

FARMING AND WILDLIFE ADVISORY
GROUP LIMITED
(A COMPANY LIMITED BY
GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2008

Company Registration No 1705669
Charity Registration No 326348

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2008

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FARMING AND WILDLIFE ADVISORY GROUP LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

Company registration number: 1705669

Charity registration number: 326348

Registered office: Stoneleigh Park
Kenilworth
Warwickshire
CV8 2RX

Headquarters: **England**
Stoneleigh Park
Kenilworth
Warwickshire CV8 2RX

Wales
Ffordd Arran
Dolgellau
Gwynedd LL40 1LW

Northern Ireland
46B Rainey Street
Magherafelt BT45 5AH

Directors (Trustees): Mrs Anne Kelaart (Chairman)
Mr Henry Lucas (Vice Chairman)
Mr Charles Beaumont (Trustee Treasurer)
Mr Tim Bennett
Mr Philip Cook
Mr Philip Merricks MBE
Mr Julian Sayers FRICS FRAgS
Mr Martin Sykes
Mr Campbell Tweed OBE
Mr Michael Williams MBE DL

There are 10 Trustees (the maximum number allowed by the Articles of Association is 15).

Officers: Mr Andy Ormiston (Managing Director and Company Secretary)
Mrs Glenda Thomas (Director FWAG Wales)
Mr Séan Convery (Director Northern Ireland)
Mr Jon Gardner (Head of Finance)
Miss Jane Hampson (Personnel & Office Services Manager and Secretary to the Board of Trustees)

Bankers: Barclays Bank plc
150 Parade
Leamington Spa CV32 4AZ

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

Solicitors: Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B2 2ES

Investment Managers: Tilney Investment Management
Murivance House
Murivance
Shrewsbury SY1 1JW

Auditor: Grant Thornton UK LLP
1 Westminster Way
Oxford OX2 0PZ

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

REPORT OF THE DIRECTORS (TRUSTEES)

The Directors of the Farming and Wildlife Advisory Group Limited ("FWAG"), and as Trustees of the charity, present this report on the affairs of the company for the year ended 31 March 2008.

CONSTITUTION

The charity was formed as a company limited by guarantee on 10 March 1983.

The company Registration Number is 1705669.

Registered with the Charity Commission - Registration Number 326348.

OBJECTS

The objects of the charity are to provide:

- farmers and landowners with the best independent technical advice and practical guidance on the enhancement of landscape, heritage and wildlife, and the management of resources, access and recreation, through environmentally responsible farming.
- government and other partner organisations with cost-effective, independent, nationwide advisory network to convert policy into practice.

ORGANISATION

The charity co-ordinates its activities throughout England, Wales and Northern Ireland from its headquarters at Stoneleigh Park, Kenilworth, Warwickshire. There is a Welsh headquarters in Dolgellau and a Northern Ireland headquarters in Magherafelt. FWAG is also active in Scotland through an entity which is independent of FWAG Limited. This follows the decision by the Directors (trustees) of FWAG Limited to establish FWAG Scotland as a separate organisation with its own Directors (trustees) and management structure. This came into effect on 1 October 2007, from which date FWAG Scotland commenced its independent activity. FWAG Limited continues to work with FWAG Scotland on national and mutually beneficial projects.

MISSION STATEMENT

"FWAG exists to provide our national and international clients with the best opportunity for environmental gain through cost-effective quality solutions".

STRATEGIC PROGRESS

Chairman's Report

A year of challenges and contracting fortunes that I am pleased to report ended on a much more positive note. Under the stewardship of an Interim Managing Director, alliance talks continued with particular focus on the NFU, where the potential marriage of FWAG's strong environmental delivery arm aligned to the NFU's secure financial base appeared to be a good match. The outcome of the alliance talks resulted in FWAG retaining its full independent charitable status, provided a renewed vigour and a much closer working relationship with the NFU.

Income generation remained the core issue throughout the first two quarters with uncertainty and delays around the implementation of the various Rural Development Programmes in member countries. Inconsistency with Agri-Environment schemes in England and no schemes at all in Scotland impacted on cash flow leading to staff reductions in England and the establishment of FWAG Scotland as an independent charity in October 2007.

With the Interim Managing Director having concluded alliance discussions and undertaken a restructure of the organisation the Trustees appointed a new Managing Director from within to take the organisation forward.

The second half of the year was a period of consolidation and stabilisation during which attention was refocused on the charitable aims and objectives of the organisation and the use of these to broaden the income streams available. This will ensure that the highly valued knowledge and skills of our team remain available to the farming community to help them meet the expectations of the policy makers and general public,

Achievements

The emphasis during the year was on ensuring FWAG's survival. This, together with staff turnover at a senior level and a major restructure impacted to some extent on the recording of progress against our charitable objects. Nevertheless, our staff remained engaged throughout the year on FWAG's core activities: undertaking farm visits; organising and delivering a wide variety of events and workshops; representing FWAG at county, regional and national shows; and delivering against a number of projects. A key achievement was the completion of the FELP (Farm Environment Link Project) in Cornwall. The project's contribution to the environment was recognised when it was awarded the inaugural IEEM (Institute of Ecology and Environmental Management) Best Practice Award. This prestigious national award acknowledged the project's successes ranging from education and training through to advancing the science of ecology and furthering the conservation and enhancement of biodiversity. For the last months of the year, under the new management team, there has been a refocus on the charitable aims and objectives resulting in a clearer focus for the future.

Plans for the future

Our plans for the forthcoming year are driven by our charitable objects and mission statement as detailed above. We have therefore set ourselves the following aims:

- To make farmers more aware of the environmental assets on their farm;
- To improve the general public's understanding of the contribution that farmers make to enhancing UK biodiversity, the farmland landscape and the wider environment;
- To provide practical solutions to environmental challenges that do not compromise the viability of the farm business;
- To encourage farmers to share best practice amongst one another through demonstration, facilitation and discussion;
- To work with partner organisations representing farming and conservation interests to ensure that policy and research can be disseminated to farmers and land managers in an accessible, practical and cost effective form and, through feedback, ensure that policy developments are considered and robust; and
- To develop a locally focused active, participative and informed Membership that seeks to engage the farming industry in pursuit of a more environmentally sustainable future for agriculture.

The aims incorporate four key themes:

- Raising awareness;
- Practical Solutions;
- Sharing best practice; and
- Strength through the Partnership approach.

Volunteer Involvement

Local FWAG chairmen, treasurers and their committees in our 40 local groups continue to underpin FWAG's success at the local level and are a prerequisite for much of our success nationally. The Directors (trustees) acknowledge and commend this, often unrecorded and unacknowledged, support for FWAG and its objectives. With additional resources, communication with local groups has been improved significantly during the year and the regional structure has generally been successful with improved links between local groups and Headquarters. The Directors, in their role as Trustees of the charity, remain anxious to ensure that our unique farmer-led structure remains strong as this is, and will continue to be, an essential component of FWAG.

SUMMARY OF ACCOUNTS AND FINANCIAL MATTERS

The audited accounts for the year ended 31 March 2008 show a decrease over the previous year in incoming resources to £5,101,180 and a decrease in total resources expended to £5,411,108. The decrease is due in part to the establishment of FWAG Scotland as a separate organisation from 1 October onwards.

The balance sheet shows unrestricted funds at £369,698 at 31 March 2008. At the balance sheet date £242,675 was held at the bank.

Income in respect of membership fees received was previously recognised in full on the date that the membership commenced and was not released to the statement of financial activities over the life of the membership. During the year ended 31 March 2008, a prior year adjustment has been made to correctly recognise the revenue in equal monthly instalments over the life of the membership. The effect of this adjustment has been to decrease the prior year's deficit previously stated by £8,273 and decrease the opening unrestricted funds by £152,269.

FWAG Scotland

Total resources expended includes costs of £22,607 representing the legal and professional fees incurred in establishing FWAG Scotland, together with some redundancy costs at the Stoneleigh Park Headquarters. Also included is £172,000, being a donation made from FWAG Limited's reserves to provide working capital for FWAG Scotland. The contracts of employment for 32 members of staff were transferred to FWAG Scotland.

Gifts in Kind

The accounts have been adjusted to recognise gifts in kind. The provision of goods and services instead of grants, donations and subscriptions has been recognised as income and expenditure when the monetary value of such events has been calculated. Alongside the Trustees, over 1000 volunteers contribute considerable time during the year in support of FWAG's charitable objectives. While we have not quantified this support, we would like to express our tremendous gratitude for their continued support.

Funding

The withdrawal of core funding from Department for the Environment, Food and Rural Affairs (DEFRA) continued to impact significantly on FWAG's results for the year. Funding totalled £313,049 (2007: £324,906), representing 6% (2007: 5%) of our incoming resources. This contrasts with 2005 when DEFRA funding represented 10% of incoming resources. We have not been given any DEFRA core funding for 2008. Scottish Natural Heritage (SNH) provided £188,499 (2007: £375,659) being a further 4% of our incoming resources. This funding covered 6 months up to the point when FWAG Scotland was established.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

REPORT OF THE DIRECTORS (TRUSTEES)

We continue to develop income from chargeable work and for the year ended 31 March 2008 this represented 38% (2007 40%) of our incoming resources.

Income from projects remains a significant source of income, representing 33% (2007: 30%) of incoming resources.

All other sources of income, being donations, sponsorship, membership, local authority grants and investment income were 19% (2007: 19%) of the total.

Staff

At 31 March 2008 we had 131 (2007:186) full and part-time staff. The reduction is largely due to the transfer of 32 staff to FWAG Scotland. There were six redundancies in England during the year, mostly at Headquarters.

We owe our staff a huge debt of appreciation for their continued dedication and considerable hard work. We continue to consult with our staff on a wide range of matters through the Staff Association, which holds regular meetings during the year and provides a valuable forum for discussion.

Results and Dividends

Farming and Wildlife Advisory Group Limited is a company limited by guarantee and without share capital. No dividends are therefore payable.

The deficit of £309,928 has been debited from reserves.

RESERVES

Reserves at 31 March 2008 were £610,773 of which £241,075 is restricted funds. The unrestricted reserves represent the working capital that has accrued to the organisation from unrestricted sources. These reserves need to be available as working capital to ensure that FWAG can continue to trade and deliver projects, therefore they are not designated. The restricted reserves are the gifted property fund which includes land, cash and investments. The cash and investments are to support the costs of maintaining the land and carrying out the objects of the charity.

The agreed reserves policy states a minimum target of 13 weeks' annual expenditure, which based on the budget for 2008/2009, gives a target of £1,107,562, an increase on 31 March 2008 reserves of £496,789. This would give us three months' breathing space in which to react to any unforeseen changes in our operating environment. The medium to long-term target is 26 weeks' annual expenditure.

RISK MANAGEMENT

FWAG has developed an internal quality assurance process and this encompasses risk management.

FINANCIAL RISK MANAGEMENT

FWAG uses various financial instruments including cash and equity investments as well as various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the charity to a number of financial risks. The main risks are market risk, cash flow interest risk, credit risk and liquidity risk.

The trustees review and agree policies for managing each of these risks. The policies remain unchanged from previous years. An explanation of these policies is not considered material for the assessment of the assets, liabilities, financial position and surplus or deficit of the charity.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

REPORT OF THE DIRECTORS (TRUSTEES)

DIRECTORS (TRUSTEES) AND THEIR INTERESTS

As a company limited by guarantee FWAG does not have share capital and hence none of the Directors (trustees) have an interest in share capital.

One Board member, Philip Merricks, was due to retire by rotation. He decided to stand for re-election and a Board resolution supporting this (under article 42) was passed at the Board meeting on 18 September 2007. Three co-opted members, Philip Cook, Campbell Tweed and Tim Bennett, were nominated by the Board of Trustees to stand for election. Gillian Lawrie, Peter Negus, John Cousins and Nicholas Woolley resigned from the Board of Trustees.

Following the Annual General Meeting on 7 November 2007 the Directors comprise:-

<i>Board Member</i>	<i>Year of appointment</i>	<i>Date of most recent appointment</i>	<i>Date of expiry</i>	<i>Length of service as a 31 March 2008</i>
Philip Merricks	1989	18 September 2007	November 2010	18 years
Anne Kelaart, Chairman	1999	9 November 2005	November 2008	8 years
Michael Williams	1995	9 November 2005	November 2008	12 years
Julian Sayers	2005	9 November 2005	November 2008	2 years
Charles Beaumont	2005	9 November 2005	November 2008	2 years
Henry Lucas	2006	15 November 2006	November 2009	1 year
Martin Sykes	2006	15 November 2006	November 2009	1 year
Philip Cook	2007	7 November 2007	November 2010	0 year
Campbell Tweed	2007	7 November 2007	November 2010	0 year
Tim Bennett	2007	7 November 2007	November 2010	0 year

CHARITABLE AND POLITICAL CONTRIBUTIONS

The company, which is a charity, made no charitable or political contributions during the year ended 31 March 2008.

AUDITOR

A resolution for the appointment of Grant Thornton UK LLP as auditor of the company was proposed and approved at the Annual General Meeting on 7 November 2007. Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 385 of the Companies Act 1985.

METHOD OF ELECTION OF DIRECTORS (TRUSTEES)

Directors (Trustees) are nominated by company members of the Farming and Wildlife Advisory Group Limited. At the Annual General Meeting, to which all company members are invited, the nominees are elected by ballot. Each member is eligible to vote either in person or by proxy.

A FWAG DIRECTOR: LENGTH OF SERVICE ON THE BOARD

- A Board member will serve up to two periods of 3 years each, with a mandatory sabbatical of at least one year at the end of the six-year period.
- *Current* trustees, if they so wish should be able to serve for a *further* three years when their current period comes to an end, but after that the mandatory sabbatical should apply.

TRUSTEES' INDUCTION

An induction process for new trustees was introduced by FWAG in 2001. All newly recruited trustees receive an Induction Handbook which provides them with background information on the organisation with a view to helping them to see how their own contribution will assist in achieving FWAG's mission;

- An explanation of the source of funding, how it is spent and the state of FWAG's financial health
- Details of the Strategic Plan to clarify our mission, vision and values
- Details of the organisational structure so they have a clear understanding of who does what and what the lines of accountability are and an explanation of the Board responsibilities, their own responsibilities and how the Board operates.

This is followed up by a visit to the FWAG headquarters to meet the management team and help them gain a better understanding of the operation of the organisation.

INVESTMENT POWERS

The memorandum and articles of association of the charity permit wide powers of investment. Tilney Investment Management is the investment adviser to the Charity.

STATEMENT OF DIRECTORS' (TRUSTEES') RESPONSIBILITIES

The directors (trustees) are responsible for preparing the Report of the directors (trustees) and the financial statements in accordance with applicable law and regulations.

Company law requires the directors (trustees) to prepare financial statements for each financial year. Under that law the directors (trustees) have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements as required by law to give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure of the charity for the year. In preparing those financial statements, the Directors (trustees) are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

REPORT OF THE DIRECTORS (TRUSTEES)

The Directors (trustees) are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors (trustees) are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors (trustees) have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Directors (trustees)

and signed on behalf of the Board

Anne Kelaart
Chairman, Board of Trustees

REPORT OF THE INDEPENDENT AUDITOR TO THE COMPANY MEMBERS OF FARMING AND WILDLIFE ADVISORY GROUP LIMITED

We have audited the financial statements of Farming and Wildlife Advisory Group Limited for the year ended 31 March 2008 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 24. These financial statements have been prepared under 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 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 directors and auditors

The directors' responsibilities for preparing the Report of the directors and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' (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 whether, in our opinion, the information given in the Report of the directors (trustees) is consistent with the financial statements.

We 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 directors' remuneration and other transactions is not disclosed.

We read the Report of the directors (trustees) and consider the implications for our report if we become aware of any apparent misstatements within it.

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 directors (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.

REPORT OF THE INDEPENDENT AUDITOR TO THE COMPANY MEMBERS OF
FARMING AND WILDLIFE ADVISORY GROUP LIMITED

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 company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors (trustees) is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
Oxford

Date:

FARMING & WILDLIFE ADVISORY GROUP LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, modified for the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 1985. The accounting policies have remained unchanged from the previous year.

Taking into account the losses over the last three years and having restructured accordingly, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

PRIOR YEAR ADJUSTMENT

Income in respect of membership fees received was previously recognised in full on the date that the membership commenced and was not released to the statement of financial activities over the life of the membership. During the year ended 31 March 2008, a prior year adjustment has been made to correctly recognise the revenue in equal monthly instalments over the life of the membership. The effect of this adjustment has been to decrease the prior year's deficit previously stated by £8,273 and decrease the opening unrestricted funds by £152,269.

COMPANY STATUS

The charity is a company limited by guarantee. For this purpose the members of the company are the directors (trustees) named in the Report of the Directors (trustees).

FUND ACCOUNTING

Unrestricted funds in the opinion of the Trustees are funds available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

TANGIBLE FIXED ASSETS

Freehold land is held at valuation. The effect of the revaluation carried out at 31 March 2007 was to increase fixed assets by £72,000 with the surplus being credited to the revaluation reserve. It is the directors (trustees)' opinion that the value of freehold land has not changed during the year. There is therefore no effect in the current year.

No depreciation is charged on freehold land.

All other tangible fixed assets (items over £450 net) are held at cost and depreciation is calculated to write down their cost to their estimated residual value by equal annual instalments over the period of their estimated useful economic lives, which are considered to be:

Long leasehold property	Period of lease
Leasehold improvements	Period of lease
Motor vehicles	4 years
Computers and office equipment	3 or 4 years

INVESTMENTS

Investments are held in cash. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

FARMING & WILDLIFE ADVISORY GROUP LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

PENSION COSTS

The company contributes to a defined contribution pension scheme for all full time staff. The payments are charged to the profit and loss account as they are incurred.

The company also participates in a defined benefit scheme, the Wildlife Trusts Pension Scheme. This is a multi-employer scheme and it is not possible to identify the Charity's share of the underlying assets and liabilities. It is not therefore possible to comply with the disclosure requirements of FRS 17 Retirement Benefits. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

TAXATION

The company is a registered charity and under section 505 of the Income and Corporation Taxes Act 1988 is exempt from taxation as it continues to apply all of its income for charitable purposes.

OPERATING LEASES

Rentals are charged to the Statement of financial activities as they are incurred.

INCOMING RESOURCES

Income is recognised on an accruals basis so as to match income with expenditure. In particular:

Donations and covenants

Organisations and individuals sympathetic to the charity's work make donations or covenants; these are recognised in the financial year for which they have been donated.

Grants receivable

Government bodies and local authorities make grants available to subsidise the costs of the charity, these are recognised on an accruals basis. Deferred income represents amounts received for future periods and is released to incoming resources in that future period.

Subscriptions & Membership

Individuals and other charities with connected causes may contribute to Farming and Wildlife Advisory Group Limited by becoming a member or a partner. These contributions are recognised over the term of the membership of the organisation.

Sponsorship

Where advisers are involved in a project this may be funded by sponsorship from interested organisations or fees charged to the entity that has benefited from the advice.

Gifts in kind and donated goods

The provision of services or goods instead of grants, donations or subscriptions is recognised as income and expenditure where the monetary value of such events can be calculated. In addition Farming and Wildlife Advisory Group Limited customarily receives numerous voluntary services, the value of which is impracticable to quantify.

FARMING & WILDLIFE ADVISORY GROUP LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

EXPENDITURE

Expenditure which is charged to the Statement of financial activities on an accruals basis is as follows:

Fundraising Costs

Expenditure incurred in organising and running the farm events, including venue costs and refreshments, are charged directly to Fundraising costs.

Costs of activities in the furtherance of the company's objects

These costs represent expenditure incurred directly in the fulfilment of the objectives of the charity including overheads and associated management and administration costs are included in charitable expenditure.

Governance costs

Governance costs represent expenditure identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. Costs include external audit and the costs associated with Board meetings.

VAT

Irrecoverable VAT is charged back to the originating cost centre.

BRANCHES

The charity carries out some activities through a national network of branches, which use the same name as the charity, raise funds for the charity and their own local activities and receive support from the charity through advice and publicity materials. All branch transactions are accounted for gross in the accounts of the charity and all assets and liabilities, including cash held by the branches, are included in the charity's balance sheet.

LIABILITIES

Liabilities are recognised as soon as a legal and constructive obligation exists and the amount of the obligation can be measured with sufficient reliability.

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	2008 Total Funds £	2007 Total Funds (restated) £
Income					
Incoming resources					
Incoming resources from generated funds:					
Voluntary income		1,151,574	-	1,151,574	1,461,477
Activities for generating funds		14,562	-	14,562	19,427
Investment income		9,135	4,288	13,423	17,841
Incoming resources from charitable activities		<u>3,402,222</u>	<u>519,399</u>	<u>3,921,621</u>	<u>4,545,703</u>
Total incoming resources		<u>4,577,493</u>	<u>523,687</u>	<u>5,101,180</u>	<u>6,044,448</u>
Expenditure					
Resources expended					
Cost of generating funds:					
Fundraising costs		1,794	-	1,794	5,871
Charitable expenditure:					
Costs of activities in the furtherance of the charity's objects		4,645,905	518,730	5,164,635	6,143,238
Donations	7	172,000	-	172,000	-
Governance costs		<u>72,679</u>	<u>-</u>	<u>72,679</u>	<u>74,587</u>
Total resources expended	5	<u>4,892,378</u>	<u>518,730</u>	<u>5,411,108</u>	<u>6,223,696</u>
Net incoming/(outgoing) resources before other recognised gains and losses					
Gains on revaluation of fixed assets for charity's own use		-	-	-	72,000
Losses on investment assets	9	-	-	-	(7,989)
Net movement in funds		<u>(314,885)</u>	<u>4,957</u>	<u>(309,928)</u>	<u>(115,237)</u>
Reserves at 1 April 2007		<u>684,583</u>	<u>236,118</u>	<u>920,701</u>	<u>1,035,938</u>
Total reserves at 31 March 2008		<u>369,698</u>	<u>241,075</u>	<u>610,773</u>	<u>920,701</u>

All activities are from continuing activities.

There were no recognised gains or losses other than those stated above.

The accompanying accounting policies and notes form an integral part of these financial statements.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

BALANCE SHEET
As at 31 March 2008

	Note	2008 £	2008 £	2007 (restated) £	2007 (restated) £
Fixed assets					
Tangible assets for use by the charity	8		205,691		257,393
Investments	9		<u>97,910</u>		<u>97,910</u>
			303,601		355,303
Current assets					
Debtors	10	878,212		1,298,746	
Cash at bank and in hand		<u>242,675</u>		<u>572,963</u>	
		1,120,887		1,871,709	
Creditors - amounts falling due within one year	11	<u>813,715</u>		<u>1,303,562</u>	
Net current assets			<u>307,172</u>		<u>568,147</u>
Total Assets less Current Liabilities			610,773		923,450
Creditors - amounts falling due after one year	13		-		2,749
Net Assets			<u><u>610,773</u></u>		<u><u>920,701</u></u>
Funds					
Unrestricted funds	14		369,698		684,583
Restricted funds	14		<u>241,075</u>		<u>236,118</u>
			<u><u>610,773</u></u>		<u><u>920,701</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

The accounts were approved by the Board of Directors (trustees) and authorised for issue on 29 July 2008

Director
Anne Kelaart

Director
Henry Lucas

CASH FLOW STATEMENT
For the year ended 31 March 2008

	Note	2008 £	2007 £
Net cash outflow from operating activities	16	<u>(314,808)</u>	<u>(562,007)</u>
Returns on investments and servicing of finance			
Investment and interest income		13,423	17,651
		<u>13,423</u>	<u>17,651</u>
Net cash inflow from returns on investments and servicing of finance		<u>13,423</u>	<u>17,651</u>
Capital expenditure			
Payments to acquire tangible fixed assets		(29,154)	(52,587)
Receipts from sales of tangible fixed assets		3,000	511
Net realisation from investments		-	242,355
		<u>(26,154)</u>	<u>190,279</u>
Net cash outflow from capital expenditure		<u>(26,154)</u>	<u>190,279</u>
Net cash outflow before financing		<u>(327,539)</u>	<u>(354,077)</u>
Financing			
Capital element of hire purchase instalments		(2,749)	(2,913)
		<u>(2,749)</u>	<u>(2,913)</u>
Decrease in cash in the year	17&18	<u>(330,288)</u>	<u>(356,990)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

1 INCOMING RESOURCES

	Unrestricted funds	Restricted funds	Total 2008	Total 2007 (restated)
	£	£	£	£
Voluntary Income				
Donation and gifts (note 2)	211,825	-	211,825	258,405
Grants (note 3)	939,749	-	939,749	1,203,072
	<u>1,151,574</u>	<u>-</u>	<u>1,151,574</u>	<u>1,461,477</u>
Activities for generating funds				
Fundraising income	14,562	-	14,562	19,427
	<u>14,562</u>	<u>-</u>	<u>14,562</u>	<u>19,427</u>
Investment income				
Listed investments	-	-	-	7,417
Bank deposit	9,135	4,288	13,423	10,424
	<u>9,135</u>	<u>4,288</u>	<u>13,423</u>	<u>17,841</u>
Incoming resources for charitable activities				
Project income (note 4)	1,029,124	519,399	1,548,523	1,791,816
Sponsorship and membership	357,617	-	357,617	353,362
Charges	2,015,481	-	2,015,481	2,400,525
	<u>3,402,222</u>	<u>519,399</u>	<u>3,921,621</u>	<u>4,545,703</u>
Total incoming resources	<u>4,577,493</u>	<u>523,687</u>	<u>5,101,180</u>	<u>6,044,448</u>

2 DONATIONS AND GIFTS

	2008 £	2007 £
Individuals	41,331	123,981
Charitable foundations	62,883	20,377
Corporate donors	3,505	4,627
Partner organisations	13,662	21,000
Gifts in Kind	63,378	64,684
Gift aid	27,066	23,736
	<u>211,825</u>	<u>258,405</u>

Gifts in kind represents an amount of £63,378 (2007: £64,684) from Natural England by the provision of an employee free of charge to FWAG. Charitable foundations includes an amount of £3,650 received from Northern Rock Foundation.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

3 GRANTS RECEIVABLE

	2008	2007
	£	£
Local government and institutional grants received		
DEFRA (formerly Ministry of Agriculture Fisheries and Food)	313,049	324,906
Scottish Natural Heritage	188,499	380,480
Local Authority and other grants	438,201	497,686
	<u>939,749</u>	<u>1,203,072</u>

4 PROJECT AND CHARGEABLE INCOME

Project income is for advisers' work on specific areas. Chargeable income is invoiced income for practical advice and tailor-made farm plans.

5 COSTS OF ACTIVITIES IN THE FURTHERANCE OF THE CHARITY'S OBJECTS

	Costs of generating funds	Costs in furtherance of the charity's objects	Governance costs	Total 2008	Total 2007
	£	£	£	£	£
Employee costs (i)	-	3,307,133	-	3,307,133	3,901,951
Education and training	-	32,965	-	32,965	98,968
Office expenses	-	356,691	-	356,691	372,283
Depreciation	-	60,557	-	60,557	83,723
Travelling	-	426,258	-	426,258	510,809
Insurance & professional fees	-	108,405	-	108,405	37,696
Donations	-	172,000	-	172,000	-
Other expenses	-	337,944	-	337,944	413,335
Project costs	-	518,730	-	518,730	724,984
Board meetings	-	-	2,379	2,379	5,778
Trustee expenses	-	-	4,419	4,419	9,216
Audit fees	-	-	20,253	20,253	13,014
Interim Managing Director costs	-	-	45,628	45,628	46,579
Loss/(Profit) on disposal of fixed assets	-	15,952	-	15,952	(511)
Fundraising event costs (venue and refreshments)	1,794	-	-	1,794	5,871
	<u>1,794</u>	<u>5,336,635</u>	<u>72,679</u>	<u>5,411,108</u>	<u>6,223,696</u>

Costs of the Company are all direct and are charged directly to the activity to which they relate. No apportionment of costs is required.

Included in the totals above is the sum of £440,893 (2007: £448,434) for the costs of headquarters at Stoneleigh, being 8.1% (2007: 7.2%) of resources expended.

(i) Employee costs include recruitment advertising, temporary staff, and consultancy.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

Resources expended include:

	2008 £	2007 £
Auditors remuneration:		
Audit services	19,085	13,500
Depreciation and amortisation:		
Tangible fixed assets, owned	59,860	84,085
Tangible fixed assets, held under finance leases and hire purchase contracts	1,766	3,352
(Loss)/profit on sale of fixed assets	<u>(15,952)</u>	<u>511</u>

6 EMPLOYEE COSTS

	2008 Number	2007 Number
Average number of persons employed (full time equivalents)		
Charitable activities	118	148
Management and administration	<u>10</u>	<u>11</u>
	<u>128</u>	<u>159</u>
	£	£
Employee costs during the year		
Wages and salaries	2,734,779	3,136,090
Social security costs	287,278	302,591
Other pension costs	<u>194,438</u>	<u>226,667</u>
	<u>3,216,495</u>	<u>3,665,348</u>

During the year no remuneration was paid to Trustees.

The emoluments of higher-paid employees fell within the following ranges:

	2008 Number	2007 Number
£60,000 to £70,000	<u>-</u>	<u>1</u>

During the year there were no higher paid employees. The higher paid employee in 2007 did not participate in a money purchase pension scheme.

7 ESTABLISHMENT OF AND DONATION TO FWAG SCOTLAND

During the year the Directors (trustees) of FWAG Limited decided to establish FWAG Scotland as a separate organisation with its own Directors (trustees) and management structure. This came into effect on 1 October 2007, from which date FWAG Scotland commenced its independent activity. Costs of activities in furtherance of the Charity's objectives includes £22,607 legal and professional fees, associated with the establishment of FWAG Scotland, and £172,000, being a donation to establish working capital for the new organisation.

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

8 TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY

	Freehold land £	Long leasehold property and improvements £	Motor vehicles £	Computers and office equipment £	Total £
Cost					
At 1 April 2007	130,000	51,537	37,035	369,608	588,180
Additions	-	-	-	29,154	29,154
Disposals	-	-	(19,130)	(50,969)	(70,099)
At 31 March 2008	130,000	51,537	17,905	347,793	547,235
Depreciation					
At 1 April 2007	-	32,148	18,139	280,500	330,787
Charge for the year	-	523	6,243	54,860	61,626
Disposals	-	-	(6,477)	(44,392)	(50,869)
At 31 March 2008	-	32,671	17,905	290,968	341,544
Net book amount					
At 31 March 2008	130,000	18,866	-	56,825	205,691
At 31 March 2007	130,000	19,389	18,896	89,108	257,393

During the year a vehicle being purchased under a finance agreement was disposed of. The net book value of fixed assets at 31 March 2008 included an amount of £nil (2007: £14,420) in respect of this asset. Included in the motor vehicle depreciation charge for the year is £1,766 in respect of this vehicle (2007: £3,352).

The Trustees revalued the freehold land held at Daffodil bank and Stathern at 31 March 2007 to their best estimate of open market value. The Trustees consider that this still represents open market value at 31 March 2008. If the valuation had not been undertaken the land would have been valued at its historic cost of £58,000.

9 INVESTMENTS HELD AS FIXED ASSETS

	Unrestricted Funds £	Restricted Funds £	Total £
At 1 April 2007	-	97,910	97,910
Additions	-	-	-
Disposals	-	-	-
Realised loss on investments	-	-	-
Market value at 31 March 2008	-	97,910	97,910
Historical cost at 31 March 2008	-	97,910	97,910
Listed investments are represented by:			
Cash	-	97,910	97,910
Total	-	97,910	97,910

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

10 DEBTORS

	2008 £	2007 £
Trade debtors	684,736	943,564
Other debtors	9,664	7,612
Prepayments and accrued income	183,812	347,570
	<u>878,212</u>	<u>1,298,746</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £ (restated)
Trade creditors	105,548	188,657
Taxation and social security	171,329	298,237
Accruals	60,855	66,765
Deferred income (note 12)	452,295	746,278
Other creditors	23,688	3,625
	<u>813,715</u>	<u>1,303,562</u>

12 DEFERRED INCOME

	2008 £	2007 £ (restated)
Balance at 1 April 2007	746,278	932,785
Released to the SOFA from balance brought forward	(712,451)	(584,188)
Released to the SOFA from current year income	(420,876)	(897,012)
Movement during the year	839,344	1,294,693
	<u>452,295</u>	<u>746,278</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Other creditors (HP agreement)	-	2,749
	<u>-</u>	<u>2,749</u>

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

14 STATEMENT OF FUNDS

	At 1 April 2007 £ (restated)	Income £	Expenditure £	At 31 March 2008 £
Restricted funds				
Gifted property and Project funds	164,118	523,687	(518,730)	169,075
Revaluation reserve	72,000	-	-	72,000
	<u>236,118</u>	<u>523,687</u>	<u>(518,730)</u>	<u>241,075</u>
Unrestricted funds				
General reserve	684,583	4,577,493	(4,892,378)	369,698
	<u>920,701</u>	<u>5,101,180</u>	<u>(5,411,108)</u>	<u>610,773</u>

Restricted funds

The gifted property fund includes land and cash, which is to be used to meet the costs of maintaining the land and carrying out the objects of the charity on that land. The project funds consist of cash, which is to be used to undertake specific work approved by funders.

General unrestricted funds

General unrestricted funds represent income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Revaluation Reserve

The revaluation reserve, as required by company law, represents the difference between the historic cost of fixed assets and their revalued amount.

15 ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets			
Land and property	75,691	130,000	205,691
Investments	-	97,910	97,910
Current assets			
Debtors	878,212	-	878,212
Cash at bank and in hand	242,675	-	242,675
Current liabilities	(813,715)	-	(813,715)
	<u>382,863</u>	<u>227,910</u>	<u>610,773</u>

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

16 RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £ (restated)
Operating deficit	(309,928)	(179,248)
Depreciation	61,626	87,437
Loss/(Profit) on sale of assets	16,230	(511)
Decrease in debtors	420,534	15,391
Decrease in creditors	(503,270)	(485,076)
	<u>(314,808)</u>	<u>(562,007)</u>
Net cash outflow for operating activities	<u>(314,808)</u>	<u>(562,007)</u>

17 ANALYSIS OF NET FUNDS

	2007 £	Change in year £	Other non cash movements £	2008 £
Cash at bank and in hand	572,963	(330,288)	-	242,675
Finance leases	(2,749)	2,749	-	-
	<u>570,214</u>	<u>(327,539)</u>	<u>-</u>	<u>242,675</u>

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT OF NET FUNDS

	2008 £	2007 £
Decrease in cash in the year	(330,288)	(356,990)
Cash outflow due to hire purchase payments	2,749	2,913
Movement in net funds in the year	<u>(327,539)</u>	<u>(354,077)</u>
Net funds at start of year	570,214	924,291
	<u>242,675</u>	<u>570,214</u>
Net funds at end of year	<u>242,675</u>	<u>570,214</u>

19 OPERATING LEASE COMMITMENTS

At 31 March 2008 the company was committed to making the following payments during the next year in respect of operating leases:

	2008		2007	
	Buildings £	Other £	Buildings £	Other £
Leases which expire within:				
One Year	47,978	42,549	37,159	25,984
Two to five years	11,632	48,818	57,867	87,424
After five years	8,823	-	18,687	-
	<u>68,433</u>	<u>91,367</u>	<u>113,713</u>	<u>113,408</u>

FARMING AND WILDLIFE ADVISORY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2008

20 CAPITAL COMMITMENTS

There were capital commitments of nil as at 31 March 2008 (2007: nil).

21 RETIREMENT BENEFITS

The company contributes to defined contribution individual stakeholder pension schemes for the benefit of employees. In addition the company has paid a liability to the Wildlife Trust Pensions Scheme of £8,400 continuing at a rate of £8,150 per annum. This is a shortfall in the funds of a final salary pension scheme to which FWAG are contributing 3% in respect of an ex employee and an ex employee's widow.

22 INDEMNITY INSURANCE

During the year, the company incurred costs of £6,038 (2007: £6,038) for insurance whereby all employees are covered by the professional indemnity clause and all Trustees are covered by the executive liability clause.

23 LIMITATION OF LIABILITY BY GUARANTEE

Farming and Wildlife Advisory Group Limited was incorporated on 10 March 1983 with limited liability guaranteed by members of the company, each member's liability not exceeding £1.

24 TRANSACTIONS WITH DIRECTORS (TRUSTEES)

£5,875 (2007: £5,875) paid for premises at Suffolk County Offices to Mr John Cousins.
Consultancy on property leases of £nil (2007: £1,671) paid to Adkin Rural & Commercial of which Mr Julian Sayers is a director. £4,419 (2007: £9,216) Trustee expenses were reimbursed.

Individual directors (trustees) have purchased advisory services from Farming and Wildlife Advisory Group Limited that were on an arm's length basis. These transactions are considered not material to either the company or the directors (trustees) concerned, and the details are therefore not disclosed.