

ASSOCIATION OF RIVERS TRUSTS

Registered Charity No: 1107144

Company No: 5136671

Financial Statements For The Year Ended 31 December 2007

INDEX

Legal and administrative information	2
Report of the trustees	3 - 10
Report of the auditors	11 - 12
Statement of financial activities	13
Balance sheet	14
Notes forming part of the financial statements	15 – 22

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
[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 2007

The trustees present their report along with the financial statements of the company (and charity) for the year ended 31 December 2007. 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 2007 are set out below. They all acted for the whole year, except as otherwise stated.

I D Gregg	(Chairman)
Dr D I P Bright	
J R Carr	
J P Lord	
Dr S Marsh-Smith	
Prof L M Warren	(resigned 05/04/2008)
N P Yonge	

Our Structure

Having formed in 2004 the trust is young 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 2007 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, to provide support for emerging, new and established trusts on 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 2007 (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 2007 (continued)

Advancement of the Rivers Trust Movement

• Education and rivers trust development

In 2007 we said we would:

- 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 and dinner in the autumn.
- Set up a Life Assurance Scheme to complement the Rivers Trust Pension Scheme.

During 2007 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.
- Been an active partner in the Blueprint for Water initiative in setting out 10 sustainable steps to sustainable water by 2015 and following up progress towards these goals with the UK Government.
- Established or resurrected 5 new rivers trusts in Wales. Obtained start up grants for them and related local professional support.
- Supported initiatives for rivers trust development on the Don, Lune, Tees, Thames, Trent, Wear and Welland and in South Cumbria, Wessex and East Anglia.
- Liaised with the Environment Agency on funding opportunities and collaborative working in Wales and England generally.
- Secured funding for the trust's core activities and hosted a sustainability workshop for ART to develop with its members and related organisations its strategy and future financial security.
- Co-hosted with Slaney River Trust in Ireland in February 2007 a seminar to promote community partnerships under the Celtic Rivers Project (Interreg IIIA programme).
- Hosted an EU funding workshop in July 2007 to explore the opportunities for rivers trusts of funding streams under the Interreg IV programmes.
- Hosted the annual awards and dinner in Cornwall in November 2007.
- Co-hosted with Westcountry Rivers Trust a seminar linked with the annual awards themed on "The Myth of the Natural River?"
- Established a Life Assurance Scheme for members of the Rivers Trusts Pension Scheme.

In 2008 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 promote the education of water through the Blueprint for Water initiative.
- 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.
- Develop our strategy for the sustainability of ART and rivers trusts generally.
- Run a series of seminars or work-shops during the year.
- Develop support governance and administrative services for rivers trusts.

ASSOCIATION OF RIVERS TRUSTS

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

• National and European projects

In 2007 we said we would:

- 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.

In 2007 we have

- Successfully completed the Union des Terres de Rivieres (U.TdR) project, part funded under the EU Interreg III C programme. The allocated budget was fully spent, all reports and claims were filed on time, and objectives met. A comprehensive set of outcomes was published on the Trust's website under the Project section (www.associationofrivertrusts.org.uk).
- Shelved a formal application to the Big Lottery Fund in Wales to pursue more environmentally targeted project funding opportunities within Wales.
- Undertaken extensive evaluation of the EU Interreg IV funding programme strands and developed project applications with, and for the benefit of, rivers trusts in England and Wales and partners in mainland Europe.

In 2008 we plan to:

- Support Eden Rivers Trust in its successful EU Interreg IV NWE "ALFA" project in respect of flooding issues, which was initially driven by the trust in the project development stage.
- Submit applications for EU Interreg IV funding in respect of collaborative development of scientific and technical methods and monitoring and community rivers trust development.
- Support Welsh rivers trust development and sustainability through a collaborative project with the Countryside Council for Wales and the Environment Agency (Wales).
- Continue to support applications by rivers trusts in England and Wales for project funding particularly within the EU Interreg IV programmes.

Financial review 2007

Income

In 2007, in the trust's second full year as an independent organisation, gross income was £357k. The trust has been fortunate enough to receive support during the year from a number of sources; including Atlantic Salmon Trust, Dulverton Trust Environment Agency, Esmée Fairbairn Foundation, National Assembly for Wales, Salmon & Trout Association and WWF. The trust is also pleased with the valuable support given by regional rivers trusts and its other members through subscriptions. In addition, a final claim under the Union des Terres de Rivieres project has been certified for eligibility and submitted to the EU Technical Secretariat for payment.

Expenditure

Total expenditure for the year was £293k. Our cost of generating funds remains low, with home-office working, a small membership and virtually no bespoke fundraising costs. Accordingly 73% (£214k) of expenditure was directly spent on our core area of education and supporting rivers trust development (including restricted fund projects), governance costs at over 4% (£13k) 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 2007 (continued)

Financial review 2007 (continued)

Balance sheet

The Trust was in a healthy financial position at year end, with a cash balance of £193k and debtors (mainly U.TdR) of approximately £25k. 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.

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.

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 Rivers Trusts members 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 2007 (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 considers itself currently too young to review its own performance, but agreed that systematic review would be undertaken in due course. During 2007 the board instigated the first in a series of strategic workshops on the trust's sustainability and direction.

Officers

At the end of 2007 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; match funding requirements of grant funded projects; and the cash flow implication of claims paid in arrears. A review of the cash flow forecast for 2008 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 match funding requirements at that time are known. Free reserves were approximately £95k as at 31 December 2007. Budgeted expenditure for 2008 is expected to be in the order of £350k, excluding grant funded projects where the outcome is uncertain.

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 2007 (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.

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, the trust is vulnerable to accident, injury or loss of its (small) executive team. Particularly where long trips are unavoidable, the board requires all executives to balance minimising the risk of injury/illness with environmental considerations when making arrangements for travel.

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 2007 (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 6th July 2007 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: 29th April 2008

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 2007 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.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

ASSOCIATION OF RIVERS TRUSTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSOCIATION OF RIVERS TRUSTS (continued)

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 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; 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: 29 April 2008

ASSOCIATION OF RIVERS TRUSTS

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

	Notes	Unrestricted funds £	Restricted funds £	Total funds £	2006 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	150,087	-	150,087	175,773
Investment income	3	9,306	-	9,306	5,086
Incoming resources from charitable activities					
	4	10,152	187,466	197,618	155,924
Total incoming resources		169,545	187,466	357,011	336,783
Resources expended					
Costs of generating voluntary income					
	5	5,013	-	5,013	4,775
Charitable activities	5	189,280	85,538	274,818	319,950
Governance costs	5	13,238	-	13,238	11,312
Total resources expended		207,531	85,538	293,069	336,037
Net incoming / (outgoing) resources before transfers		(37,986)	101,928	63,942	746
Transfers between funds	15	(5,428)	5,428	-	
Funds at 1 January 2007	15	140,360	10,250	150,611	149,865
Funds at 31 December 2007	15	96,946	117,606	214,553	150,611

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.

The notes on pages 15 to 22 form part of these financial statements.

ASSOCIATION OF RIVERS TRUSTS

Balance Sheet As at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Furniture and equipment	11	2,238	3,909
Current assets			
Debtors	13	25,931	53,171
Cash at bank and in hand		193,704	100,142
		219,635	153,313
Creditors: Amounts falling due within one year	14	7,320	6,611
Net current assets		212,315	146,702
Net assets		214,553	150,611
Funds			
Unrestricted general fund	15	96,946	140,361
Restricted funds	15	117,607	10,250
Total funds		214,553	150,611

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 29 April 2008

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 2007

1. Principal accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. 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 fulfil 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 2007

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

Governance costs are associated with the governance arrangements of the charity. These costs include audit, legal advice for governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governor meetings and the preparation of statutory accounts.

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 or deficit. Transfers of a surplus only take place with the funders' consent.

1.12 Tangible fixed assets and depreciation

All equipment costing less than £300 are written off in the statement of financial activities when the expenditure is incurred.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each item evenly over its estimated useful life. Such estimated useful lives are as follows:

Office equipment & furniture	3 years
------------------------------	---------

Impairment reviews are carried out on a periodic basis. If an asset is found to have a carrying value materially higher than its recoverable amount it is written down accordingly.

1.13 Pension contributions

Pension cost represents the contributions payable during the accounting period. 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 2007

2. Voluntary income

	Unrestricted	Restricted	Total	Total 2006
	£	£	£	£
Donations				
Donations from individuals	150,087	-	150,087	175,773
Donations and gifts	150,087	-	150,087	175,773

3. Investment income and interest

	Unrestricted	Restricted	Total	Total 2006
	£	£	£	£
Deposit interest	9,306	-	9,306	5,086
	9,306	-	9,306	5,086

4. Incoming resources from charitable activities

	Unrestricted	Restricted	Total	Total 2006
	£	£	£	£
National and European projects				
Grant income from EU funding	-	78,575	78,575	49,191
Grant income from organisations	-	1,000	1,000	10,000
Education and rivers trust development				
Grant income from organisations	-	105,891	105,891	29,000
Seminar income	3,202	2,000	5,202	62,483
Subscriptions	6,950	-	6,950	5,250
	10,152	187,466	197,618	155,924

ASSOCIATION OF RIVERS TRUSTS

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

5. Total resources expended

	Voluntary income £	National and European projects £	Education and rivers trust development £	Governance £	Total £	Total 2006 £
Direct charitable expenditure						
Meeting facility costs	-	-	6,880	-	6,880	50,733
Interreg expenditure	-	31,870	-	-	31,870	45,234
Grants payable	-	40,000	6,000	-	46,000	42,068
Allocation of support costs						
Wages and salaries	1,828	6,174	107,609	7,185	122,796	109,859
Social security costs	191	647	11,274	753	12,865	11,506
Pension costs	136	460	8,017	535	9,148	7,667
Office costs	1,641	1,387	29,913	-	32,941	36,595
Travel	1,060	-	19,317	-	20,377	12,390
Consultancy	-	-	2,396	-	2,396	13,031
Depreciation	157	-	2,874	-	3,031	2,842
Audit	-	-	-	2,865	2,865	2,412
Accountancy	-	-	-	1,900	1,900	1,700
	5,013	80,538	194,280	13,238	293,069	336,037

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

6. Net incoming resources

This is stated after charging:

	2007 £	2006 £
Depreciation of tangible assets	3,031	2,842
Audit	2,865	2,412

7. Grants payable

	Unrestricted £	Restricted £	Total £	Total 2006 £
Awards given	1,000	5,000	6,000	12,068
Delegated non EU grants given	-	40,000	40,000	30,000
	1,000	45,000	46,000	42,068

ASSOCIATION OF RIVERS TRUSTS

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

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

Staff numbers

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

	2007 Number	2006 Number
Core staff	4	3

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 £506 (2006 - £1,035).

11. Taxation

The company is registered as a charity and there is no liability to taxation on its charitable activities.

12. Fixed assets

	Furniture and equipment £
Cost	
At 1 January 2007	8,521
Additions in year	1,360
At 31 December 2007	9,881
Depreciation	
At 1 January 2007	4,612
Charge for the year	3,031
At 31 December 2007	7,643
Net Book Value	
At 31 December 2007	2,238
At 31 December 2006	3,909

ASSOCIATION OF RIVERS TRUSTS

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

13. Debtors

	2007 £	2006 £
Trade debtors	24,898	50,950
Prepayments	1,033	2,221
	25,931	53,171

All debts are due within one year.

14. Creditors: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	2,000	2,499
Other creditors	5,320	4,112
	7,320	6,611

15. Funds

	At 1 January 2007 £	Incoming £	Outgoing £	Transfers	At 31 December 2007 £
Restricted funds					
Chairman's Fund	-	102,541	(8,251)	-	94,290
Dales Passport	-	12,594	(4,634)	-	7,960
Pembrokeshire Rivers Trust	5,250	-	-	-	5,250
Teme Rivers Trust	5,000	-	-	-	5,000
Project: Union des Terres de Rivieres (U.TdR)	-	2,690	(8,118)	5,428	-
Grant awards	-	5,000	(5,000)	-	-
Tees River Trust	-	5,000	(734)	-	4,266
Teign Valley	-	350	-	-	350
Welsh Trust	-	59,291	(58,801)	-	490
Restricted funds	10,250	187,466	(85,538)	5,428	117,606
Unrestricted funds					
General fund	140,361	169,545	(207,531)	(5,428)	96,947
Total funds	150,611	357,011	(293,069)	-	214,553

16. Analysis of group net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2007 £	Total Funds 2006 £
Fund balances at 31 December 2007 as represented by:				
Fixed assets	2,238	-	2,238	3,909
Net current assets	94,708	117,607	212,315	146,702
Total net assets	96,946	117,607	214,553	150,611

ASSOCIATION OF RIVERS TRUSTS

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

17. Fund descriptions

Chairman's Fund

A fund provided by the trust's chairman to carry out strategic development in accordance with the Trust's objectives.

Dales Passport

A short term project fund on the River Dove (Trent catchment) provided by Natural England and the Environment Agency to create an angling scheme open to the general public whereby farmers receive income from vouchers sold to fish their river holdings and are thereby encouraged to adopt best farming practice in terms of environmentally friendly methods. The project commenced in late 2007 and is due to be completed in early 2008.

Pembrokeshire Rivers Trust

Funds are being held for development of Pembrokeshire Rivers Trust. The fund remained unused during 2007 with a balance of £5,250.

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 2007.

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.

Project: Tees River Trust

A fund provided by the Environment Agency to support development of a new rivers trust on the River Tees in North East England and in due course to promote a community partnership solution to environmental issues faced in that catchment. Preliminary progress has been made, but it takes time to bring people together and form a widely experienced board capable of developing a sustainable environmental trust.

ASSOCIATION OF RIVERS TRUSTS

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

17. Fund descriptions (continued)

Teign Valley

A fund held for a Landfill Tax Credit habitat improvement project by Westcountry Rivers Trust on the River Teign.

Welsh Trusts

The project is to establish eight new local community led rivers trusts in Wales during 2007 and 2008 and support their development into self-sustaining trusts. Grant funding of £40k was committed by the National Assembly Government for Wales, subject to the trust matching those funds. In 2007 five new trusts were established or resurrected from a moribund state and the income and expenditure reflects the start up grants provided and the costs incurred in facilitating their creation and positioning them to bid for their own project funding.

18. 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.

19. Control

The charity is controlled by its trustees and directors.