

THE WYE AND USK FOUNDATION

A company limited by guarantee and not having a share capital

Registered Charity No: 1080319

Company No: 03343965



The **Wye & Usk Foundation**
ACTION FOR FISHERIES

Financial Statements for the Year Ended 31 December 2011

THE WYE AND USK FOUNDATION

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LEGAL AND ADMINISTRATIVE INFORMATION

Company number	03343965
Charity number	1080319
Status	A company limited by guarantee and not having share capital
Governing instrument	Memorandum and Articles of Association, 25 October 2011
Trustees/Directors	N J S James Chairman F P G Aldrich-Blake N Brabner (deceased 6 July 2011) A Carter (resigned 7 February 2011) C Brain Major P J Darling J Gibbs P Lloyd (appointed 13 June 2011) C R King-Farlow A J Norman G Mawle R Murray E Passey (appointed 13 June 2011) A G Pope (resigned 13 June 2011) P Smith M Timmis

Trust C.E.O. S J Marsh-Smith OBE

Trust Secretary S J Marsh-Smith

Registered Office

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Principal Office

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Bankers

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Registered Auditor

Mazars LLP
Clifton Down House
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Clifton
Bristol
BS8 4AN

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Structure, Governance and Management

Governing documents

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 2011.

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 consider that they have complied with their duties under section 4 of the Charities Act 2006 regarding their duties in respect of the public benefit.

The Trustees

The trustees (who are also the directors of the charitable company) who held office during the accounting period from 1 January 2011 to the date of this report unless otherwise stated were:

N J S James
F P G Aldrich-Blake
N Brabner (deceased 6 July 2011)
A Carter (resigned 7 February 2011)
C Brain
Major P J Darling
J Gibbs
P Lloyd (appointed 13 June 2011)
C R King-Farlow
A J Norman
G Mawle
R Murray
E Passey (appointed 13 June 2011)
A G Pope (resigned 13 June 2011)
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.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

A retiring trustee shall not be eligible for re-election on the date of his retirement (and for a further period of 12 months) if prior to such date he has served in office as a trustee for more than 10 continuous years.

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 2011 the principal officers of the Trust were:

Dr S J Marsh–Smith	(Executive Director)
S C A Evans	(Deputy Director)
P Loughran	(Finance Officer)
L Macdonald Ames	(Head of Operations)
S Johnson Marshall	(Project Manager)
W Lodge	(Office Manager)
Allyson Williams	(Administrative Officer)
Tom Richards	(Deputy Head of Operations)
Adam Fisher	(Marketing 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:

Patrick Darling	(Wye and Usk Foundation, Wye Salmon Fishery Owners)
Robert Denny	(Monnow Rivers Association)
Chris Dyson	(Countryside Council for Wales)
Simon Evans	(Wye and Usk Foundation)
John Gibbs	(Wye and Usk Foundation)
Peter Gough	(Environment Agency Wales)
Catrin Grimstead	(Environment Agency Wales)
Darylle Hardy	(Radnorshire Wildlife Trust)
Alan Jones	(Environment Agency)

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Bev Lewis	(Brecknock Wildlife Trust)
Dr Stephen Marsh-Smith	(Wye and Usk Foundation, Chair)
Chris Rees	(Environment Agency Wales)
Norman Tyler	(Country Landowners Association)

Related parties

Throughout the year to 31 December 2011, 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

A record 32 projects were underway, started or completed this year, the majority being fish passes. Two larger projects stand out, the EU Life + funded “ISAC” and EU Fisheries funds as enabling substantial amounts of habitat restoration to take place. Our fish passage projects have enabled salmon to repopulate the rivers Lugg and Arrow, while our partners, the Environment Agency have completed a weir removal on the Wye’s largest tributary, the Monnow. Thus the majority of the Wye’s tributary system is finally open to ascending trout and salmon. Our weeds eradication programme continues and all these tasks fit into a seasonal pattern of work. The Wye and Usk Passport appeared to be more popular than ever, with more fisheries available and more visitors coming to the rivers.

THE WYE AND USK FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Performance achieved against objectives

2011 will perhaps be looked on as the year of the fish pass with a further 10 completions and 8 underway. We can now see an end to this aspect of our work which remains the most cost effective action we can take. Our projects to mitigate the effects of acid rain in the Irfon (ISAC Life +) and upper Wye (EU Fisheries Fund) are demonstrably improving trout and salmon spawning success. Monitoring of stream pH by Dr Juettner indicates our 'sand liming' has made significant improvements to water quality while electrofishing – an assessment of juvenile numbers – show trout and salmon to have successfully spawned further up the (formerly acidified) Irfon than ever recorded. The invasive weed project continues to eradicate Giant hogweed and Japanese knotweed but the last three years have seen an acceleration of the spread of Himalayan balsam.

Under the leadership of trustee Tony Norman, the whole of the Lugg and Arrow system was cleared of litter. Volunteers picked 767 sacks of litter and other items from 106 miles of river and stream. The majority of which was of agricultural origin. It is hoped to repeat this on the upper Wye in 2012.

WUF received a visit from Fisheries and Environment minister Richard Benyon in February. He came to see some of the issues affecting the lower Wye and saw first-hand the problems of Herefordshire's soil erosion and examples of the many barriers to fish migration plus what the NGO sector might be able to achieve. In June we had a formal visit from the European Commission who came to see progress on our Life+ project on the Irfon.

Two 2011 projects were slight departures from our usual work. DSEPP (Defra Strategic Environmental Partnership Project) funded through the Rivers Trust had two objectives: The first was to determine how successful NGO groups might be at assessing the state of a "Waterbody" (stream, river lake or groundwater source) and formulating a plan for recovery and the second consisted of interviews to assess whether there could be additional means of accessing funding for such work, whether existing regulations were effective in managing diffuse pollution. WUF, the Severn Trust and West Country Rivers Trust, Welsh Water (DCWW), Severn Trent Water and a wide range of farming businesses took part.

The second project was instigated by CCW, whose concern was that historic repairs to the bridge footings at Llanfoist (Abergavenny) and Crickhowell were hindering fish migration, especially the EU protected shad. WUF sought funding from Environment Wales and engaged specialist engineers to assess what was needed to rectify the two bridges. These reports are published on our consultation page.

The Foundation continued to be extremely well supported by its partners, donors and patrons during 2011. Staff took part in other river related activities such as Local Fishery Groups for both Usk and Wye, and advising in areas that impact on the ecology such as the Wye Navigation committee, and representing the NGO sector on the Water Framework Directive liaison panel for the Severn River Basin District.

At last we saw some significant improvement in salmon catches on the Wye, despite the continuing drought, which in itself is a serious cause for concern. The Usk, however, being a smaller river on which there are heavy demands for both domestic water supply and for the Monmouthshire and Brecon canal produced little opportunities for salmon migration. Continuing low flows triggered concerns about the management of water abstraction in both rivers.

WUF is fortunate to be able to call on the specialist skills of John Lawson, now retired as the head of Halcrow's water resources division to examine and report on the effects of abstraction and what might be done to improve the situation. In 2011, he produced "Reducing the Impact of Abstraction on Salmon in the Wye". This is downloadable from our consultations section. Discussions are anticipated next year as to implementation of these cost effective solutions. Similar studies are anticipated next year for the Usk.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Returning to the state of salmon stocks, observations of spawning in the autumn demonstrated that the Wye run had been far larger than that suggested by catches with substantial spawning in most of the upper catchment, Usk fish also took advantage of the meagre autumn and winter rainfall to reach their headwaters.

The “Wye and Usk Passport” scheme expanded again. Each year has seen continued growth and it is calculated that the visitor numbers generated by the scheme brought over £1.2million to the rural economy in 2011. This scheme is now on the verge of being self-funding. Access to 160+ miles of streams, rivers and lakes hitherto unavailable is now readily available to any interested member of the public. The Foundation made 12 presentations to various audiences. Our spring river walks, in conjunction with Telegraph Hay Festival in May were again oversubscribed. We also organised river walks in the summer and autumn to see work in progress mainly on the Irfon.

Canoe access agreements in both the upper Usk and Wye continued to allow enjoyment by both anglers and canoeists. The gauges on webcams that allow instant access to water height information enabled visitors to access the river in favourable conditions as well as avoid extreme flow events. A steering group of local paddlers and owners continued to give useful guidance as issues arose. We sit on the Minister’s round table on water access and found the arrangements we had made were cited as exemplars, enabling voluntary arrangements to continue across Wales instead of statutory navigation.

Intangible Income

Intangible income was secured from the following sources: Work performed by statutory bodies (who are partners in the projects) exclusively for the benefit of the project, but funded internally, such as from Environment Agency Wales, Wales Assembly Government and Countryside Council for Wales. Voluntary time, costed at appropriate Welsh European Funding Office (WEFO) rates and donated, for example by: the Lugg and Arrow Fisheries Association; members of the United Usk Fisheries Association; the Monnow Fisheries Association and our special volunteers who assist with our invasive weeds project and litter picking.

Investment performance achieved against investment objectives

The Foundation made no investments in 2011.

Financial Review

Brief review of the financial position

As in 2010, substantive projects in 2011 have enabled us to reverse the downward trend in reserves of 2009. We are therefore in a much more secure position for the next few years and can continue to build reserve funds. Additional staff have been recruited, increasing outputs but placing more responsibility on our administration and management structure.

Completion of planned expenditure against the strict timescales and targets of 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 2011, the Foundation spent less than it received.

Principal funding sources

The principal funding sources for the charitable company in 2011 were income generated from the projects ISAC, EU Fisheries Fund and ART/Defra funding; contributions from statutory bodies such as Environment Agency, Countryside Council for Wales together with contributions from individuals, riparian owners and charitable trusts such as Esmee Fairbairn Foundation and Whitley Animal

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Protection Trust. Earlier notes refer to the Foundation's strategy of bidding to EU and other funds to take forward and deliver our charitable objects.

Policies

Investment power and policy

The Memorandum and Articles of Association of the Foundation confers 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 unrestricted reserves at the year ended 31 December 2011 was £30,231 (2010: £ 40,895).

Public Benefit

Improved performance of the fisheries of the two rivers coupled with an innovative marketing scheme enables the Foundation to transfer significant benefits to the rural economy. The Passport scheme attracts visitors from both abroad and outside the catchment and the scheme allows a quantification of benefit based on the number of angler visits and at an estimated average spend. The environmental works are primarily directed to this end; but enhanced biodiversity, and improved farming performance may be considered as additional public benefits from our activities.

Further public benefit accrues from improving the ecological condition of the rivers which assists in reaching the required status demanded by both the Habitats and Water Framework Directives.

We consider our continuing efforts to reconcile the difficulties associated with normally opposed river users, anglers and canoeists, by setting up and managing agreements to be a significant public benefit. Our innovative approach to shared use has been welcomed.

In respect of our second object, educational benefits accrue from the many visits, presentations and talks organised throughout the seasons to learn about river restoration and riverine ecology. Our experience in riparian management is freely passed on to any interested party. For example, we conducted, in conjunction with the Telegraph Hay Literary Festival, instructive river walks to demonstrate the results of our environmental works and explain the many facets of riparian ecology and management and responded to newly formed rivers trusts seeking help and guidance. We also maintain an informative and useful website, <http://www.wyeuskfoundation.org> that received 204,451 unique visitors in 2011, an increase of 21,523 from the previous year.

Plans for Future Periods

The Foundation plans to continue managing its current and new Wye and Usk Projects, while at the same time continuing to bid for new funding. At the end of 2011, bids were in hand to be submitted to the Rivers Trust (formerly the Association of Rivers Trusts) for funding for fish passes, Splash and Environment Wales. We will continue to work with our partners on all these schemes.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the net income or expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and ensuring that the assets are properly applied in accordance with charity law hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Small company provision

The Trustees have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Auditors

Mazars LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Trustees and signed on their behalf by:

C R King-Farlow
Trustee

Date: 18 June 2012

THE WYE AND USK FOUNDATION

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

We have audited the financial statements of The Wye and Usk Foundation for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at <http://www.frc.org.uk/apb/scope/private.cfm>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WYE AND USK FOUNDATION (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Michael Stewart (Senior Statutory Auditor)

for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditors

Clifton Down House
Beaufort Buildings
Clifton
Bristol
BS8 4AN

Date:

THE WYE AND USK FOUNDATION

Statement of financial activities (including the income and expenditure account) For the year ended 31 December 2011

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Incoming resources					
Voluntary income – donations		7,431	72,055	79,486	122,368
Donated services		95,884	-	95,884	81,853
Activities for generating funds:					
Income from trading	2	21	-	21	133
Investment income	3	2,321	-	2,321	545
Income resources from charitable activities	4	319,008	995,538	1,314,546	980,379
Total incoming resources		424,665	1,067,593	1,492,258	1,185,278
Resources expended					
Cost of generating voluntary income	5	-	-	-	694
Cost of donated services		95,884	-	95,884	81,853
Cost of generating funds					
Fundraising trading: cost of goods sold and other costs	6	-	-	-	280
Charitable activities	7	332,388	956,689	1,289,077	1,046,307
Governance costs	8	5,568	-	5,568	5,116
Total resources expended		433,840	956,689	1,390,529	1,134,250
Net (outgoing)/incoming resources in the year before transfers		(9,175)	110,904	101,729	51,028
Gross transfers between funds		(1,489)	1,489	-	-
Net movement in funds		(10,664)	112,393	101,729	51,028
Funds at 1 January 2011	18	40,895	61,401	102,296	51,268
Funds at 31 December 2011		30,231	173,794	204,025	102,296

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

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Balance Sheet as at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Furniture and equipment	13	32,696	30,145
Current assets			
Stock	14	360	360
Debtors	15	126,645	172,793
Cash at bank and in hand		190,502	243,030
		317,507	416,183
Creditors: Amounts falling due within one year	16	(139,889)	(333,284)
Net current assets		177,618	82,899
Total assets less current liabilities		210,314	113,044
Creditors: Amounts falling due after one year	17	(6,289)	(10,748)
Net assets		204,025	102,296
Funds			
Unrestricted funds:			
General fund	18	30,231	40,895
Restricted funds	18	173,794	61,401
Total funds	19	204,025	102,296

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008).

Approved by the Trustees on 18 June 2012

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 2011

1. Principal accounting policies

1.1 Accounting convention

The Financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

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, which are recognized as intangible income in the period to which they relate 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 for the year ended 31 December 2011

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.

Designated funds – these are funds which the trustees have set aside for specific purposes.

Further explanation of the nature and purpose of each fund is included in note 17 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 Leases

Finance leases

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on the leased assets is calculated to write off this amount, less the estimated net realisable value, on a straight line basis over the term of the lease.

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
Office Equipment	25%
Computer hardware	50%
Motor vehicles	25%

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Notes forming part of the financial statements For the year ended 31 December 2011

1.14 Fixed Assets (continued)

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

1.15 Pension Costs

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2. Income from trading

	Unrestricted £	Restricted £	2011 £	2010 £
Sale of merchandise	21	-	21	133

3. Investment income

	Unrestricted £	Restricted £	2011 £	2010 £
Deposit interest	2,321	-	2,321	545

4. Income resources from charitable activities

	Unrestricted £	Restricted £	2011 £	2010 £
Grants and contract income	47,858	981,511	1,029,369	805,758
Fishing schemes	258,664	-	258,664	165,210
Miscellaneous	12,486	14,027	26,513	9,411
	319,008	995,538	1,314,546	980,379

5. Cost of generating voluntary income

	Unrestricted £	Restricted £	2011 Total £	2010 Total £
Printing	-	-	-	694
	-	-	-	694

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements
For the year ended 31 December 2011

6. Cost of generating funds

	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Merchandise	-	-	-	280

7. Charitable activities

	Unrestricted	Restricted	2011 Total	2010 Total	Basis of allocation
	£	£	£	£	
Habitat expenses	6,180	222,015	228,195	212,290	Actual
Habitat staff costs (inc NI)	-	214,970	214,970	189,842	Hours
Contractors	4,279	105,202	109,481	-	Actual
Fishing scheme	202,480	-	202,480	161,126	Actual
Monitoring	-	10,044	10,044	37,797	Actual
Marketing	22,203	15,944	38,147	25,535	Percentage
	235,142	568,175	803,317	626,590	
Support costs					
Staff costs (inc NI)	76,743	268,960	345,703	314,377	Hours
Premises and office costs	2,522	72,362	74,884	50,739	Actual
Motor and travel	(2,132)	44,005	41,873	40,248	Actual
Financing	5,307	23	5,330	238	Actual
Depreciation	14,730	-	14,730	14,115	Actual
Meeting cost	76	3,164	3,240	-	Actual
	332,388	956,689	1,289,077	1,046,307	

8. Governance costs

	Unrestricted	Restricted	2011 Total	2010 Total
	£	£	£	£
Audit and accountancy	4,580	-	4,580	3,935
Meeting cost	988	-	988	1,181
	5,568	-	5,568	5,116

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements For the year ended 31 December 2011

9. Net incoming resources

This is stated after charging

	2011	2010
	£	£
Depreciation of owned tangible assets	10,138	9,345
Depreciation of leased tangible assets	4,592	4,770
Auditors' remuneration – audit services	7,960	7,870
Auditors' remuneration – non audit services	<u>1,200</u>	<u>-</u>

10. Indemnity Insurance

The charity pays an insurance premium to indemnify trustees from any loss arising from the neglect or defaults of directors. The premium amounted to £582 (2010: £458)

11. Staff Costs

Staff costs were as follows

	2011	2010
	£	£
Wages and salaries	489,711	448,939
Social security costs	46,335	43,228
Pension costs	23,751	12,052
	559,797	504,219

There were no employees with emoluments above £60,000 (2010: nil)

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

	Number	Number
	2011	2010
Staff deployed in projects	21	19
Staff deployed in central administration	1	1
	22	20

12. Trustees' Remuneration and Expenses

The Trustees received no remuneration or expenses from the charity.

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
For the year ended 31 December 2011

13. Fixed assets

	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 1 st January 2011	44,473	-	44,473
Additions	16,743	538	17,281
At 31st December 2011	61,216	538	61,754
Depreciation			
At 1 st January 2011	14,328	-	14,328
Charge for the year	14,464	266	14,730
At 31st December 2011	28,792	266	29,058
Net Book Value			
At 31st December 2011	32,424	272	32,696
At 31st December 2010	30,145	-	30,145

The net book value of motor vehicles of £32,424 (2010: £30,145) includes an amount of £12,008 (2010: £16,600) in respect of assets held under finance leases.

14. Stock

	2011	2010
	£	£
Stock of goods for resale	360	360

15. Debtors

	2011	2010
	£	£
Trade debtors	9,547	37,302
Grants receivable	90,654	127,439
Other debtors	26,444	8,052
	126,645	172,793

All debts are due within one year.

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements
For the year ended 31 December 2011

16. Creditors: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	13,316	8,524
Obligations under finance leases	4,458	4,458
Other taxation and social security	11,881	12,978
Pension contributions	570	8,895
Other creditors	16,949	8,958
Grants received in advance	92,715	289,471
	139,889	333,284

17. Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Obligations under finance leases	6,289	10,748
Amounts due:		
In less than one year	4,458	4,458
In one – two years	3,713	4,458
In two – five years	2,576	6,290
	10,747	15,206

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements
For the year ended 31 December 2011

18. Funds

	At 1 January 2011 £	Incoming £	Outgoing £	Transfers £	At 31 December 2011 £
Restricted Funds					
River Funds					
- Wye	(23,366)	38,409	(14,590)	5,524	5,977
- Lugg & Arrow	10,624	7,515	(855)	(7,737)	9,547
- Monnow	1,199	4,082	(2,840)	-	2,441
- Usk	13,862	18,948	(7,590)	-	25,220
Projects					
- Esmee Fairbairn	7,860	55,200	(46,281)	-	16,779
- RASP	(1,510)	2,133	(2,657)	2,034	-
- LARA	(486)	83,037	(90,039)	7,488	-
- SPLASH canoe	1,380	-	-	(1,380)	-
- ART1 - Arrow ART 60	(249)	-	-	249	-
- ART2 - Garren ART 61	(82)	-	-	82	-
- ART3 - Diffuse ART 58	(185)	7,044	(6,967)	108	-
- ART4 - Escley ART 62	229	6,337	(6,218)	(348)	-
- EFF	1,132	158,712	(132,395)	-	27,449
- ISAC	50,968	241,131	(251,174)	-	40,925
- WFW - FOAL	(1,839)	38,851	(41,743)	-	(4,731)
- WFW - 4AS	1,102	43,861	(45,076)	-	(113)
- HARP	-	82,237	(75,024)	-	7,213
- Patcher	732	-	-	(732)	-
- PURR	-	52,647	(58,838)	-	(6,191)
- DSEPP	30	25,826	(21,103)	(4,753)	-
- ART239 – Hindwell	-	2,660	(2,076)	(584)	-
- MRA	-	15,000	(19,355)	-	(4,355)
- ART240 – Downfield	-	7,729	(7,970)	241	-
- ART241 – Mowley	-	10,106	(10,267)	161	-
- ART242 – The Leen	-	14,894	(15,197)	303	-
- ART243 – Arrow Green	-	3,644	(3,792)	148	-
- ART244 – Tramway	-	4,898	(5,064)	166	-
- ART245 – Tuck Mill	-	13,659	(13,785)	126	-
- ART246 – Trebandy	-	8,944	(9,079)	135	-
- ART247 – Dayhouse	-	3,959	(4,120)	161	-
- ART248 – Blakeney	-	11,234	(11,331)	97	-
- EA	-	100,000	(46,363)	-	53,637
- RT Farm	-	2,802	(2,806)	-	(4)
- RT Mowley	-	698	(698)	-	-
- RT Downfield	-	698	(698)	-	-
- RT Mahollam	-	698	(698)	-	-
	61,401	1,067,593	(956,689)	1,489	173,794
Unrestricted General Funds	40,895	132,721	(146,130)	(1,489)	25,997
Designated Passport	-	291,944	(287,710)	-	4,234
	40,895	424,665	433,840	(1,489)	30,231
Total Funds	102,296	1,492,258	(1,390,529)	-	204,025

**Notes forming part of the financial statements
For the year ended 31 December 2011**

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 another Wye or Usk funds as appropriate.

Description of Funds

- **Wye River Fund & Projects**, including Lugg and Arrow; Monnow:

These funds receive donations to further the Foundation's objectives in respect of the River Wye and its tributaries. They include donations from the Wye Salmon Fisheries Owners Association members, patrons and donors who specify restriction to Wye, Lugg and Arrow or Monnow; (Funds to Monnow or Lugg and Arrow are separately restricted). Projects within this restriction remain subject to the individual funder's constraints as to how and where monies are spent and all are against a preset range of milestones and targets.

- **Usk River Funds and Projects:**

This restricted fund accounts for monies given in respect of the river Usk. In 2010 these included the National Grid. As above each project has its own preset set of restrictions. The fund receives monies from owners, patrons and donors.

- **Usk and Wye River Projects and Funds**

This fund receives project funds and general donations that are spent on activities that improve both river systems. Funders include: Esmee Fairbairn Foundation (Invasive Weeds Project), Splash for canoe access and Passport; Aggregate Sustainable Levy Fund and Association of Rivers Trusts.

Explanation of funds in deficit or surplus:

- The end of year project deficits were cleared after the year end.
- Surpluses arise due to payments in advance such as the ISAC project

THE WYE AND USK FOUNDATION

Notes forming part of the financial statements
For the year ended 31 December 2011

19. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£	£
Fund balances at 31 December 2011 as represented by:				
Fixed assets	32,696		32,696	30,145
Net current assets	3,824	173,794	177,618	82,899
Creditors after one year	(6,289)	-	(6,289)	(10,748)
Total net assets	30,231	173,794	204,025	102,296

20. Related Party Transactions

As part of the Passport scheme, amounts of £5,765 (2010: £2,794) were collected by WUF as agent for, and were, paid to, Dr S Marsh-Smith for the letting of a fishing beat owned by him. A creditor of £20 (2010:£nil) was owed to Dr S Marsh-Smith at the year end. Work was carried out on the beat at a cost of £946 (2010: £nil).

Also as part of the Passport scheme amounts of £11,946 (2010: £nil) were collected by the WUF as agent for, and were, paid to, Mr M Timmis for the letting of a fishing beat owned by him. The letting was conducted under the same rates and conditions as applied to all lettings. £31,226 was collected on behalf of and paid to Mr M Timmis for season rod sales. Work was carried out on the beat at a cost of £2,230 (2010: £nil).

In the year £1,318 (2010: £297) was paid to the Caer Beris Manor Hotel for meeting room hire. This hotel is owned jointly by the Trustee Mr P Smith and his wife. £20 (2010: £132) was outstanding at the year end. Sales of £1,076 (2010: £716) were made to the hotel in 2011.

Also in the year £nil (2010: £150) was paid to the Gliffaes Country House Hotel for meeting room hire. This hotel was co-owned by Mr N Brabner. £nil (2010: £223) was owed to them at the year end. Sales of £1,648 (2010: £702) were made to hotel in 2011.

Also in the year work was done on the Nyth Syndicate fishery at a cost of £629 (2010: £nil). The Nyth Syndicate is owned by Mr FPG Aldrich-Blake and Mr A Pope (and others).

The lettings for Dr S Marsh-Smith and Mr M Timmis were conducted under the same rates and conditions as applied to all lettings. The work on their beats and for the Nyth Syndicate fishery were conducted at the rates which applied to all work completed by the WUF.

21. Pension commitments

The charity collects pensionable sums in respect of its employees and pays them to various pension providers. These sums amounted to £23,751 (2010: £12,052).

22. Control

The Charity is controlled by its trustees.