

10 April 2007

THE WYE AND USK FOUNDATION

A company limited by guarantee and not having a share capital

Registered Charity No: 1080319

Company No: 3343965

Financial Statements for the Year Ended 31 December 2006

THE WYE AND USK FOUNDATION

INDEX

Legal and administrative information	1
Report of the Trustees	2 - 7
Report of the auditors	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes forming part of the financial statements	12 – 20

THE WYE AND USK FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Company number	3343965
Charity number	1080319
Status	A company limited by guarantee and not having share capital
Governing instrument	Memorandum and Articles of Association
Trustees/Directors	N J S James Chairman F P G Aldrich-Blake N Brabner C Brain Major P J Darling J Gibbs J Heron G Mawle (Appointed 16 March 2007) A J Norman C R King-Farlow R Murray A G Pope P Smith M Timmis
Trust C.E.O.	S J Marsh-Smith
Trust Secretary	C R King-Farlow

Registered and Principal Office

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Bankers

National Westminster Bank Plc
West End
Builth Wells
Powys
LD2 3AH

Registered Auditor

Mazars LLP
8 New Fields
2 Stinsford Road
Nuffield
Poole
Dorset
BH17 0NF

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

Structure, governance and management

Governing document

The trustees, who are also directors for the purpose of the Companies Act, present their report and the financial statements of the charitable company for the year ended 31 December 2006. Hereinafter, reference will be made to “trustees” only.

The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the charitable company’s Memorandum and Articles of Association and applicable law. The financial statements are presented in the standard format required by The Charities (Accounts and Reports) Regulations 2005 and the Statement of Recommended Practice 2005 (SORP 2005) applicable to charities.

Recruitment and appointment of management committee

The trustees who held office during the accounting year unless otherwise stated were:

N J S James
F P G Aldrich-Blake
N Brabner
C Brain
Major P JA Darling
J Gibbs
J Heron
G Mawle (Appointed 16 March 2007)
A J Norman
D Jones Powell (Retired 26 June 2006)
C R King-Farlow
R Murray
A G Pope
P Smith
M Timmis

Appointment of trustees

The Articles provide -

Any trustee who shall desire to retire shall notify such desire in writing to the secretary and thereupon his name shall be removed from the list of trustees and he shall cease to be a member of the trust but only if there remain at least three other trustees.

At the conclusion of each annual meeting of trustees one quarter or if their number is not three or a multiple of three, the number nearest to one quarter shall retire from office and unless re-elected in accordance with these articles shall on such retirement cease to be members of the trust.

The trustees to retire by rotation shall be those who have been longest in office, but as between those who became or were elected trustee on the same day those to retire shall be chosen (unless they otherwise agree among themselves) by lot.

The re-election of a trustee for a second term of office shall require the approval of a simple majority of trustees but a third or further term of office shall require the approval of a three quarters majority, such majorities are to be calculated by reference to those trustees voting at the relevant meeting.

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Structure, Governance and Management (continued)

Trustee recruitment

The recruitment of trustees is by word of mouth and selection is based on environmental or specific rivers trusts interest with the overriding objective of maintaining a broadly respected body, strong on governance and ability to add value.

Trustee induction and training

Newly appointed trustees receive a letter of appointment including appointment declaration and an induction pack which cover the working of the charity and the rivers trust movement generally. In addition, trustees are given copies of the Charity Commission's "The Essential Trustee, what you need to know" (CC3) and the "hallmarks of an effective charity".

For ongoing training purposes the trustees have agreed that workshops, presentations by the auditors and the board papers, will maintain standards of governance on an ongoing and timely basis.

Organisational structure

Officers

At 31 December 2006 the principal officers of the trust were:

Dr S J Marsh-Smith	(Chief Executive Officer)
S C A Evans	(Deputy Executive Officer)
R Littlefair	(Financial Officer)
L Macdonald Ames	(Head of Operations)
S Johnson Marshall	(Marketing Officer)
W Lodge	(Administrative Officer)
Allyson Williams	(Administrative Officer)

Steering group

The direction and supervision of the work in furtherance of the foundation's objectives have been delegated to a group comprising representatives of the partnerships in which the foundation leads. One or more trustees are present on this group and have a final say on all issues involving liability for the foundation. The steering group manages the various partnership projects which deliver the foundation's objectives. The trustees are extremely grateful to the members of the steering group for the benefit of a whole range of specialist skills and experience

At the year-end the steering group comprised:

Nick Brabner	(Wye and Usk Foundation, United Usk Fishermen)
Graham Couchman	(Countryside Council for Wales)
Patrick Darling	(Wye and Usk Foundation, Wye Salmon Fishery Owners)
Chris Dyson	(Countryside Council for Wales)
Simon Evans	(Wye and Usk Foundation)
John Gibbs	(Wye and Usk Foundation)
Peter Gough	(Environment Agency Wales)
Dyfrig Jones	(The Welsh Wildlife Trusts)
Julian Jones	(Radnorshire Wildlife Trust)
Dr Stephen Marsh-Smith	(Wye and Usk Foundation, Chair)
Bill Purvis	(Environment Agency Wales)
Norman Tyler	(Country Landowners Association)
Tom Richards	(Keep Wales Tidy)

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Structure, governance and management (continued)

Related parties

Throughout the year to 31 December 2006, the foundation has continued working in partnership with the above representatives and their organisations and we take the opportunity to thank them all for their very considerable help and support.

Risks review

The trustees regularly review the major risks which the charity faces. Commercial risk is managed on an overall basis as well as on a project by project basis. Risk assessments are properly undertaken and updated, with employees receiving the appropriate training. Our insurance cover is provided by a reputable company and reviewed annually to ensure that levels of cover are adequate for our changing needs.

Objectives and activities

The objects of the foundation are: -

To conserve, protect, rehabilitate and improve the salmon and other indigenous species of animal and plant life of the rivers Wye and Usk, their tributaries, streams and watercourses (“the river”) and the banks, riparian lands and catchments of the river (“the river corridor”) and..

To advance the education of the public in the conservation of rivers, river corridors and their animal and plant life and the need for conservation, protection, rehabilitation and improvement of such environments.

The activities of the foundation centre on partnership projects to improve riparian habitats, water quality, and improve the status of the animal and plant life of Usk and Wye catchments, which include a number of designated species. From these improvements, a significant amount of economic regeneration results through the development of angling and associated green tourism. The foundation has its own workforce to deliver these improvements.

Achievements and performance

Summary of the main achievements during the year

This year, the foundation has progressed its main projects pHish (Wye), UP! (Usk) and Leader + (Lugg and Arrow) completing the set targets. In February approval was gained for two years further funding for pHish; In August, approval was gained for the Rural Enterprise Scheme, a DEFRA funded project on the English Wye; In September a two year ERDF project was approved for the welsh section of Lugg and Arrow. In September a substantial grant of money was made to the foundation by the Tubney Charitable Trust and the funding is set to continue for three years. It is to be used in assisting species designated in the UK Biodiversity Action Plan. Through part of this funding a specific programme to assist the native white clawed crayfish has evolved.

Performance achieved against objectives

In respect of pHish, UP! and Leader +, 2006 was a very successful year with continuation of the acid waters remedial work by liming in the headwaters of Upper Wye and Irfon, plus associated monitoring, and habitat restoration of substantial sections of Wye and Usk tributaries: On the Usk a substantial fish pass was completed at Cynrig. On Lugg and Arrow fish further progress on reestablishing fish access continued with passes built on both rivers. However, our initial survey highlighted over 100 obstacles in this catchment. The successful marketing of the “Wye and Usk Passport” scheme continued into England through the RES scheme. This will ensure that the rural

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Performance achieved against objectives (continued)

economy benefits from the work of the foundation and will be able to fund the longer term maintenance of the river system. The white clawed crayfish project has involved eradication of the competitive Signal crayfish and fencing out of stock from streams known to harbour the native species.

Access to 140km of streams and rivers hitherto unavailable is now readily accessible to any interested member of the public. Our annual meeting in October drew an audience of 93 while our winter river walk was again oversubscribed and restricted to about 90 persons who were able to see salmon leaping in both catchments.

Intangible income

Intangible income was secured from two main sources: Work performed by statutory bodies (who are partners in the projects) for the projects' benefit, but funded internally, such as from Environment Agency Wales, Countryside Council for Wales and Forestry Commission. Also included is the voluntary time costed at appropriate WEFO rates and given for example, by the Wye Ghillies Association, members of the United Usk Fisheries Association and HSBC.

Investment performance achieved against investment objectives

The foundation made no investments in 2006.

Financial Review

Brief review of the financial position

The foundation continued to be extremely well supported by its partners, donors and patrons during 2006. Funds deployed in the activities and projects listed above resulted in the highest level of annual spending yet achieved by the Foundation. These projects were designed to meet the objectives and requirements of the European Rural Development Fund, within the Powys Regeneration Partnership area, Leader + and Rural Enterprise Scheme.

Completion of planned expenditure against the strict timescales and targets of these EU and other funded projects means that in some years there will be a net accumulation of unspent funds, while in others (usually the final year) this will balance out. In 2006, the foundation spent less than it received, but that is just a temporary fluctuation.

The number of new projects for which approval was gained in this year was three. Part of the Up! Project (that in the EU transitional area) was completed on 31 December as funding for this region has now expired. A number of funding initiatives have commenced on top of the day to day tasks involved in running the existing projects to replace the projects that are due to be completed in 2007 and early 2008.

Staff also took part in other river related activities such as advising on committees such as CAMS (catchment abstraction management schemes) for both Usk and Wye, Salmon Action Plan committees and advising in areas that impact on the ecology such as the Wye Navigation committee. As a founder member of ART (Association of Rivers Trusts Registered Charity 1107144) the Foundation has assisted in the further development of other rivers trusts. Our CEO continued to chair the Welsh Assembly Government's Inland Fisheries Stakeholder Strategy Group and represent the NGO sector on the Water Framework Directive liaison panel for the Severn River basin district.

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Brief review of the financial position (continued)

There is continuing evidence that the foundation's work is making a significant difference to fish stocks. In addition to evidence from, the Environment Agency's fish counter on the Wye at Redbrook, and the Agency's electro fishing data is showing a marked improvement in levels of salmon in the formerly acidified sections of Wye and Irfon. Wye trout and grayling stocks continue at a very satisfactory level and coarse fish numbers are increasing in the upper Wye. It is still too early for any significant changes to occur to Usk fish stocks, but there are encouraging signs with streams completed in 2005, such as the Rhiangoll showing a marked upturn in trout and salmon stocks. The foundation's Passport scheme exceeded all expectations in 2006 as it did in both 2005 and 2004, with a near doubling of turnover each successive year.

Financial review

Principal funding sources

The principal funding sources for the charitable company are currently by way of income generated from projects submitted under ERDF Objective 2, including the EU contribution, DEFRA and contributions from statutory bodies such as Environment Agency, Countryside Council for Wales and Forestry Commission together with contributions from individuals and trusts.

Policies

The foundation's principal policy is to make significant improvements to the two rivers through self financing projects which allow local communities to sustain them without continuous support. The foundation is keen to establish partnerships in all sectors to achieve this end. Associated with this are a number of policies and practices relating to fiscal prudence. The foundation also has written policies relating to environment, equal opportunities, IT, health and safety.

Investment power and policy

The Trust Deed confers the powers on the trustees to invest both the capital and income of the foundation in any manner as the trustees in their discretion think fit. The policy is to keep any surplus funds in short term deposits or securities, which can be accessed readily.

The foundation currently does not have investments that require a detailed review of performance and performance targets. The overriding requirement has been that funds were available for activities in pursuit of our objects.

Reserves policy

It is the aim of the trustees to generate a level of reserves to carry out the objectives of the foundation. Due to the nature and urgency with which our funds are applied, this is not always possible. The trustees are satisfied that adequate resources are available to meet all obligations, but they will seek to establish as soon as practicable a level of reserves sufficient to meet cash flow requirements without occasional recourse to overdraft facilities. The actual level of free reserves for the year ended 31 December 2006 is £40,794 (2005: £22,830).

Plans for future periods

The foundation plans to continue managing its Wye and Usk Project Extensions to pHish and UP!, this will allow these projects to continue to spring 2008. Lugg and Arrow projects will continue to the end of 2007 (Leader +) and spring 2008 (Lugg and Arrow Radnor). The foundation is seeking an extension to the RES project to allow it to continue to June 2007. The foundation will spend some time in 2007 bidding for a number of funding sources to enable the work to continue.

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

Responsibilities of the trustees

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report of the trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Statement of disclosure to the auditor

- 8 so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Mazars LLP offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

Approved by the trustees and signed on their behalf by:

C R King-Farlow

Trustee

Date:

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WYE AND USK FOUNDATION

We have audited the financial statements of The Wye and Usk Foundation for the year ended 31 December 2006 which comprise the Statement of Financial Activities, the balance sheet and related notes. These financial statements have been prepared under accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees, who are also the directors of The Wye and Usk Foundation for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WYE AND USK FOUNDATION (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

MAZARS LLP

Chartered Accountants and Registered Auditors

8 New Fields, 2 Stinsford Road

Nuffield

Poole

Dorset

BH17 0NF

Date:

THE WYE AND USK FOUNDATION

Statement of financial activities (including the income and expenditure account) For the year ended 31 December 2006

	Notes	Unrestricted funds	Restricted funds	Total funds 2006	Total funds 2005 Restated
		£	£	£	£
Incoming resources					
Voluntary income – donations		6,732	59,705	66,437	67,748
Donated services		-	202,235	202,235	208,275
Activities for generating funds:					
Income from trading	2	285	-	285	311
Investment income	3	447	-	447	1,456
Incoming resources from charitable activities	4	66,641	542,452	609,093	517,228
Total incoming resources		74,105	804,392	878,497	795,018
Resources expended					
Cost of generating voluntary income	5	315	5,591	5,906	3,982
Cost of donated services		-	202,235	202,235	208,275
Cost of generating funds:					
Fundraising trading: cost of goods sold and other costs	6	261	-	261	284
Charitable activities	7	54,993	563,267	618,260	566,569
Governance costs	8	572	4,678	5,250	4,551
Total resources expended		56,141	775,771	831,912	783,661
Net income/(expenditure) in the year before transfers					
Transfer between funds	17	17,964	28,621	46,585	11,357
		-	-	-	-
Net movement in funds		17,964	28,621	46,585	11,357
Funds at 1 January 2006	17	22,830	16,293	39,123	27,766
Funds at 31 December 2006	17	40,794	44,914	85,708	39,123

All of the company's activities are classed as continuing. Movements on reserves and all recognised gains and losses are shown above.

THE WYE AND USK FOUNDATION

Balance Sheet as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Furniture and equipment	13	21,932	20,094
Current assets			
Stock	14	25	25
Debtors	15	183,706	57,386
Cash at bank and in hand		307	1,868
		184,038	59,279
Creditors: Amounts falling due within one year	16	(120,262)	(40,250)
Net current assets/(liabilities)		63,776	19,029
Net assets		85,708	39,123
Funds			
Unrestricted funds:			
General fund	17	40,794	22,830
Restricted funds	17	44,914	16,293
Total funds	17	85,708	39,123

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the trustees on

Signed on their behalf by:

N J S James

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements For the year ended 31 December 2006

1. Principal accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985.

1.2 Gifts in kind

Voluntary income received by way of donations to the charity is included in full in the Statement of Financial Activities when receivable. Gifts in kind are included at market value and as resources expended at the same value when distributed.

1.3 Donated services

During the year the charity received substantial support by way of donated services. The policy regarding this support is such that donated services given to projects is recognised as intangible income in the period to which it relates and valued according to accepted project rates. No income is recognised when there is no financial cost borne by a third party.

1.4 Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use.

In accordance with this policy, legacies are included if and when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

1.5 Grants receivable

Government grants are accrued on a linear basis in line with the expected expenditure profile. Therefore, grant income for a period immediately prior to the year end, where expenditure has been defrayed but not recovered, is accrued for.

1.6 Charitable expenditure and basis of allocation of costs

Comprises those costs incurred by the charity in the delivery of its activities and services to enable the charity to meet its charitable aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities, over and above a material de minimis.

1.7 Governance costs

Includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued) For the year ended 31 December 2006

1.8 Resources expended

Expenditure on operational programmes is recognised in the period in which it is incurred. Grants payable to partner organisations for projects are included in the Statement of Financial Activities, when approved by the trustees and agreed with the other organisation.

1.9 Fundraising costs

These include the salaries, direct expenditure and overhead costs of the staff who promote fundraising, including events.

1.10 Funds accounting

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in notes 17 and 18 to the accounts.

1.11 Transfers

For funds held on behalf of other organisations, transfers between projects are executed at the fund holders' request, provided adequate justification and supporting evidence is supplied.

For funds held for the charity, transfers are executed for projects which have been completed, but have a remaining surplus. Transfers only take place with the funders' consent.

1.12 Leasing

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

1.13 Stock

Stock is valued at the lower of cost and net realisable value.

1.14 Fixed assets

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

	Annual rate
Plant & machinery	25%
Office Equipment	25%
Computer hardware	50%
Motor vehicles	25%

Equipment purchased under project funds has been written off at the point of purchase in line with the nature of the funding stream. Assets purchased outside projects costing £500 or more are capitalised. All assets are examined annually for potential impairment and any material reductions in value are written down at the year end.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued)
For the year ended 31 December 2006

1.15 Irrecoverable Value Added Taxation

Irrecoverable Value Added Taxation is aggregated with the expenditure to which it relates.

1.16 Comparative changes

An amendment has been made to restate the Statement of Financial Activities and related income and expenditure notes to separately identify donated services. This adjustment has no impact on the net income or expenditure in the year.

2. Income from trading

	Unrestricted £	Restricted £	2006 £	2005 £
Sale of merchandise	285	-	285	311

3. Investment income

	Unrestricted £	Restricted £	2006 £	2005 £
Deposit interest	447	-	447	1,456

4. Incoming resources from charitable activities

	Unrestricted £	Restricted £	2006 £	2005 Restated £
Grants and other income	-	541,272	541,272	404,843
Fishing schemes	54,240	-	54,240	37,036
Contract income	3,863	272	4,135	58,776
Miscellaneous	8,538	908	9,446	16,573
	66,641	542,452	609,093	517,228

5. Cost of generating voluntary income

	Unrestricted £	Restricted £	Total £	2005 Restated £
Printing	205	1,773	1,978	1,740
Advertising	110	3,730	3,840	1,446
Website	-	88	88	796
	315	5,591	5,906	3,982

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued)
For the year ended 31 December 2006

6. Cost of generating funds

	Unrestricted	Restricted	Total	2005
	£	£	£	£
Merchandise	261	-	261	284

7. Charitable activities

	Unrestricted	Restricted	Total	2005 Restated	Basis of allocation
	£	£	£	£	£
Habitat expenses	1,568	151,028	152,596	136,576	Actual
Habitat staff costs (inc NI)	-	138,653	138,653	160,640	Hours
Fishing scheme	43,663	-	43,663	30,197	Actual
Putchers	-	-	-	3,500	Actual
Monitoring	-	40,349	40,349	29,084	Actual
Marketing	-	22,366	22,366	14,712	Percentage
Education	-	11,180	11,180	-	Actual
	45,231	363,576	408,807	374,709	
Support costs					
Staff costs (inc NI)	1,788	128,098	129,886	115,508	Hours
Premises and office costs	4,268	21,918	26,186	25,363	Actual
Motor and travel	1,060	33,262	34,322	32,167	Actual
Financing	2,646	-	2,646	1,916	Actual
Depreciation	-	16,413	16,413	16,906	Actual
	54,993	563,267	618,260	566,569	

8. Governance costs

	Unrestricted	Restricted	Total	2005
	£	£	£	£
Audit and accountancy	743	3,750	4,493	3,750
Trustee support	-	-	-	-
Meeting cost	(171)	928	757	801
	572	4,678	5,250	4,551

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued) For the year ended 31 December 2006

9. Net incoming resources

This is stated after charging

	2006	2005
	£	£
Depreciation of tangible assets	16,414	16,906
Audit	<u>3,750</u>	<u>3,750</u>

10. Indemnity insurance

The charity does not pay insurance premiums to indemnify trustees and senior staff from any loss arising from the neglect or defaults of trustees or staff and any consequent loss.

11. Staff numbers

The average number of staff employed by the charity during the year was as follows (full time equivalent)

	Number	Number
	2006	2005
Staff deployed in projects	15	15
Staff deployed in central administration	1	1
	16	16

The gross pay of the highest paid employee is £31,136 per annum (2005:£30,500)

12. Trustees' remuneration and expenses

The trustees received no remuneration from the charity.

No trustees received reimbursement of expenses during the year.

The trustees have not acted as agents or made purchases on behalf of the charity during the year.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued)
For the year ended 31 December 2006

13. Fixed assets

	Plant, Machinery & Equipment £
Cost	
At 31 January 2006	65,745
Addition	18,252
At 31 December 2006	83,997
Depreciation	
At 1 January 2006	45,651
Charge for the year	16,414
At 31 December 2006	62,065
Net Book Value	
At 31 December 2006	21,932
At 31 December 2005	20,094

14. Stock

	2006 £	2005 £
Stock of goods for resale	25	25

15. Debtors

	2006 £	2005 £
Trade debtors	4,796	27,872
Grants receivable	170,070	19,505
Other debtors	8,840	10,009
	183,706	57,386

All debts are due within one year.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued)
For the year ended 31 December 2006

16. Creditors: Amounts falling due within one year

	2006 £	2005 £
Bank overdraft	35,564	17,691
Trade creditors	66,129	629
Other taxation and social security	6,210	5,128
Other creditors	12,359	16,802
	120,262	40,250

17. Funds

	At 1 January 2006 £	Incoming £	Outgoing £	Transfers £	At 31 December 2006 £
<u>Restricted funds</u>					
Wye River Funds & Project					
- Wye fund	(1,483)	45,067	(1,850)	(12,000)	29,734
- pHish project	(10,990)	220,999	(258,697)	40,000	(8,688)
- RES project	-	39,715	(51,422)	5,000	(6,707)
- Lugg/Arrow river fund	(88)	6,037	(650)	(1,000)	4,299
- Leader project	-	76,292	(74,401)	5,000	6,891
- Radnor project	-	24,321	(13,864)	5,000	15,457
	(12,561)	412,431	(400,884)	42,000	40,986
Usk River Funds & Projects					
- Usk river fund	44,801	10,601	(2,600)	(39,636)	13,166
- UP! O2 project	(11,676)	151,286	(179,941)	26,721	(13,610)
- UP! Trans project	(4,271)	180,074	(192,346)	20,915	4,372
	28,854	341,961	(374,887)	8,000	3,928
Tubney Charitable Trust	-	50,000	-	(50,000)	-
Restricted funds	16,293	804,392	(775,771)	-	44,914
General fund	22,830	74,105	(56,141)	-	40,794
Total funds	39,123	878,497	(831,912)	-	85,708

Funding transfers from restricted funds arise when either the pre-agreed budget for an item of expenditure is overestimated and thus a small surplus is generated, or when a fund closes whilst holding a balance, and with the assent of the funder, the balance is transferred to the Wye or Usk funds as appropriate to support the other work of the charity.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued) For the year ended 31 December 2006

17. Funds (continued)

Description of funds

- Wye fund: this fund receives donations to further the charity's objectives in respect of the River Wye. This includes donations from the Wye Salmon Fisheries Owners Association members and was applied mainly via the £2.1 million pHish project and Leader +. In 2006 additional reserve funds were commenced within the Wye fund –Radnor and RES.
- pHish project: this Wye project receives and spends funds against a set of criteria set out in the project document and against preset EU targets. This project receives funding from the Wye fund, the European Union and a number of statutory bodies such as the Environmental Agency. Spending in this project is restricted to the geographical area of the Wye catchment that lies in the Objective 2 zone of south Powys.
- RES fund: receives funding from DEFRA, rod license sales and Wye fund. The area of restriction to which these funds may be applied in the county of Herefordshire and therefore extends to the Lugg and Arrow catchments as well as parts of the Monnow and main Wye.
- Lugg and Arrow river fund: this fund receives donations to further the charity's objectives in respect of the Wye tributaries Lugg and Arrow. This includes donations from the Lugg and Arrow Fisheries Association and is applied mainly via the two Lugg and Arrow projects described below.
- Lugg and Arrow (Leader+): this Wye projects concerns activities within the catchment of these Wye tributaries downstream from their border with Wales to the confluence with the main river. Funds from Lugg and Arrow fisheries Association are restricted to this fund and that below.
- Lugg and Arrow (Radnor): this Wye project concerns activities on Lugg and Arrow within the county of Radnorshire
- Usk fund: this fund receives donations that will be used to further the charity's objectives in respect of the River Usk. In 2006, this was applied mainly via the £1.1 million UP! Projects.
- UP! O2 project: this Usk project receives and spends funds against a set of criteria set out in the project document and against preset EU targets. This project receives funding from the Usk fund, the EU and a number of statutory bodies such as the Environmental Agency. Spending in this project is restricted to the geographical area of the Usk catchment that lies in the Objective 2 zone of south Powys.
- UP! Transitional project: this Usk project receives and spends funds against a set of criteria set out in the project document and against preset EU targets. This project receives funding from the Usk fund, the EU and a number of statutory bodies such as the Environmental Agency. Spending in this project is restricted to the geographical area of the Usk catchment that lies in the Transitional zone of south Powys. It was completed in December 2006
- Tubney Charitable Trust: this charity has donated funds to the charity to contribute to work that delivers a benefit to the UK Biodiversity Action plan species associated with the rivers (e.g.: Otter, Allis and Twaite shad and White Clawed Crayfish)

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements (continued)
For the year ended 31 December 2006

17. Funds (continued)

Explanation of funds in deficit:

- The end of year pHish project deficit has been corrected by a transfer from the Wye fund post the balance sheet date. The Wye fund was in receipt of additional funds post year-end which was sufficient to enable the fund to cover the deficit.
- The RES project is a new project that started during the year. Progress during 2006 was slow and claims hampered by a number of administrative problems.
- The end of year UP! O2 project deficit has been corrected by a transfer from the Usk fund post the balance sheet date. The Usk fund was in receipt of additional funds post year-end which was sufficient to enable the fund to cover the deficit.

18. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Fund balances at 31 December 2006 as represented by:				
Fixed assets		21,932	21,932	20,094
Net current assets	40,794	22,982	63,776	19,029
Total net assets	40,794	44,914	85,708	39,123

19. Related Party Transactions

In the year an amount of £3,643 (2005:£1,801) was paid to the Ireland Moor syndicate in which Dr S Marsh-Smith (CEO) has a 1/8th shareholding for the labour services of their employee.

Also during the year and as part of the Passport scheme amounts of £3,920 (2005:£1,736) and £977 (2005:£1,660) were collected by the charity as agent for, and were, paid to, Dr S Marsh Smith and David Jones-Powell (trustee) for the letting of fishing beats owned by them. Work was done on the beats at costs of £786 (2005:£606) and £nil (2005:70). Both lets were conducted under the same rates and conditions as applied to all charity lettings.

20. Control

The charity is controlled by its trustees.