

Wales

Financial highlights for the year ended
31 March 2009



- Revenue from The Crown Estate in Wales was £3.6 million, an increase of £500,000, or 15.2% over same period last year
- Revenue from The Crown Estate in Wales represents 1.2% of The Crown Estate total
- The total property value of The Crown Estate in Wales was £30 million, an increase of 5.5% over the same period last year
- The total property value of The Crown Estate in Wales represents 0.5% of the total Crown Estate

Revenue	The Crown Estate Wales		The Crown Estate	Increased from prior year	% of total
	12 months to 31 March 2009 £million	12 months to 31 March 2008 £million	12 months to 31 March 2009 £million		
Revenue recognised in the income account	3.6	3.1	304.2	15.2%	1.2%
Gross surplus	3.3	3.1	243.2	6.2%	1.4%

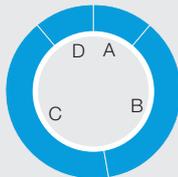
Property	The Crown Estate Wales		The Crown Estate	Increased from prior year	% of total
	12 months to 31 March 2009 £million	12 months to 31 March 2008 £million	12 months to 31 March 2009 £million		
Property value	30.0	28.4	551.3	5.5%	0.5%

Property transactions	The Crown Estate Wales		The Crown Estate	Increased from prior year	% of total
	12 months to 31 March 2009 £million	12 months to 31 March 2008 £million	12 months to 31 March 2009 £million		
Capital investment	0.4	0.2	346.2		
Capital receipts	0.1	0.5	166.1		

Revenue by activities

Year ended 31 March 2009 (£million)

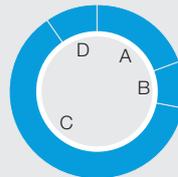
- A Agriculture – 0.4
- B Mineral – 1.3
- C Marine/Foreshore – 1.5
- D Renewable – 0.4



Property value by activities

Year ended 31 March 2009 (£million)

- A Agriculture – 5.8
- B Mineral – 2.6
- C Marine/Foreshore – 18.7
- D Renewable – 2.9



The Crown Estate in Wales

The Crown Estate is firm in its commitment to Wales and to high standards of management across all our estates. We play an important role in the life of Wales with both traditional rural estate interests and new opportunities on our coastal and marine estates.

Our ambition is to work with Wales: supporting the Welsh Assembly Government and other stakeholders in achieving their objectives. We know that Wales is changing and that, like other organisations, we need to change with it. The way we work across the UK has to respond to the dynamics of devolution.

Wales has a rich and diverse environment that must be protected and enhanced, both for today and for generations to come. We have two estates in Wales: the rural estate and the marine estate.

Welsh rural estate

On the rural estate our responsibility for estates and common land ties us to traditional rural communities. We know that some of these are experiencing rapid economic, social and cultural change, facing unique challenges and having to adapt to new circumstances.

These changes yield both challenges and opportunities. In facing them, we believe that The Crown Estate's stewardship role will remain vital. Our aim is always to plan for the long term, leaving a legacy of sustainable investment for future generations.

The Crown Estate is very much part of the rural community in Wales. We have three agricultural holdings under different uses: Aberystwyth, 37 hectares (91 acres) of land for University of Aberystwyth for research; Plynlimon, 1185 hectares (2929 acres) comprising two agricultural holdings; Tintern, 70 hectares (175 acres) which includes substantial mineral interests and the ruin of Tintern Abbey on the west bank of the River Wye. In the interest of preserving Tintern Abbey for future generations, The Crown Estate placed the Abbey in the care of CADW under a long-term management agreement.

As much of our Welsh estate is common land, typically used for sheep grazing, local land managers provide the day-to-day contact with our tenants. Over time we have adopted a distinctive way of working in Wales that reflects local traditions and patterns of land management.

With some 250,000 acres (100,000 hectares), of mineral rights across Wales and leases for 11 mineral businesses, quarrying is a significant activity for The Crown Estate. Not only do these activities contribute important raw materials for construction and industry, but they also contribute substantially to local employment. We are not directly involved in the physical process of extraction; our tenants are a combination of large multinational companies and a few small local operators.

The environment and impacts on the Welsh landscape are important considerations for The Crown Estate; quarries have to operate in the context of increasingly rigorous environmental considerations. High standards of working are prescribed by planning conditions and reinforced by our mineral agents' regular inspections under The Crown Estate's environmental audit programme.

Over the last few hundred years The Crown Estate and its predecessors have granted permission for many mineral operations across Wales, historically these will have been small scale workings. We have some responsibility for certain abandoned mine workings and have for a number of years been undertaking a programme managing environmental risks, hazard treatment works, mine shaft fencing and ongoing monitoring at these sites in the interests of public safety.

Inevitably due to their location many sites are either subject to conservation designations or have become important habitats for bats or other protected species. We work closely with the Countryside Council of Wales (CCW) and CADW to look after these sites while balancing safety and conservation priorities. This is part of a wider programme of work with CCW on (Sites of Special Scientific Interest (SSSIs), Special Areas of Conservation (SAC), and similar areas of interest across Wales.

Deposits of gold and silver – referred to as 'Mines Royal' – are owned by The Crown Estate wherever they occur in the UK and may be held independently of surface ownership. These can be extracted independently or as an associated mineral to other deposits. Commercial production has occurred in the past in places such as, Gwynfynydd and Clogau. Today mining activity is very limited although 'recreational' gold panning activity continues. There remains a worldwide appeal for Welsh gold, which contributes to both tourism and employment.

Looking ahead, we remain committed to being a rural landowner, taking very seriously our responsibilities to our tenant farmers, to the rural landscape and to the environment.

Welsh marine estate

Our marine estate is unique, with ownership of the seabed around the UK out to the 12 nautical mile territorial limit, and 65% of the Welsh foreshore. The coastal estate is divided into 10 coastal estates, located around Monmouth, Glamorgan, Carmarthen, Pembroke, Ceredigion, Meirionnydd, Caernarfon, Ynys Mon and at Flint and Denbigh.

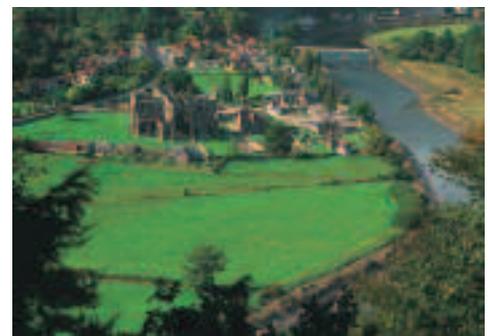
Looking to the future, the sustainable management of Wales' magnificent coastline and seabed assets will be increasingly important. The challenge is to balance environmental priorities with the opportunities for sustainable development and energy production.

This means that we work closely with a range of marine-based industries such as ports, harbours, marinas and offshore renewables. We have a strong understanding of the needs of these industries and the balance between them and the interests of other sea users, such as leisure and conservation groups.

The first offshore wind farm in Welsh waters at North Hoyle has been operational since 2003, with 30 turbines providing the annual energy requirements for 40,000 homes. At Rhyl Flats (off Colwyn Bay, North Wales) construction is underway and once operational, will produce enough green electricity every year to meet the average needs of approximately 61,000 homes. These two projects form part of the first Round of offshore windfarm development. The Round 2 project at Gwynt y Môr has received all Government consents and is due to begin construction in 2011.

The Welsh Assembly Government has made a strong commitment to tackling climate change through diversified renewable energy generation, as set out in the Welsh Assembly Government's 'One Wales' document, and offshore wind energy will be a key component in reducing carbon dioxide emissions.

Offshore wind and renewable energy have the potential to make Wales an energy rich country, and to provide a significant contribution to the UK's energy generated from renewable resources. Realising these opportunities requires expertise, experience and investment. As stewards of the territorial seabed and having brought forward the first two rounds of offshore wind farm developments around the UK, The Crown Estate will play an active role in helping Wales to make the most of these resources.



Above Offshore windfarm.

Below RSPB Cymru Conwy Bird Reserve which is supported by The Crown Estate's Marine Stewardship Programme.



The Crown Estate owns the mineral rights on or under the seabed from the coastline out to the edge of the UK continental shelf, not including oil and gas. Our interest is that of a landowner. We issue licences for aggregate extraction when an application from a commercial company has received approval from the regulator. In Wales this is the Welsh Assembly Government.

As part of our stewardship role we invest in research into dredging and its impacts and regularly review the available scientific evidence to ensure that we follow best practice. We have taken a strong interest in the potential effect of dredging on coastline and beaches. Our current view is that we know of no evidence that links licensed dredging to enhanced coastal erosion or loss of material from beaches.

We believe that the marine sector in both Wales and the wider UK will grow in the coming years. There will be significant opportunities both for economic investment and for communities, which we plan to promote and pursue. Such projects can bring jobs and new skills, making an important contribution to the economy as well as climate change targets for Wales and the UK.

Working in partnership

We are looking forward to strengthening and deepening relationships with the Welsh Assembly Government and political stakeholders and to working with them on marine and rural issues. We believe we have a vital part to play in the formulation of policy in such areas, and in facilitating its implementation.

The desire on our part to foster further engagement and partnership with Wales has prompted the production of this report, and demonstrates The Crown Estate's commitment to that end.

Key facts

- Deganwy Marina was purchased in 2007 by The Crown Estate. Leased to Quay Marinas, Deganwy was the first direct investment of a marina by the marine estate. There are also major marinas at Conwy and Pwelli, where The Crown Estate also has interests.
- One area of income is Milford Haven, which includes port activity, jetty terminals and Neyland Marina.
- The Pembrokeshire coast is managed by two regulating leases to the Pembrokeshire Coastal National Park and Pembrokeshire County Council.
- The first offshore wind farm in Welsh waters at North Hoyle has been operational since 2003, with 30 turbines providing the annual energy requirements for 40,000 homes. Two other projects at Rhyl Flats and Gwyrnt y Môr have been granted consent, with construction at Rhyl Flats underway.
- The Crown Estate rural holdings in Wales can be dated back to the 13th century. They comprise 10 rural estates including over 3,770 acres (1,525 hectares) of agricultural land and 66,500 acres (26,900 hectares) of Welsh common land.
- The Crown Estate also owns 245,000 acres (99,000 hectares), of mineral only ownership: we lease three sites for quarrying in Flintshire and Gwynedd. The Crown Estate is also responsible for authorising gold and silver mining across the UK.
- Through the Marine Stewardship Programme we support a range of practical projects that contribute to good stewardship around the UK coast. In Wales projects range from new visitor facilities at RSPB Cymru Conwy Bird Reserve, to buying a boat to help patrol the Teifi Estuary and Cardigan Bay conservation areas.

On behalf of the nation, The Crown Estate manages a highly diverse property portfolio across the United Kingdom.

We achieve the objectives laid down by Parliament: we earn a surplus for the benefit of the UK taxpayer, and enhance the value of the estates we manage.

www.thecrownestate.co.uk