50.247 million of government grant towards revenue expenditure

and £0.784 million in respect of the share of the revenue expenditure for the Joint Nature Conservation Committee. In addition the Council received £1.894 million in grants towards capital expenditure and £0.026 million in respect of the share of Joint Nature Conservation Committee Support Unit capital expenditure.

Non-retainable income of £3.729 million of European Union funds for Tir Gofal was remitted to the National Assembly for Wales.

A surplus of £0.707 million was taken to the general reserve. A retained surplus of £2.835 million was brought forward from the previous financial year giving a retained surplus carried forward of £3.542 million.

### 4. Fixed Assets

In 2003-04, the Council purchased £1.894 million of capital assets as detailed in Note 13.

The majority of land is held as nature reserves and a market value is not appropriate.

### 5. 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 2003-04, the Council paid 94% of invoices within the 30 day terms and the Council was not charged any interest on late payments.

### 6. Council Members for 2003-2004

J Lloyd Jones, OBE (Chairman)  
Dr E M N Andrews  
Mr B Riddleston  
Professor R A Dodgshon  
Professor D Edwards  
Mr R Lovegrove, OBE  
Mr R Pratt  
Mr D Tomos  
Mr R Jarvis  
Ms H Yewlett \*  
Mr R Williams  
Dr S Shackley

\* Term of office ended on 29th February 2004

## 7. 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.

## 8. 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 five Whitley Committee Meetings during the year and the discussions have been wide ranging and productive.

## 9. Auditors

Under paragraph 21 of schedule 6 to the Environmental Protection Act 1990 the Auditor General for Wales is required to examine and certify the statements of account and lay copies of them, together with his report, before the National Assembly for Wales.

R Thomas  
Chief Executive  
Date

## 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;
- 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

### 1. 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.

### 2. The 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 in the Council for the year ended 31st March 2004 and up to the date of approval of the accounts, and accords with Treasury and Assembly guidance.

### 3. Capacity to Handle Risk

During the 2003/04 we have reviewed and adopted a revised Risk Management Strategy, which clearly states our attitude, approach and internal procedures in relation to risk. Due emphasis is given to the risk management process by embedding it into each part of the management, planning and reporting process.

### 4. The Risk and Control Environment

In particular, Directors team review the key risk register at each of its business meetings and maintain an annex to the key risk register of current issues. Control measures, actions to be taken and a lead officer are identified to manage each risk. Following a recent organisational restructuring, the Regions and Groups are currently preparing revised local risk registers for their specific areas. These risk registers support, in a more local and detailed context, the Key Risk Register, to ensure that risks are managed at all levels of the organisation. Staff are informed about risk management through guidance, which is available on our intranet.

5. The Council considers risk through the provision of risk assessments as an integral part of all papers it receives. In addition, Council receives regular reports from the chairman of the Audit and Risk Management Committee concerning internal control. The Committee will continue to advise on developments in risk management processes and assess risks and controls on an ongoing basis.

6. Each Director, Group Head and Area Officer has provided me with a written statement of assurance that all systems of management and financial control are fully effective. Any issues that have been raised will be addressed during the 2004/05 financial year.

7. 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 the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement.

### 8. Review of Effectiveness

My review of the effectiveness of the system of internal control is assessed regularly and is informed by the work of the Internal Audit Unit, the Audit and Risk Management Committee which oversees the work of the IAU, 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 letters and other reports. Plans are in place to address any weaknesses arising and to ensure continuous improvement of the systems.

Roger Thomas  
Accounting Officer  
Date

## 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 on pages 7 to 22 under paragraph 21 of schedule 6 to the Environmental Protection Act 1990. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 to 13.

### **Respective responsibilities of the Council, the Chief Executive and Auditor.**

As described on page 3 the Council and Chief Executive are responsible for the preparation of 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. The Accounting Officer is also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Environmental Protection Act 1990 and National Assembly for Wales directions made thereunder, and 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 if, in my opinion, the Foreword is not consistent with the financial statements, if the Countryside Council for Wales has not kept proper accounting records, or I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 4 reflects the Countryside Council for Wales' compliance with Treasury's guidance on the Statement on the Statement on internal control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's 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 are free from material misstatement, whether caused by error, or by fraud or other irregularity 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Countryside Council for Wales at 31 March 2004 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Environmental Protection Act 1990 and directions made thereunder by the National Assembly for Wales; 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.

John Bourn  
3-4 Park Place  
Auditor General for Wales  
Cardiff  
CF10 3DP

27 July 2004



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	NOTES	£000	2003/043 £000	2002/03 £000
GROSS INCOME				
Grant in Aid	19	50,247		44,577
Grant in Aid applied to the JNCC Support Unit	6 & 19	784		715
Share of JNCC other income	6	140		138
Release from Government Grant Reserve	18	1,491		1,297
Income from Activities	2a	139		80
Retainable European Income	2b	<u>1,568</u>		<u>(19)</u>
			54,369	<u>46,788</u>
EXPENDITURE				
National Nature Reserves and Site Protection	3	4,430		3,799
Scientific and Technical Support	4	1,434		1,412
Operational Support	5	1,604		1,037
Annual Cost of the JNCC Support Unit	6	923		892
Grants Payable	7	3,889		3,589
Tir Cymen Grants Payable	8	2,787		3,956
Tir Gofal Grants Payable	9	14,402		8,805
Staff Costs and Council Members' Remuneration	10	16,487		15,272
Notional Charge - Cost of Capital		125		320
Other Operating Charges	11	6,378		6,457
Purchase of Heritage Assets		69		274
Depreciation	13	<u>1,496</u>		<u>1,290</u>
			54,024	<u>47,103</u>
Surplus/(Deficit) on Operating Activities			345	(315)
Surplus on Disposal of Fixed Assets			20	3
Interest Receivable			209	142
(Deficit) on Ordinary Activities			<u>574</u>	<u>(170)</u>
Non- retainable European Income	9		3,729	2,789
Adjustment for Notional Charges			125	1,064
Amount surrendered to the National Assembly for Wales	12		(3,729)	(2,789)
Transfer from Reserves:	18		9	7
Surplus on activities for the financial year			<u>708</u>	<u>901</u>
Surplus for the financial year			708	901
Adjustment for JNCC Support Unit surplus			(1)	39
Amount transferred to retained surplus for the year			<u>707</u>	<u>940</u>
Retained surplus at 1 April			2,835	1,895
Retained surplus at 31 March			<u>3,542</u>	<u>2,835</u>

All activities are regarded as continuing.

The notes on pages 42 to 53 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2004

	NOTES	£000	2003/04 £000	2002/03 £000
FIXED ASSETS				
Tangible assets	13		3,484	3,068
Investment in the Joint Nature Conservation Committee Support Unit	6		78	62
CURRENT ASSETS				
Stock	15	8		5
Debtors	16	2,837		849
Cash at Bank and in Hand		<u>2,150</u>		<u>3,758</u>
		4,995		4,612
CURRENT LIABILITIES				
Creditors falling due within one year	17	<u>(1,453)</u>		<u>(1,777)</u>
NET CURRENT ASSETS			3,542	2,835
TOTAL NET ASSETS			<u>7,104</u>	<u>5,965</u>
FINANCED BY				
CAPITAL AND REVENUE RESERVES				
Government Grant Reserve Capital Account	18	3,090		2,687
Donated Assets Reserve	18	36		38
Revaluation Reserve	18	358		343
Share of Provisions and Reserves of the Joint Nature Conservation Committee Support Unit	6	78		62
Income and Expenditure Reserve		3,542		2,835
Government and Private Funds			<u>7,104</u>	<u>5,965</u>
			<u>7,104</u>	<u>5,965</u>

The notes on pages 42 to 53 form part of these accounts.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004**

**Reconciliation of Operating Surplus to net cash inflow from operating activities**

		2003/04	2002/03
	NOTES	£000	£000
Surplus/(Deficit) on ordinary activities		345	-315
Transfer from Government Grant Reserve	18	(1491)	(1297)
Depreciation	13	1496	1290
Decrease/(Increase) in stock	15	(3)	3
Decrease/(Increase) in debtors	16	(1988)	436
Increase (decrease) in creditors	17	(324)	429
Net Annual Contribution to JNCC	6	(1)	39
Notional Costs		125	1064
Net cash outflow from ordinary activities		<u>(1841)</u>	<u>1649</u>

**CASHFLOW STATEMENT**

		2003/04	2002/03
		£000	£000
<b>Net Cash (Outflow) from Operating Activities</b>			
Ordinary activities		(1841)	1649
Non Retainable European Income	8&9	3729	2789
Amount surrendered to the National Assembly for Wales	12	<u>(3729)</u>	<u>(2789)</u>
		<u>(1841)</u>	<u>1649</u>
Return on Investments and Servicing of Finance	20	209	142
Capital Expenditure	20	<u>(1870)</u>	<u>(1632)</u>
		<u>(3502)</u>	<u>159</u>
Financing	20	1894	1649
Increase / (decrease) in cash		<u>(1608)</u>	<u>1808</u>

**Reconciliation of net cash flow to movement in net funds**

	2003/04	2002/03
	£000	£000
Increase/(decrease) in cash in period	(1608)	1808
Net funds at 1 April 2002	3758	1950
Net funds at 31 March 2003	<u>2150</u>	<u>3758</u>

The notes on pages 42form 53 part of these accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2003/04	2002/03
	NOTES	£000	£000
Surplus for the financial year		707	940
Deficit on revaluation of fixed assets	13&18	15	25
Movement in Share of JNCC Provisions and Reserves	6	16	(36)
Movement on Government Grant Reserve	18	403	352
Movement on Donated Assets Reserve	18	(2)	(2)
Total recognised gains or (losses) for the year		<u>1139</u>	<u>1279</u>

The notes on pages 42 to 53 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 published by the Office for National Statistics in the intervening years. The last revaluation was at 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 diminutions in value are charged to the Income and Expenditure Account.

##### 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
Vehicles	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 assets and liabilities of the Committee are owned by the three Conservation Councils in direct proportion to their funding for the year. The percentage contribution and overall budget will in future be set by the Department for Environment, Food and Rural Affairs in discussion with the devolved administrations in Scotland and Wales.

JNCC is considered by the above bodies to be a JANE 'Joint Arrangement Not an Entity' as defined by FRS9 "Associates and joint ventures". It produces a separate account, audited by National Audit Office, and the proportionate share of JNCC income, expenditure, assets, provisions, and reserves is incorporated into the Countryside Council for Wales financial statements on an agreed abbreviated form of the equity method.

#### 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 ascribed 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 utilized 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 2003-04 at 3.5% (6% for 2002-03), 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.

2003/04

Salary Band	Percentage
£17,500 and under	12%
£17,501-£36,000	13.5%
£36,001-£62,000	16.5%
£62,001 and over	18.5%

2002/03

Salary Band	Percentage
£16,500 and under	12%
£16,501-£34,000	13.5%
£34,001-£59,000	16.5%
£59,001 and over	18.5%

## 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

	2003/04 £000	2002/03 £000
<b>a) Income from Activities</b>		
Income from National Nature Reserves	53	55
Interpretation	8	9
Research	1	3
Non European Grants	77	-
Miscellaneous	-	13
	<u>139</u>	<u>80</u>
<b>b) Grantiau y gellir eu cadw o'r Gymuned Ewropeaidd</b>		
Grantiau o Raglen Strwythurol 5b y Gymuned Ewropeaidd	1,120	17
Grantiau Rhaglen LIFE	22	13
Grantiau Interreg	35	(10)
Grantiau eraill	408	-
Ad-daliad	(17)	(39)
	<u>1,568</u>	<u>(19)</u>

## 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

	2003/04 £000	2002/03 £000
<b>National Nature Reserves</b>		
Reserve Maintenance	1,457	1,508
Reserve Leases	34	28
Reserve Section 16 Management Agreements	437	303
<b>Section 15 Management Agreement Costs</b>		
Annual payments including Arrears to owners and occupiers	1,676	1,264
Annual & Works Costs	242	211
<b>Monitoring and Management Planning</b>		
Monitoring	142	102
Management Planning	66	73
<b>Associated Legal Costs</b>		
Public Enquiries	21	5
Legal Costs Relating to Management Agreements	192	198
<b>Other Costs</b>		
Other Activities [Wayleaves, Licences etc]	139	116
Land Agency Consultancies	35	70
Reimbursements	(11)	(79)
	<u>4,430</u>	<u>3,799</u>

### Forward Commitments on Management Agreements

As a result of management agreements concluded by 31 March 2004, commitments to continuing annual payments are as follows:

	£000	£000
In the next financial years	1,744	1,721
In years 2-5 (annually)	943	1,157
5 years and over	1,701	692

**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.

	2003/04	2002/03 Re-stated
	£000	£000
Natural Science Resource Base	804	685
Cultural Resource Base	59	248
Environmental Monitoring	232	349
Science / Policy Impact Studies	131	173
Grants Consultancies	2	-
Research to Develop Policy	316	201
Science Data Systems Collation	-	-
Special Initiatives	-	1
Conference Costs	6	-
International Subscriptions	-	-
Reimbursements on Joint Projects	(116)	(245)
	<u>1,434</u>	<u>1,412</u>

**NOTE 5 - OPERATIONAL SUPPORT**

The cost of CCW's Operational Support.

	2003/04	2002/03
	£000	£000
Agri Environment Support	377	377
Operational Projects (non Research)	863	132
Cartography Costs	149	202
Data Systems	58	169
Library Costs	112	101
Cost of Operational Equipment	5	5
Misc Operational Costs	40	51
	<u>1,604</u>	<u>1,037</u>

For 2003/04 costs which relate to the direct support of Operations have been reclassified to better reflect the nature of the spend. These costs were previously shown in Notes 4 and 11 and the comparative figures for 2002/03 have been restated.

**NOTE 6 - INVESTMENT IN JOINT NATURE CONSERVATION COMMITTEE SUPPORT UNIT**

The Joint Nature Conservation Committee Support Unit is funded jointly by the Nature Conservancy Council for England, the Countryside Council for Wales, and Scottish Natural Heritage on the basis of agreed proportional contributions. Assets and Liabilities are jointly owned by the 3 bodies, apportioned on the basis of their agreed funding percentage for that year. The Countryside Council for Wales agreed proportion for 2003/04 was 13.85% [Prior Year 13.74%].

The attributed share of the income and expenditure of the JNCC Support Unit was:

	2003/04	2002/03
	£000	£000
Ring fenced Grant in Aid to JNCC	784	715
Share of JNCC Expenditure	(923)	(892)
Share of JNCC other income	140	138
(Deficit) /Surplus for the year	<u>1</u>	<u>(39)</u>

Movements in the Council's investment in the JNCC Support Unit were:

(Defecit)/Surplus for the year	1	(39)
Other changes to asset value	15	3
Increase in investment for the year	16	(36)
Value of investment at 1 April	62	98
Value of investment at 31 March	<u>78</u>	<u>62</u>

financed by:

Income and Expenditure account	13	12
Other Provisions and Reserves	65	50
	<u>78</u>	<u>62</u>

The Joint Nature Conservation Committee Accounts are audited by the National Audit Office and laid before Parliament as an attachment to the English Nature Accounts.



## NOTE 7 - GRANTS PAYABLE

	Public Sector £000	Private Sector £000	2003/04 Total £000	2002/03 (Restated) £000
Capital	-	73	73	2
Biodiversity	686	538	1,224	145
Landscape	385	96	481	1,165
Awareness	161	572	733	753
Access	610	127	737	631
External Training	1	65	66	-
Education	-	66	66	-
Special Initiatives	-	294	294	673
European Development Fund	-	245	245	220
Reclaimed Grants	-	(30)	(30)	-
	<u>1,843</u>	<u>2,046</u>	<u>3,889</u>	<u>3,589</u>

The analysis of grants payable has been reclassified for 2003-04 to better reflect the nature of the spend. The comparative year has been restated.

## NOTE 8 - TIR CYMEN GRANTS

	2003/04 £000	2002/03 £000
Annual Payments	2,247	3,102
Lump Sum Payments	540	854
	<u>2,787</u>	<u>3,956</u>

### Forward Commitments on Tir Cymen Agreements

As a result of Tir Cymen agreements concluded by 31 March 2004, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	1,580	2,394
In years 2-5 (annual average)	1,010	1,028
5 years and over	-	-

## NOTE 9 - TIR GOFAL

	£000	£000
Annual Payments	9,798	6,175
Lump Sum Payments	4,622	2,651
Reimbursements	(18)	(21)
	<u>14,402</u>	<u>8,805</u>

1. 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 50% of management payments in the scheme. This income is not retainable and is surrendered to The National Assembly for Wales. It amounts to £3.729 million [Prior Year £2.789 million]

### Forward Commitments on Tir Cymen Agreements

As a result of Tir Cymen agreements concluded by 31 March 2004, commitments to continuing annual and works payments are as follows:

	£000	£000
In the next financial year	17,200	13,104
In years 2-5 (annually)	18,500	13,176
5 years and over	59,900	49,230

**NOTE 10 - STAFF COSTS & COUNCIL MEMBERS REMUNERATION**

**Total costs**

	2003/04 £000	2002/03 £000
Salaries	13,621	12,948
National Insurance	968	906
Superannuation	1,892	1,802
Net Superannuation Transfer Values	(2)	(434)
Early Retirement Costs	<u>8</u>	<u>50</u>
	<u>16487</u>	<u>15272</u>
Average Numbers	<u>614</u>	<u>619</u>

Staff are employed within the Council as follows :

	2003/04	2002/03
Chief Executive and Central Office	4	4
Conservation Directorate	336	340
Countryside Policy Directorate	81	73
Science Directorate	71	79
*Corporate Services Directorate	107	110
Joint Nature Conservation Committee Support Unit.	15	13

<b>Council Members</b>	£000	£000
Council members' Remuneration including National Insurance	100	97
Chairman's Remuneration including National Insurance	42	41

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 of 30 days a year. Their appointments are non-pensionable, with the exception of the Chairman

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

	2003/04	2002/03
£10,001 - £15,000	1	-
£ 5,001 - £10,000	10	11
£ 0 - £ 5,000	-	2

## Senior Employees

In accordance with the Greenbury Code and DAO (GEN) 3/00, the Council is required to disclose the following details concerning senior staff, including those with responsibility for running policy making departments.

Salary includes gross salary and bonus pay. Only the Chief Executive is eligible for a performance bonus based on targets set by

Name and Title	Age	2003/04 Salary (as defined below) £000	2003/04 Real Increase in pension and lump sum at 60 £000	2003/04 Total accrued pension at 60 at 31/3/04 and related lump sum £000	CETV at 31/3/03 nearest £000	CETV at 31/3/04 nearest £000	Real increase in CETV after adj for inflation and changes in market investment factors nearest £000
John Lloyd Jones - Chairman	54	35-40	0 - 2.5 plus 0 - 2.5 ls	0 - 5 plus 5 - 10 ls	25	34	8
D R Thomas - Chief Executive	51	75-80	0 - 2.5 plus 0 - 2.5 ls	0 - 5 plus 0 - 5 lls	7	33	23
Dr Malcolm Smith - Senior Director	55	60-65	17.5 - 20 plus 52.5 - 55 ls	20 - 25 plus 60 - 65 ls	51	372	46
Dr John Taylor - Director Policy	48	50-55	0 - 2.5 plus 0 - 2.5 ls	0 - 5 plus 0 - 5 ls	44	60	10
Dr David Parker - Director Conservation	46	50-55	0 - 2.5 plus 0 - 2.5 ls	0 - 5 plus 10 - 15 ls	42	56	10
Mr L Warmington - Director Corporate Services	54	50-55	0 - 2.5 plus 2.5 - 5 ls	20 - 25 plus 70 - 75 ls	381	427	27

\*ls = lump sum

the Council and approved by the National Assembly for Wales. Other senior staff receive a gross salary only. None of the Council Members or senior staff received any remuneration other than shown above or received any benefits in kind.

Columns 5 & 6 of the above table show the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting year. Column 7 reflects the increase in CETV effectively funded by the employer (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. A further column 8, for the disclosure of employers' contributions to Partnership pension schemes has not been included above as no such contributions have been made in respect of senior staff.

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. 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 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 figure, and from 2003-04 the other pension details include the value of any pension benefit in another scheme or arrangement where the individual has transferred to the CPS arrangements and for which the CS 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.

## 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).

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 lumpsum 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 2003-04, employers' contributions of £1.892m were payable to the PCSPS (2002-03 - £0.844 for 6 months from 1st October 2002 ) in respect of employees in either Classic, Premium or Classic Plus schemes. Contributions were set at one of four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates will remain the same next year, subject to revaluation of the salary bands, but will increase from 2005-06. 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 per cent into a stakeholder pension product chosen by the employee. Employers contributions of £6,500 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 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement). In 2003-04 this amounted to £500.

During 2003-04 two people retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £5,000.

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](http://www.civilservice-pensions.gov.uk)

During 2003-04 funding of £41.5 million was transferred to the Countryside Council for Wales from the Treasury. This was the bulk transfer of pension monies, which we passed directly onto the Civil Services Pension Scheme via the Cabinet Office.

## NOTE 11 - OTHER OPERATING CHARGES

	2003/04	2002/03
	£000	Re-stated £000
Accommodation Costs	1,660	1,332
Transport Costs	655	195
General Office Costs	734	813
Purchase, Hire & Maintenance of Equipment	409	449
Training	585	610
Travel and Subsistence	188	650
Information Systems Development	883	909
Corporate Services General	399	423
Miscellaneous legal costs	54	43
Audit Fee- statutory	23	21
Audit Fee- non statutory	20	4
Change in Stock Level	(3)	3
Publicity/Information/Education	1,140	1,123
Cartography	9	-
Library	13	-
Reimbursements relating to the above Services	(391)	(118)
	<u>6,378</u>	<u>6,457</u>

Reimbursements include an amount of £205,000 which had previously been lodged, on behalf of the Countryside Council for Wales, with a solicitor pending a grazing rights purchase. This transaction subsequently did not go ahead and the funds returned to CCW.





**NOTE 12 - APPROPRIATIONS TO THE NATIONAL ASSEMBLY FOR WALES**

Non-retainable income payable to the National Assembly for Wales

	2003/04 £000	2002/03 £000
European Union grants in support of Tir Gofal [see Note 9]	3,729	2,789
	<u>3,729</u>	<u>2,789</u>

**NOTE 13 - FIXED ASSETS**

	Freehold	Equipment Buildings/Land	Computers	Vehicles	TOTAL
	£000	£000	£000	£000	£000
<b>COST OR VALUATION</b>					
As at 1 April 2003	1,143	1,748	4,783	1,206	8,880
Additions	-	272	1,295	327	1,894
Disposals	-	(86)	(1,122)	(177)	(1,385)
Revaluation	22	-	-	-	22
As at 31 March 2004	<u>1,165</u>	<u>1,934</u>	<u>4,956</u>	<u>1,356</u>	<u>9,411</u>
<b>DEPRECIATION</b>					
As at 1 April 2003	118	1,324	3,561	809	5,812
Charge for the year	33	166	1121	176	1,496
Disposals	-	(83)	(1121)	(177)	(1,381)
Revaluation	-	-	-	-	-
As at 31 March 2004	<u>151</u>	<u>1,407</u>	<u>3,561</u>	<u>808</u>	<u>5,927</u>
<b>NET BOOK VALUE</b>					
At 1 April 2003	1,025	424	1,222	397	3,068
As at 31 March 2004	<u>1,014</u>	<u>527</u>	<u>1,395</u>	<u>548</u>	<u>3,484</u>

1. In accordance with Accounting Policy 1.2a, Heritage land and buildings are assigned a nil valuation. In 2003/04 the Countryside Council for Wales purchased heritage land at a cost of £69,000 which has been charged to the Income and Expenditure Account in year. [Prior Year £274,000].

2. There are contractual commitments of £195,000 for future years in the following categories (Prior Year £318,000)

	£000
Computers	169
Equipment	4
Vehicles	22
	<u>195</u>

**NOTE 14 - ANALYSIS OF ANNUAL COMMITMENTS UNDER OPERATING LEASES**

	Land/Buildings £000		Vehicles £000	Total £000
Leases which expire within 1 year	19 at 39	5 at	19	58
Leases which expire within 2-5 years	31 at 433	3 at	16	449
Leases which expire over 5 years	43 at 314	-		314
	<u>786</u>		<u>35</u>	<u>821</u>

**NOTE 15 - STOCK**

	2003/04 £000	2002/03 £000
Publications	<u>8</u>	<u>5</u>
	<u>8</u>	<u>5</u>

**NOTE 16 - DEBTORS**

	2003/04 £000	2002/03 £000
Trade Debtors	421	284
Accrued Income	57	-
Prepayments	585	553
Other Debtors:		
National Assembly for Wales	1,205	-
Rural Payments Agency	561	-
Other	<u>6</u>	<u>6</u>
	<u>2,835</u>	<u>843</u>
Amounts falling due after more than one year	<u>2</u>	<u>6</u>
	<u>2,837</u>	<u>849</u>

**NOTE 17 - CREDITORS**

	2003/04 £000	2002/03 £000
Payable within 1 year:		
Trade Creditors	1,437	1,766
Other Creditors & Accruals	<u>16</u>	<u>11</u>
	<u>1,453</u>	<u>1,777</u>



## NOTE 18 - MOVEMENT OF FUNDS

	Government Grant Reserve £000s	Donated Assets Reserve £000s	Revaluation Reserve £000s	JNCC Provisions & Reserves £000s	Income & Expenditure Account £000s	2003/04 £000s	2002/03 £000s
Balance at 1 April	2,687	38	343	62	2,835	5,965	4,686
Retained surplus for the year	-	-	-	-	707	707	940
Capital grants & donations	1,894	-	-	-	-	1,894	1,649
Revaluation of tangible fixed assets	-	-	22	-	-	22	30
Transfers to Income & Expenditure account	(1,491)	(2)	(7)	-	-	(1,500)	(1,304)
Movement in JNCC Provisions & Reserves	-	-	-	16	-	16	(36)
Balance at 31 March	<u>3,090</u>	<u>36</u>	<u>358</u>	<u>78</u>	<u>3,542</u>	<u>7,104</u>	<u>5,965</u>

## NOTE 19 - GOVERNMENT GRANT IN AID

	2003/04 £000	2002/03 £000
Grant in Aid for general activities	49,979	44,182
Additional Grant in Aid for Gwent Levels Wetlands Reserve	23	175
Additional Grant in Aid for the European Development Fund	245	220
Total credited to Income and Expenditure account	<u>50,247</u>	<u>44,577</u>
Grant aid applied to JNCC Support Unit	784	715
Adjustment to cover Share of JNCC Capital Account	26	25
Government Grant Reserve	1,894	1,649
Total Grant in Aid received in year	<u>52,951</u>	<u>46,966</u>

## NOTE 20 - NOTES TO THE CASH FLOW STATEMENT

	2003/04 £000's	2002/03 £000's
Returns on Investment and servicing of finance		
Interest received	<u>209</u>	<u>142</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(1,894)	(1,649)
Receipts from sale of tangible fixed assets	24	17
	<u>(1,870)</u>	<u>(1,632)</u>
Financing		
Government Grant received for Capital expenditure	<u>1,894</u>	<u>1,649</u>

## 21. 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 and Sports Council for Wales.

In addition, the Countryside Council for Wales has had a small number of transaction with other Government Departments and other central government bodies. Most of these transactions have been with English Nature and Scottish Natural Heritage.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with the Countryside Council for Wales during the year.

