

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 31st December 2007

THE WYE AND USK FOUNDATION

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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 (Resigned 12 December 2007) A J Norman C R King-Farlow R Murray A G Pope P Smith M Timmis G Mawle (appointed 16 March 2007) A Carter (appointed 23 February 2008)
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
Clifton Down House
Beaufort Buildings
Clifton
Bristol
BS8 4AN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007.

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. They comply with current statutory requirements, including the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities 2005.

The Trustees

The trustees (who are also the directors of the charitable company) who held office during the accounting period from 1 January 2007 to the date of this report 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 (Resigned February 2008)
G Mawle
A J Norman
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/her name shall be removed from the list of trustees and he/she 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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (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 Trust 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 2007 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)
Dyfrig Jones	(Project 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)
Andrew Peterkin	(Countryside Council for Wales)
Simon Evans	(Wye and Usk Foundation)
John Gibbs	(Wye and Usk Foundation)
Peter Gough	(Environment Agency Wales)
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)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

Structure, Governance and Management (continued)

Related parties

Throughout the year to 31 December 2007, 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 rivers”) and the banks, riparian lands and catchments of the rivers (“the river corridors”) 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, biodiversity, water quality, and improve the status of the animal and plant life of Usk and Wye catchments, which include a number of designated species. The Foundation has its own workforce to deliver these improvements.

Achievements and Performance

Summary of the main achievements during the year

The Foundation has continued its main projects: pHish (Upper Wye), UP! (Usk); Lugg and Arrow (Radnorshire) and the Crayfish project, completing their set targets. The Leader + (Lugg and Arrow), Rural Enhancement Schemes both finished successfully during 2007. The Foundation continued to enjoy support from the Tubney Charitable Trust, the Atlantic Salmon Trust, and the Whitley Animal Protection Trust. In November the Foundation received news of a successful bid to the Esmee Fairbairn Foundation to set up a project to eradicate invasive weeds. In June, salmon, brown trout and eels were added to the UK’s list of Priority Species while Rivers and Streams were elevated to Priority Habitat status giving a greater significance to the Foundation’s work.

Performance achieved against objectives

In respect of pHish, 2007 was another successful year with continuation of the acid waters remedial work liming in the headwaters of Upper Wye and Irfon. The associated monitoring now provides a dataset that is at last able to show in unequivocal terms that this action has successfully restored the water quality and with it the flora and fauna previously indigenous to this section of the river. Riverine habitat restoration continued in the Lugg and Arrow via Leader +, RES and the Radnorshire project, and also in the Usk and Wye. A significant milestone was passed during the year when calculations showed over 100 miles of stream had been restored. Fish Pass construction was mainly confined to the Lugg and Arrow but it was learnt that a project was to commence to reinstate fish

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

access on the Wye's second largest tributary, the Monnow, thus ending a decade of lobbying. 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.

The successful marketing of the Foundation's "Wye and Usk Passport" scheme continued into England through the RES scheme. This will ensure that the rural economy benefits from our work and will be able to fund the longer term maintenance of the river system both sides of Offa's Dyke. Access to 140km of streams and rivers hitherto unavailable is now readily accessible to any interested member of the public. The Foundation made 8 presentations to large audiences in 2007. Our winter river walk was again oversubscribed and restricted to 95 persons who were able to see salmon leaping or spawning in both catchments.

A new activity for the Foundation in 2007 was re-establishing canoe access agreements in both the upper Usk and Wye. The essence of the arrangements was to enable anglers and canoeists to enjoy the rivers without adversely impacting on each other or the ecology of the river. New access points were established with riparian owners and webcams were set up to advise on water levels. The scheme was web based with downloadable maps and opportunities for feedback making the whole process of getting afloat much simpler. A potentially fraught situation between different users appears to have been successfully resolved. Wales Assembly Government funded the project via the Countryside Council for Wales. The Environment Agency, representatives from local Outdoor Education Centres, MOD and British Outdoor Pursuits Association formed the steering group

Foundation staff have assisted with the development of a wider network of trusts across the Principality through our umbrella organisation The Association of Rivers Trusts

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, Wales Assembly Government and Countryside Council for Wales. Also included is the voluntary time costed at appropriate WEFO rates and given for example by the Lugg and Arrow Fisheries Association and members of the United Usk Fisheries Association.

Investment performance achieved against investment objectives

The Foundation made no investments in 2007.

Financial Review

Brief review of the financial position

The Foundation continued to be extremely well supported by its partners, donors and patrons during 2007. 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 2007, the Foundation spent less than it received, but that is just a temporary fluctuation that will be resolved in 2008 when a number of projects end.

One new project gained approval in 2007 – an Esmee Fairbairn Foundation funded scheme to eradicate what is becoming a serious problem for all rivers – Invasive weeds such as Giant Hogweed and Japanese Knotweed. In 2007 both the Leader + and the RES project finished on time, and on budget, but exceeding their targets. A number of funding initiatives have commenced on top of the

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

day to day tasks involved in running the existing projects to replace those projects that are due to be completed in 2007 and 2008. This includes the EU Life + scheme.

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 chaired the Welsh Assembly Government's Inland Fisheries Stakeholder Strategy Group and represents the NGO sector on the Water Framework Directive liaison panel for the Severn River basin district.

Stocks of fish continued to show improvements overall despite some difficult weather in 2007. A spring and autumn drought separated one of the wettest summers for decades. This confounded much of the monitoring process, but Wye salmon runs appeared healthier, but by no means secure. Wye trout and grayling stocks continue at a very satisfactory level and coarse fish numbers are increasing in the upper Wye. Usk stocks of both trout and salmon are showing encouraging signs. The Foundation's Passport scheme exceeded all expectations in 2007 with a 71% increase over the previous year.

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, Leader +, DEFRA and contributions from statutory bodies such as Environment Agency, Countryside and Council for Wales together with contributions from individuals, riparian owners 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, Welsh Language and 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 2007 is £63,227 (2006: £40,794).

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (continued)

Plans for Future Periods

The Foundation plans to continue managing its Wye and Usk Projects. Extensions to pHish and UP! will allow these projects to continue to spring 2008. Lugg and Arrow (Radnorshire) project will continue to summer 2008 (Lugg and Arrow Radnor). The crayfish project will also continue throughout 2008 and the invasive weed eradication programme is anticipated to run for three years. The Foundation will spend more time bidding for a number of new funding sources to enable the work to continue.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2007 (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 provision

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.

Provision of information to auditors

The trustees at the time when this trustees' report is approved have confirmed that:

- So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- Each trustee has taken all the steps that ought to have been taken as trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable 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:

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 2007 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of 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

The trustees' (who are also the directors of the Wye and Usk Foundation for the purposes of company law) responsibilities for preparing the trustees' annual report and the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) are set out in the statement of trustees' responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' annual report is not consistent with the financial statements, if 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 company is not disclosed.

We read other information contained in the trustees' annual report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES 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 2007 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
- the information given in the Trustee's report is consistent with the financial statements

MAZARS LLP

Chartered Accountants and Registered Auditors

Clifton Down House

Beaufort Buildings

Clifton

Bristol

BS8 4AN

Date:

**Statement of financial activities (including the income and expenditure account)
For the year ended 31 December 2007**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
Incoming resources					
Voluntary income - donations		11,423	66,326	77,749	66,437
Donated services		-	192,103	192,103	202,235
Activities for generating funds:					
Income from trading	2	129	-	129	285
Investment income	3	1,015	-	1,015	447
Income resources from charitable activities	4	102,477	677,759	780,236	609,093
Total incoming resources		115,044	936,188	1,051,232	878,497
Resources expended					
Cost of generating voluntary income	5	5	1,554	1,559	5,906
Cost of donated services		-	192,103	192,103	202,235
Cost of generating funds					
Fundraising trading: cost of goods sold and other costs	6	540	-	540	261
Charitable activities	7	87,845	689,570	777,415	618,260
Governance costs	8	4,221	3,261	7,482	5,250
Total resources expended		92,611	886,488	979,099	831,912
Net income/(expenditure) in the year before transfers					
Transfer between Funds	18	-	-	-	-
Net movement in funds		22,433	49,700	72,133	46,585
Funds at 1 January 2007	18	40,794	44,914	85,708	39,123
Funds at 31 December 2007		63,227	94,614	157,841	85,708

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

Balance Sheet
as at 31st December 2007

	Notes	2007 £	2006 £
Fixed assets			
Furniture and equipment	13	11,987	21,932
Current assets			
Stock	14	25	25
Debtors	15	124,113	183,706
Cash at bank and in hand		37,489	307
		161,627	184,038
Creditors: Amounts falling due within one year	16	(15,773)	(120,262)
Net current assets		145,854	63,776
Net assets		157,841	85,708
Funds			
Unrestricted funds:			
General fund	18	63,227	40,794
Restricted funds	18	94,614	44,914
Total funds	19	157,841	85,708

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

**Notes forming part of the financial statements
for the year ended 31st December 2007**

1. Principal accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

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 Intangible income

During the year the Foundation received substantial support by way of donated services. The policy regarding this support has changed so 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.

**Notes forming part of the financial statements
for the year ended 31st December 2007**

1.8 Resources expended and basis of allocation of costs

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 Fund-raising costs

These include the salaries, direct expenditure and overhead costs of the staff who promote fund-raising, 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 18 and 19 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 Trust, 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

**Notes forming part of the financial statements
For the year ended 31st December 2007**

1.15 Irrecoverable Value Added Taxation

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

2. Income from trading

	Unrestricted £	Restricted £	2007 £	2006 £
Sale of merchandise	129	-	129	285

3. Investment income

	Unrestricted £	Restricted £	2007 £	2006 £
Deposit interest	1,015	-	1,015	447

4. Income resources from charitable activities

	Unrestricted £	Restricted £	2007 £	2006 £
Grants and other income	-	663,758	663,758	541,272
Fishing schemes	92,903	-	92,903	54,240
Contract income	2,000	-	2,000	4,135
Miscellaneous	7,574	14,001	21,575	9,446
	102,477	677,759	780,236	609,093

5. Cost of generating voluntary income

	Unrestricted £	Restricted £	Total £	2006 £
Printing	-	-	-	1,978
Advertising	5	-	5	3,840
Website	-	1,554	1,554	88
	5	1,554	1,559	5,906

6. Cost of generating funds

	Unrestricted £	Restricted £	Total £	2006 £
Merchandise	540	-	540	261

Notes forming part of the financial statements
For the year ended 31st December 2007

7. Charitable activities

	Unrestricted £	Restricted £	Total £	2006 £	Basis of allocation £
Habitat expenses		187,838	187,838	152,596	Actual
Habitat staff costs (inc NI)	-	165,696	165,696	138,653	Hours
Fishing scheme	73,439	-	73,439	43,663	Actual
Monitoring	-	28,545	28,545	40,349	Actual
Marketing	-	54,537	54,537	22,366	Percentage
Education	-	-	-	11,180	Actual
	73,439	436,616	510,055	408,807	
Support costs					
Staff costs (inc NI)	5,297	177,061	182,358	129,886	Hours
Premises and office costs	4,908	29,216	34,124	26,186	Actual
Motor and travel	1,275	31,170	32,445	34,322	Actual
Financing	2,926	-	2,926	2,646	Actual
Depreciation	-	15,507	15,507	16,413	Actual
	87,845	689,570	777,415	618,260	

8. Governance costs

	Unrestricted £	Restricted £	Total £	2006 £
Audit and accountancy	1,620	2,765	4,385	4,493
Legal fees	2,443	-	2,443	-
Meeting cost	158	496	654	757
	4,221	3,261	7,482	5,250

9. Net incoming resources

This is stated after charging

	2007 £	2006 £
Depreciation of tangible assets	15,507	16,414
Auditors' remuneration – audit services	7,765	5,000
Auditors' remuneration – non audit services	4,120	1,243
Operating lease rentals – property	<u>1,850</u>	<u>1,850</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 directors or staff and any consequent loss.

**Notes forming part of the financial statements
For the year ended 31st December 2007**

11. Staff numbers

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

	Number 2007	Number 2006
Staff deployed in projects	17	15
Staff deployed in central administration	1	1
	18	16

There were no employee's with emoluments above £60,000 (2006: nil)

12. Trustees' Remuneration and Expenses

The Trustees received no remuneration from the charity.

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

13. Fixed assets

	Plant, Machinery & Equipment £
Cost	
At 1 st January 2007	83,997
Additions	5,562
At 31st December 2007	89,559
Depreciation	
At 1 st January 2007	62,065
Charge for the year	15,507
At 31st December 2007	77,572
Net Book Value	
At 31st December 2007	11,987
At 31st December 2006	21,932

14. Stock

	2007 £	2006 £
Stock of goods for resale	25	25

**Notes forming part of the financial statements
For the year ended 31st December 2007**

15. Debtors

	2007	2006
	£	£
Trade debtors	6,244	4,796
Grants receivable	110,988	170,070
Other debtors	6,881	8,840
	124,113	183,706

All debts are due within one year.

16. Creditors: Amounts falling due within one year

	2007	2006
	£	£
Bank overdraft	-	35,564
Trade creditors	390	66,129
Other taxation and social security	6,594	6,210
Other creditors	8,789	12,359
	15,773	120,262

17. Operating lease commitments

At 31 December 2007 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
Within 1 year	-	1,850
Between 2 and 5 years	1,850	-
	1,850	1,850

18. Funds

	At 1 January 2007 £	Incoming £	Outgoing £	Transfers £	At 31 December 2007 £
<u>Restricted Funds</u>					
Wye River Funds & Projects					
- Wye River Fund	29,734	53,760	(3,423)	(55,000)	25,071
- pHish Project	(8,688)	222,568	(254,188)	53,000	12,692
- Lugg/Arrow River Fund	4,299	8,692	(3,422)	(4,085)	5,484
- Leader Project	6,891	92,323	(103,293)	4,085	6
- Radnor Project	15,457	76,432	(100,474)	40,000	31,415
- RES Project	(6,707)	201,598	(206,403)	-	(11,512)
	40,986	655,373	(671,203)	38,000	63,156
Usk River Funds & Project					
- Usk River Fund	13,166	22,874	(3,421)	(15,000)	17,619
- UP! O2 Project	(13,610)	204,941	(208,242)	27,000	10,089
- UP! Trans Project	4,372	-	(3,347)	-	1,025
	3,928	227,815	(215,010)	12,000	28,733
Usk and Wye River Project					
- Esmee Fairbairn Project	-	3,000	(275)	-	2,725
	-	3,000	(275)	-	2,725
Tubney Charitable Trust	-	50,000	-	(50,000)	-
Total Restricted Funds	44,914	936,188	(886,488)	-	94,614
<u>General Funds - Unrestricted</u>	40,794	115,044	(92,611)	-	63,227
Total Funds	85,708	1,051,232	(979,099)	-	157,841

**Notes forming part of the financial statements
For the year ended 31st December 2007**

18. Funds (continued)

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 Foundation.

Description of Funds

- Wye River Fund: this fund receives donations to further the Foundation'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 Environment Agency Wales. Spending in this project is restricted to the geographical area of the Wye catchment that lies in the Objective 2 zone of south Powys.
- 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 Project (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 Project (Radnor): this Wye project concerns activities on Lugg and Arrow within the county of Radnorshire where spend is restricted to this ERDF project
- RES Project: receives funding from DEFRA, Environment Agency Wales Rod licence sales and Wye fund. Spending is restricted to the county of Herefordshire
- Usk River Fund: this fund receives donations that will be used to further the Foundation'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 Environment Agency Wales. Spending in this project is restricted to the geographical area of the Usk catchment that lies in the Objective 2 zone of south Powys.
- Tubney Charitable Trust: this charity has donated funds to the foundation to contribute to work that delivers a benefit to the UK Biodiversity Action plan species associated with the rivers (eg: Otter, Allis and Twaite shad and White Clawed Crayfish and since 2007: salmon trout eels and the Priority Habitat "Rivers and Streams")
- The Esmee Fairbairn Foundation Project. This charity has contributed funded to a project to eradicate invasive weeds with the Wye and Usk Catchment.

**Notes forming part of the financial statements
For the year ended 31st December 2007**

18. Funds (continued)

Explanation of funds in deficit:

- The end of year RES 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.

19. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2007	Total Funds 2006
	£	£	£	£
Fund balances at 31 December 2006 as represented by:				
Fixed assets	-	11,987	11,987	21,932
Net current assets / (liabilities)	63,227	82,627	145,854	63,776
Total net assets	63,227	94,614	157,841	85,708

20. Related Party Transactions

In the year an amount of £3,388 (2006: £3,643) 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 £5,347 (2006: £3,920) and £nil (2006: £ 977) were collected by the charity as agent for, and were, paid to, Dr S Marsh Smith and David Jones-Powell (former trustee) for the letting of fishing beats owned by them. Work was done on the beats at costs of £nil (2006: £786). Both lets were conducted under the same rates and conditions as applied to all charity lettings.

21. Control

The Charity is controlled by its trustees