

ASSOCIATION OF RIVERS TRUSTS

Financial Statements for the Year Ended 31st December 2006

Registered Charity No: 1107144

Company No: 5136671



www.associationofriverstrusts.org.uk

where there's water there's life

ASSOCIATION OF RIVERS TRUSTS

Annual Report and Accounts For the Year Ended 31st December 2006

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ASSOCIATION OF RIVERS TRUSTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trust Director (Chief Executive)

A J Rickard

Trust Director (North)

A Maltby

Trust Secretary

A G Hawken

Registered and Principal Office

10 Exeter Street
Launceston
Cornwall
PL15 9EQ
Tel: 08707 740689
Fax: 01208 851376
[Email: info@associationofriverstrusts.org.uk](mailto:info@associationofriverstrusts.org.uk)

Bankers

Alliance & Leicester Commercial Bank Plc
Bridle Road
Bootle
Merseyside
G1R 0AA

Registered Auditor

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

ASSOCIATION OF RIVERS TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2006

The trustees present their report along with the financial statements of the company (and charity) for the year ended 31 December 2006. The financial statements have been prepared on the accounting policies set out in Note 1 to the financial statements and comply with the company's Memorandum and Articles of Association, the Companies Acts and other applicable law, and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Trustees

The directors of the company for Companies Act purposes are defined as trustees in the company's Articles of Association. The trustees at the end of 2006 are set out below. They all acted for the whole year, except as otherwise stated.

I D Gregg	(Chairman)
Dr D I P Bright	(appointed 27 April 2006)
J R Carr	
D M Haines	(resigned 27 April 2006)
J P Lord	
Dr S Marsh-Smith	
Prof L M Warren	
N P Yonge	

Our Structure

The trust is less than three years old as an independent organisation and the policy is to maintain a small central executive function, relying on expertise from rivers trust members to provide additional technical support and resources. The trust recognises that the rivers trust movement has developed from a grass roots or bottom-up approach. Its role is primarily as an umbrella organisation, promoting the development of the movement and building capacity to deliver the trust's objectives through regional or local rivers trusts, including environmental improvements on the ground across England & Wales.

The total number of full time employees at the end of 2006 was 1. In addition, there were 3 part-time employees. The trust is therefore not big enough to have distinct divisions or departments and groups its single activity of Advancement of the Rivers Trust Movement into two areas:

- Education and Rivers Trust Development

Our core object is to advance the understanding of water management, leading to sustainable environmental improvement, and the understanding of rivers, their flora and fauna, based on integrated catchment management and the ecosystem approach. Our core activity is therefore to promote rivers trusts at a national level and to provide support for new and emerging trusts, particularly in terms of starting up, and established trusts, in terms of generic issues affecting rivers trusts.

The trust believes that education and the wider dissemination of information is necessary for rivers trusts to build the credibility to forge partnerships with national organisations including the Environment Agency, Natural England and the Countryside Council for Wales. To supplement our core activity, the trust has accordingly organised biannual seminars, open to all, to encourage wide participation across various communities and organisations involved with water and the environment. Application of sound environmental practice and techniques by rivers trusts enables them to deliver solutions and advance science through experience on the ground.

In addition, where consistent with its charitable objectives, the trust provides financial support through the provision of grants to new trusts, established trusts and related organisations. A grant to a new rivers trust can give it that all important first "leg up", help sustainability and accelerate development. The Annual Awards for outstanding achievement are intended to encourage innovation within the rivers trust movement and publicly to recognise the contributions made, either by applying science and best practice or in some other special way, towards environmental, conservation or community benefits.

ASSOCIATION OF RIVERS TRUSTS

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

- National and European Projects

Rivers trusts have hitherto largely relied upon successful grant applications for public and other funds to underwrite their operations and deliver environmental improvements. The trust considers that project bids encourage partnerships, target activity towards societal needs, and can provide substantive funds to develop the rivers trust movement at an international, national and, through its members, a regional level. The trust occupies a pivotal position in developing related networks across the UK, Europe and beyond, and is a conduit for know-how, technology and best practice transfer and dissemination.

Our policy

The main policies of the trust are to co-ordinate, represent and develop the aims and interests of the rivers trust members in the promotion of sustainable, holistic and integrated catchment management and sound environmental practices, recognising the wide economic benefits for the local communities and the value of education.

In pursuing these policies its principles are based on:

- ❖ Consent.
- ❖ Subsidiarity - where the trust will serve its members and decisions will be taken at the appropriate level.
- ❖ Partnership.
- ❖ Education and technology transfer - with particular reference to new and emerging trusts.

Our aims and objectives

The aims and objectives of the trust are to:

- ❖ Establish it as the natural leader of the “rivers trust movement” and voice for river basin and water related community improvement activities at a national level with government, decision makers, opinion formers and others within England & Wales.
- ❖ Forge partnerships with other environmental organisations in England & Wales for optimum use of resources, know-how exchange or technology transfer and a consensus approach to sustainable environmental improvements.
- ❖ Forge international links, particularly with Scotland and the rest of the EU, in order to promote the “rivers trust movement” across a broader policy making spectrum and, reciprocally, to communicate international best practice and experience to its rivers trust members.
- ❖ Provide new and emerging trusts with a focal point of contact and support, utilising electronic media, e.g. website and newsletter, as far as practicable for cost effectiveness and accessibility.
- ❖ Provide project bid writing support to aid development and sustainability of the rivers trust movement.
- ❖ Draw on the technical expertise and experience of the rivers trust members to assist emerging trusts and underpin its technical competence, developing capacity at the regional rivers trust level and providing net financial benefit to rivers trust members.
- ❖ Maintain a small central administrative function to support areas of common interest to rivers trust members and emerging trusts.
- ❖ Establish and maintain the trust as a reputable body, with high standards of compliance, integrity and technical competence.

ASSOCIATION OF RIVERS TRUSTS

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

Advancement of the Rivers Trust Movement

• Education and rivers trust development

In 2006 we said we would:

- Represent and incorporate the views and experience of the rivers trust movement in the development of the Water Framework Directive.
- Continue to help promote, develop and establish the rivers trust movement, particularly in areas where no rivers trust currently exists.
- Increase the unrestricted grant pool for new and emerging trusts to facilitate their development and sustainability and to seek other funds to assist in the process.
- Develop our communications and support network.
- Act as a national two way conduit for information and policy guidance.
- Develop free generic operational and technical information and guidance for rivers trusts.
- Run an Eel Symposium in the spring in support of Westcountry Rivers Trust's Indicang project, which is part funded under the Interreg IIIB programme.
- Host the 15th International Salmonid Conference. The conference, which is normally held in the USA, is intended to provide 2 days of scientific papers on salmonid enhancements, followed by 2 days of field visits to the Tyne, Tweed and Eden catchments.
- Run our third annual awards & dinner in conjunction with the International Salmonid Conference.
- Initiate an affinity group stakeholders pension scheme for river trusts' employees.

During 2006 we have:

- Been consulted on and contributed to national policy in respect of river basin and water related community activities. The director sits on Defra's national Water Framework Directive Stakeholders' Group and Catchment Sensitive Farming Stakeholders Group.
- Launched a national partnership agreement with the Environment Agency in order to facilitate partnerships between regional EA offices and corresponding regional rivers trusts.
- Provided assistance to new trusts, in particular South Cumbria Rivers Trust and East Yorkshire Chalk Rivers Trust, and met with many other groups.
- Established an informal Wales steering group to promote Welsh rivers trust development and secured funding from Welsh Assembly Government to increase our grant pool.
- Developed our web-site and electronic newsletter as a cost effective means of freely and openly disseminating information about rivers trusts and environmental issues to environmental organisations.
- Run a successful Eel Symposium, which focussed on the management of the European eel, on 27 April 2006 at the London Zoological Society.
- Hosted the 15th International Salmonid Conference at Newcastle upon Tyne on 17 - 20 October 2006, which was attended by over 200 delegates and widely accepted as a huge success.
- Run the annual awards & dinner, which was attended by 130 guests and enabled us successfully to showcase the exceptionally good work being undertaken within the rivers trust movement and the Environment Agency.
- Set up the Rivers Trusts Pension Scheme, which is an affinity group stakeholder scheme open to all rivers trust employees in the UK.

In 2007 we plan to:

- Continue to represent and incorporate the views and experience of the rivers trust movement in the development of the Water Framework Directive.
- Continue to facilitate the establishment of rivers trusts, particularly in areas where rivers trusts representation is currently low.
- Build on the national partnership agreement with the Environment Agency for collaborative working with rivers trusts and delivery of environmental improvements on the ground.
- Secure funding of the core activities of the trust and its sustainability.
- Continue to provide assistance and to seek additional grant funding for new and emerging rivers trusts.
- Run a series of seminars or work-shops during the year, culminating in the annual awards & dinner in the autumn.
- Set up a Life Assurance Scheme to complement the Rivers Trust Pension Scheme

ASSOCIATION OF RIVERS TRUSTS

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

• National and European projects

In 2006 we said we would:

- Complete the second and final year of the trans-national sustainable development Union des Terres de Rivieres (U.TdR) project.
- Host a U.TdR Steering Group, as an integral part of the project and a forum for discussing development of the partnership following completion of the project. Become a member of Union des Terres de Rivieres.
- Evaluate future cross border part EU funded projects related to the above.
- Prepare an application to the Heritage Lottery Fund of Great Britain (HLF).
- Review with emerging, new and established rivers trusts their willingness and capacity to participate in a HLF full bid in order effectively to match or optimise rivers trusts' development with HLF criteria.

In 2006 we have

- Successfully completed the second year of the Union des Terres de Rivieres (U.TdR) project, and joined the lead partner in a 3-month extension of the project. The allocated budget was fully spent, all reports and claims were filed on time, and objectives met.
- Successfully hosted the U.TdR steering group meeting in Cornwall in June 2006, actively supported other U.TdR steering group meetings during the year and the University of Water Conference in Hungary in September 2006, prepared a range of materials for information exchange with project partners and significantly extended the U.TdR network within the UK. The Trust has also duly become a member of U.TdR.
- Undertaken preliminary evaluation of the proposed EU Territorial Co-operation funding programme.
- Shelved an application to HLF in favour of an application to the Big Lottery Fund under its BASIS programme for rivers trust development in England. Unfortunately, after the year end we were notified that this application had been unsuccessful.

In 2007 we plan to:

- Complete the extension of the U.TdR project and upload outputs onto our website and, as appropriate, the U.TdR website for free exchange of information, best practice etc.
- Apply to the Big Lottery Fund in Wales under the People & Places programme for funding to support and develop Welsh Rivers Trust development, which was initiated in 2006.
- Evaluate project applications within the context of water and the environment under EU funded programmes for rivers trust development, collaborative development of scientific and technical methods and monitoring, and EU networking.

Financial review 2006

Income

In 2006, in the trust's second full year as an independent organisation, gross income was £337k. The trust has been fortunate enough to receive support during the year, particularly for the International Salmonid Conference, from a number of sources; including APEM, Atlantic Salmon Trust, Barbour Trust, Environment Agency, Fishmongers' Company, Greggs plc, Salmon & Trout Association and WWF, in partnership with HSBC. The trust is also pleased with the valuable support given by regional rivers trusts and its other members through subscriptions. In addition, two grant claims under the Union des Terres de Rivieres project have been certified for eligibility and submitted to the EU Technical Secretariat for payment.

Expenditure

Total expenditure for the year was £336k. Our cost of generating funds is extremely low, with home-office working, negligible overheads, a small membership and no bespoke fundraising costs. Accordingly 75% (£250k) of expenditure was directed towards our core area of education and supporting rivers trust development, with a further 21% (£69k) spent on our Union des Terres de Rivieres project to promote the wider rivers trust movement across the EU. Governance costs at nearly 3% (£11k) reflect our policy of adopting best practice, even if our size would allow a less stringent approach.

ASSOCIATION OF RIVERS TRUSTS

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

Financial review 2006 (continued)

Balance sheet

The Trust was in a healthy financial position at year end, with a cash balance of £100k and debtors (mainly U.TdR) of approximately £51k. The board confirms that since the year end it is not aware of any events that would have a material detrimental impact on its position. The unsuccessful Big Lottery Fund application had not been incorporated into the 2007 budget or in cash forecasts.

Corporate governance

Governing documents

The trust is a company limited by guarantee, governed by its Memorandum and Articles of Association. Subject to the Articles of Association, membership is open to any individual or organisation.

Objects

The objects of the trust are: -

- (A) To advance the education of the public in the management of water and environmental protection, conservation, rehabilitation and improvement.
- (B) To advance the education of the public in the understanding of rivers, their basins, fauna and flora.
- (C) To protect, conserve, rehabilitate and improve the rivers, streams, watercourses and river basins, including adjacent coastal waters and water impoundments, of England and Wales or any part or parts thereof for the public benefit.

Governing body

The governing body of the trust is the board of trustees, which when complete comprises up to 11 trustees. rivers trust members have the right to nominate and appoint up to six trustees ("rivers trustees") pursuant to Article 48 and all Registered Members have the right to elect up to four trustees ("elected trustees") and the Chairman at an AGM pursuant to Article 49.

From the AGM in 2006, one rivers trustee and one elected trustee or the chairman is required to retire annually by rotation.

The recruitment of trustees is by word of mouth with full member trusts and others. Subject to the Articles, selection is based on environmental or specific rivers trust interest, expertise in environmental or other relevant matters, general experience of charities and integrity, with the over-riding objective of maintaining a broadly representative body, strong on governance and ability to add value. Newly appointed trustees receive a letter of appointment, including appointment declarations, and an induction pack, which covers the working of the trust specifically 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, and the National Hub's summary of Good Governance: A Code for the Voluntary and Community Sector.

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

The board meets formally three times per year, but there is frequent consultation with trustees individually and as groups outside of formal meetings, particularly with the rivers trustees, most of whom have executive responsibilities within member trusts.

ASSOCIATION OF RIVERS TRUSTS

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

Governance

The board recognises that as an umbrella organisation representing the rivers trust movement there is a moral emphasis on it positively to embrace best governance practice.

The board has confirmed that, in principle, the trust should adopt best practice on a voluntary basis, even if it falls below the stated statutory thresholds, in accordance with the advice and guidance of its auditors. The board has previously reviewed and adopted Good Governance - A Code for the Voluntary and Community Sector, published by the National Hub of Expertise in Governance in June 2005. The summary version is more appropriate to the trust, as a relatively small charity with few staff, and provides an excellent check-list of good governance practice. Pursuant to Principle 3 of the Code: The high performance Board - Supporting Principle: Trustee duties and responsibilities, the board has prepared a job description for trustees to ensure clarity of role. Pursuant to Principle 4: Board review and renewal - Supporting Principle: Performance Appraisal, the Board determined that the trust was too young at the time to review its own performance, but agreed that systematic review would be undertaken in due course.

Officers

At the end of 2006 the principal officers of the trust, all of whom attend trustees' meetings, were:

A J Rickard	(trust director)
A Maltby	(director north)
A G Hawken	(trust secretary)

Investment policy

At this stage of its development, the trust has insufficient funds to consider long term investments, and a detailed review of performance and performance targets is not required. The trust's investment policy currently is to keep any surplus liquid funds in short-term deposits that are low risk and the target is simply to maintain a competitive rate of bank deposit interest. Any investment beyond short-term deposits is required to be supported by independent professional advice, at which point the trustees will consider ethical investment issues and direction.

Reserves policy

It is the aim of the trustees to generate a level of reserves sufficient to carry out the objects of the trust on a steady and stable basis. The board has therefore resolved to hold surplus liquid funds in short term deposits that can be accessed readily, until such time that the Board is comfortable that the level of reserves is sufficient to meet the cash flow requirements of funding its activities, including projects, for at least the ensuing 12 months without the need for overdraft or other loan facilities.

In determining the above policy, the board has taken into account the lead time to bid for project funds; the outcome and timing difficulty thereof; matched funding requirements of grant funded projects; and the cash flow implication of claims paid in arrears. A review of the cash flow forecast for 2007 has indicated that the above threshold would not be exceeded and the Board has decided that it would be more appropriate to consider a longer term or aspirational level of reserves in due course when project matched funding requirements at that time are known. Free reserves were £136k as at 31 December 2006. Budgeted income and expenditure for 2007 is expected to be in the order of £300k.

Risk management

The policy of the trustees is to encourage the executive team to adopt innovative approaches in developing the rivers trust movement, and to promote leadership and initiative. The policy supports entrepreneurial spirit leading to real and significant contributions to environmental improvements, and is to be conducted against a framework of good governance, prudent financial control and sustainability.

ASSOCIATION OF RIVERS TRUSTS

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

Risk management (continued)

The board believes it good practice to adopt and codify good risk management procedures, notwithstanding falling below any legal reporting threshold from time to time, in a form readily reviewable within accounting regulations and best practice reporting standards. In principle, the Trustees believe that the framework suggested by the Charity Commission offers a comprehensive and coherent methodology, and it has been adopted by the trust.

The trust therefore considers its major risks under the following categories:

- Governance and management
- Operational risks
- Finance risks
- External risks
- Law and compliance risks

Assessment of risks is kept under regular review. In general, the administrative nature of the trust, the experienced, close knit and professional status of the officers, and the control systems are considered to render the trust's activities as a generally low foreseeable risk. However, with 4 employees, the trust is vulnerable to accident, injury or loss of its executive team. Given that long trips are frequently unavoidable, the board has therefore instructed that all executives consider arrangements for travel to reduce risk of injury/illness and that flying, though environmentally damaging, is an acceptable mode of transport where feasible.

The trustees confirm that they have established systems to mitigate significant risks at source as far as reasonably practicable, with any risks in need of attention designed to be identified within the review process and to be remedied within a set timetable. The trust also maintains employers' liability and public liability insurance cover, professional indemnity and trustees' Indemnity Insurance for additional protection.

Relationships with other charities and organisations

The trust works closely with its rivers trust members and other charities and organisations. However all relationships are conducted at an arms' length basis. An inter trust services agreement formalises the standard contractual position with rivers trust members.

Statement of trustees' responsibilities

Law applicable to charities and companies in England and Wales requires the trustees to prepare statements for each financial year that give a true and fair view of the charity's and company's activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and

- 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; and
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity and company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the company and charity and which enable them to ascertain the financial position of the company and charity and which enable them to ensure that the financial statements comply with applicable laws, regulations and its Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ASSOCIATION OF RIVERS TRUSTS

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

Small company provision

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

Statement of disclosure to the auditor

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

Auditors

Mazars LLP were re-appointed by the board as the independent auditor to the trust at the annual general meeting on 27 April 2006 and a resolution proposing that they will be re-appointed will be put to the next annual general meeting.

Approved by the trustees and signed on their behalf by:

I D Gregg
Chairman

Date: 24th April 2007

ASSOCIATION OF RIVERS TRUSTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATION OF RIVERS TRUSTS

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

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

Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities the trustees, who are also the directors of the Association of Rivers Trusts for the purposes of company law are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

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

MAZARS LLP

Chartered Accountants and Registered Auditors

8 New Fields, 2 Stinsford Road

Nuffield

Poole

Dorset

BH17 0NF

Date: 26th April 2007

ASSOCIATION OF RIVERS TRUSTS

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

	Notes	Unrestricted funds £	Restricted funds £	Total funds £	2005 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	175,773	-	175,773	185,502
Investment income	3	5,086	-	5,086	5,277
Incoming resources from charitable activities					
	4	33,058	122,866	155,924	57,858
Total incoming resources		213,917	122,866	336,783	248,637
Resources expended					
Costs of generating voluntary income					
	5	4,775	-	4,775	2,736
Charitable activities	5	191,671	128,279	319,950	170,673
Governance costs	5	11,312	-	11,312	8,715
Total resources expended		207,758	128,279	336,037	182,124
Net income / (expenditure) before transfers		6,159	(5,413)	746	66,513
Transfers between funds	15	(14,182)	14,182	-	-
Funds at 1 January 2006	15	148,384	1,481	149,865	83,352
Funds at 31 December 2006	15	140,361	10,250	150,611	149,865

All of the company's activities are classed as continuing.

The statement of financial activities shows all movements on reserves and all recognised gains and losses in the period.

Because of the structure of the charitable company's finances, the statement of financial activities includes the same information as a summary income and expenditure account. Consequently, the trustees have taken the decision to combine the two statements and not to present a separate summary income and expenditure account.

ASSOCIATION OF RIVERS TRUSTS

Balance Sheet As at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Furniture and equipment	11	3,909	5,982
Current assets			
Debtors	12	53,171	41,174
Cash at bank and in hand		100,142	106,741
		153,313	147,915
Creditors: Amounts falling due within one year	13	6,611	4,032
Net current assets		146,702	143,883
Net assets		150,611	149,865
Funds			
Unrestricted funds:			
General fund	15	140,361	148,384
Restricted funds	15	10,250	1,481
Total funds	15	150,611	149,865

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

Approved by the trustees on 24th April 2007

Signed on their behalf by:

I D Gregg
Chairman

ASSOCIATION OF RIVERS TRUSTS

Notes forming part of the financial statements

For the period ended 31 December 2006

1. Principal accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

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. Intangible income is not included unless it represents goods or services which would have otherwise been purchased. Gifts in kind are included at its market value and as resources expended at the same value when distributed.

1.3 Incoming resources

Income is recognised in the period in which the charitable group 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 charitable activities 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 (if any) are included 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.

1.4 Grants receivable

Government grants are recognised as income when all the terms attached to the grant are within the control of the trust. Government grants are accrued for in the period immediately prior to the year end, where the measurement of expenditure defrayed but not recovered, is certain.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Expenditure on operational programmes is recognised in the period in which it is incurred.

1.6 Grants payable

The trust holds an annual awards ceremony to recognise outstanding contributions to the rivers trust movement in various award categories. Nominations are open to all and are considered by a small panel comprising the trust and any co-sponsor.

In addition, the trust, at its discretion and/or the discretion of any funder, provides a small number of start-up grants for bona fide rivers trusts or grants related to the rivers trust movement.

1.7 Costs of generating funds

These comprise the costs associated with attracting voluntary income.

ASSOCIATION OF RIVERS TRUSTS

Notes forming part of the financial statements

For the period ended 31 December 2006

1. Principal accounting policies (continued)

1.8 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.

1.9 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.

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.

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 Fixed assets

All equipment purchased exceeding £300 is capitalised.

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

	Annual rate
Office equipment & furniture	33%

All assets are examined annually for potential impairment and any material reductions in value are written down at the year end

1.13 Pension contributions

The pension cost charge represents the contributions payable to the Rivers Trusts Pension Scheme by the charity to the fund of participating employees. The charity has no liability under the scheme other than for the payment of those contributions.

1.14 Irrecoverable Value Added Taxation

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

ASSOCIATION OF RIVERS TRUSTS

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

2. Voluntary income

	Unrestricted	Restricted	Total	Total 2005
	£	£	£	£
Donations				
Donations from individuals	175,773	-	175,773	182,502
Donations from organisations	-	-	-	3,000
	175,773	-	175,773	185,502

3. Investment income and interest

	Unrestricted	Restricted	Total	Total 2005
	£	£	£	£
Deposit interest	5,086	-	5,086	5,277
	5,086	-	5,086	5,277

4. Incoming resources from charitable activities

	Unrestricted	Restricted	Total	Total 2005
	£	£	£	£
National and European projects				
Grant income from EU funding	-	49,191	49,191	35,497
Grant income from organisations	-	10,000	10,000	8,500
Education and rivers trust development				
Grant income from organisations	-	29,000	29,000	5,000
Seminar income	27,808	34,675	62,483	5,061
Subscriptions	5,250	-	5,250	3,800
	33,058	122,866	155,924	57,858

ASSOCIATION OF RIVERS TRUSTS

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

5. Total resources expended

	Voluntary income £	National and European projects £	Education and rivers trust development £	Governance £	Total £	Total 2005 £
Direct charitable expenditure						
Meeting facility costs	-	-	50,733	-	50,733	4,130
Interreg expenditure	-	45,234	-	-	45,234	28,025
Grants payable	-	-	42,068	-	42,068	27,313
Allocation of support costs						
Wages and salaries	1,835	19,873	81,801	6,350	109,859	77,113
Social security costs	192	2,081	8,568	665	11,506	9,023
Pension costs	53	1,724	5,705	185	7,667	4,094
Office costs	1,903	1,129	33,563	-	36,595	20,607
Travel	644	-	11,746	-	12,390	6,618
Consultancy	-	-	13,031	-	13,031	-
Depreciation	148	-	2,694	-	2,842	1,701
Audit	-	-	-	2,412	2,412	2,000
Accountancy	-	-	-	1,700	1,700	1,500
	4,775	70,041	249,909	11,312	336,037	182,124

No employee earned more than £60,000 in the period.

6. Net incoming resources

This is stated after charging:

	2006 £	2005 £
Depreciation of tangible assets	2,842	1,701
Audit	2,412	2,000

7. Grants payable

	Unrestricted £	Restricted £	Total £	Total 2005 £
Awards given	7,068	5,000	12,068	14,100
Delegated non EU grants given	6,000	24,000	30,000	13,213
	13,068	29,000	42,068	27,313

ASSOCIATION OF RIVERS TRUSTS

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

8. Indemnity insurance

The charity has paid insurance premiums to indemnify directors and senior staff from any loss arising from the neglect or defaults of directors or staff and any consequent loss.

9. Staff numbers

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

	Number
Core staff	<u>3</u>

10. Trustees' remuneration and expenses

The trustees received no remuneration from the charity during the year.

The trustees received reimbursement of travel costs for attending meetings totalling £1,035 (2005 - £955).

11. Fixed assets

	Furniture & equipment £
Cost	
At 1 st January 2006	7,752
Additions in year	769
At 31 st December 2006	8,521
Depreciation	
At 1 st January 2006	1,770
Charge for the year	2,842
At 31 st December 2006	4,612
Net Book Value	
At 31 st December 2006	3,909
At 31 st December 2005	5,982

12. Debtors

	2006 £	2005 £
Trade debtors	50,950	40,508
Prepayments	2,221	666
	53,171	41,174

All debts are due within one year.

ASSOCIATION OF RIVERS TRUSTS

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

13. Creditors: Amounts falling due within one year

	2006	2005
	£	£
Trade creditors	2,499	507
Other creditors	4,112	3,525
	6,611	4,032

14. Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Fund balances at 31 December 2006 as represented by:				
Fixed assets	3,909	-	3,909	5,982
Net current assets	136,452	10,250	146,702	143,883
Total net assets	140,361	10,250	150,611	149,865

15. Funds

	At 1 January 2006	Incoming	Outgoing	Transfers	At 31 December 2006
	£	£	£		£
<u>Restricted funds</u>					
East Yorkshire Chalk Rivers Trust	-	20,000	(20,000)	-	-
Pembrokeshire Rivers Trust	1,250	4,000	-	-	5,250
Teme Rivers Trust	5,000	-	-	-	5,000
Project: Union des Terres de Rivieres (U.TdR)	(4,769)	59,191	(68,604)	14,182	-
Grant awards	-	5,000	(5,000)	-	-
Seminar income	-	34,675	(34,675)	-	-
Restricted funds	1,481	122,866	(128,279)	14,182	10,250
<u>Unrestricted funds</u>					
General fund	148,384	213,917	(207,758)	(14,182)	140,361
Total funds	149,865	336,783	(336,037)	-	150,611

16. Fund descriptions

East Yorkshire Chalk Rivers Trust

During the year, funds were either deposited with the trust or re-allocated from its general grant pool on a temporary basis pending East Yorkshire Chalk Rivers Trust achieving charitable status. The funds were fully released during the year.

ASSOCIATION OF RIVERS TRUSTS

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

16. Fund descriptions (continued)

Pembrokeshire Rivers Trust

Funds are being held for development of Pembrokeshire Rivers Trust. During the year £4,000 was added representing the Annual Award made to Prof John Stoner. The balance includes a payment of £1,250 in respect of the Celtic Rivers Project in 2007.

The Teme Rivers Trust

Funds are being held to assist the start up of a Teme Rivers Trust when it is in a position to make progress. The original fund of £5,000 remained unused during 2006.

Project: Union des Terres de Rivieres (U.TdR)

A fund to provide and coordinate a strategic information communications network programme, between partner organisations for the exchange and dissemination of information regarding environmental, social and economic activities, planning and management tools and education awareness under the EU Interreg programme.

Under the EU Interreg IIIC programme, the trust is entitled to claim 75% of eligible expenditure incurred on the U.TdR project as a result of being located within the Objective 1 area of Cornwall. The remaining 25% requires matched funding from any source other than other public grant funds, and includes the internal transfer of unrestricted funds to meet the excess of expenditure incurred or the shortfall in specified restricted income.

The end of the project occurred on 28 February 2007. Grant income is only accrued after expenditure is certified by the auditors as eligible.

Grant awards

A fund to recognise outstanding contributions to the rivers trust movement.

Seminar income

The restricted seminar income relates to sponsorship or donations in respect of the International Salmonid Conference hosted by the Trust in Newcastle-Gateshead in October 2006, which was fully expended on the event.

17. Related party transactions

Dr D I P Bright is the director of Westcountry Rivers Trust and is a trustee of the Association of Rivers Trusts. The trust has an agreement with Westcountry Rivers Trust for the provision of payroll & pension administrative services.

Dr S Marsh-Smith and N P Yonge are respectively the chief executives of The Wye and Usk Foundation and the Tweed Foundation as well as trustees of the Association of Rivers Trusts. There were no material transactions in respect thereof during the year to be disclosed.

The trust is a party to an umbrella agreement related to standard terms and conditions for the provision of services, if desired, between rivers trusts members.

18. Control

The charity is controlled by its trustees and directors.