



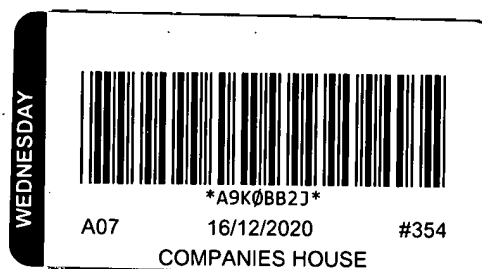
Westcountry Rivers Trust

(A Company Limited by Guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 December 2019

Registered Charity Number: 1135007
Registered Company Number: 06545646



WESTCOUNTRY RIVERS TRUST
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WESTCOUNTRY RIVERS TRUST

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Impact of Brexit on the Charity

Following the referendum in 2016, when the UK decided to leave the EU, the CEO and Senior Managers have spent considerable time and effort trying to minimise the risks and implications to the charity of losing a significant income source.

Throughout the charity's history it has continuously accessed funding from Europe to enact environmental improvements in the West Country and in recent years EU funding has constituted around a third of the charity's total incoming resources (£600k - £900k per annum).

The absolute impact of Brexit on the charity is still uncertain and is largely dependent on the outcome of negotiations, however the end of the transition period is now imminent and the threat of a 'no deal' is becoming a real and distinct possibility.

The Trustees and Management have evaluated the potential outcomes of Brexit and their implications to the charity and have summarised them as follows, detailed in order of severity of impact:

- Non-payment of outstanding EU grant claims and unclaimed expenditure incurred to the end of the transition period. This is the most concerning case however it is also considered the most unlikely outcome. Advice from the Government is that under the Withdrawal Agreement, the UK will continue to participate in programmes funded under the current 2014-2020 Multiannual Financial Framework (MFF) until their closure and UK project partners in approved projects have been advised to continue delivering their project activity as contracted, and make payment claims for reimbursement by the European Commission. The uncertainty and risks around Brexit increase considerably if the UK is not able to reach a deal with the EU however again Government advice states that if the UK leaves the EU without a deal and the EU stops paying organisations, the Government will guarantee to meet the payments for any UK organisation that has already secured, or will secure, funding until the end of the 2014-20 programming period. This covers partners that are in approved projects and would therefore cover all the charity's existing EU projects. If neither the EU nor the UK Government re-imbursed the charity for project expenditure incurred this would wipe out a significant portion of the charity's unrestricted reserves. At the latest assessment before signing these financial statements EU project expenditure not yet re-imbursed amounted to £450k (including outstanding claim payments and expenditure incurred but not yet claimed). Losing this amount of money would have a massive negative impact on the charity however based on current levels of reserves, the charity could survive as an organisation and could continue and recover and re-build its' future.
- UK eligibility to participate in existing projects is removed following the end of the transition period. This is a key risk arising from a 'no deal' scenario. Currently the UK has not managed to reach an agreement on continued participation in ETC programmes in the event of a no deal situation (with the exception of 2 programmes that the charity is not involved in).

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If the Government cannot reach an agreement with the EU to allow the UK to continue to contribute to ETC programmes as if it were a member state it may mean that UK organisations are unable to continue delivering projects. In these circumstances the Government have confirmed that they will work with affected UK organisations to find an appropriate solution, however as there are no details on what this might be, it creates an extremely uncertain environment that could mean that income and project activity drops off sharply with an immediate and significant impact as all project activity will have to cease immediately to minimise losses. This will likely result in redundancies of skilled and valuable staff and as most staff deliver a mixture of EU and non-EU projects across the charity this will undoubtedly have a negative impact on the collective skills and capabilities of the charity as a whole.

- Payments due to the charity for EU grant claims made are significantly delayed. This is considered a fairly likely scenario and one that Management believe we can adapt to and manage, although this will be challenging and is based on the assumption that we will be paid for our project expenditure eventually. Delays in excess of 12 months would cause concern and would require an alternative plan to manage, potentially involving external loan finance. Accessing loan finance has been difficult in the past due to the charity's lack of assets against which to secure funding, however, there should be some options available to us and we will consider this early in 2021.
- The UK is not allowed to participate in future funding programmes. It is likely that the UK's involvement in the future 2021-2027 Multiannual Financial Framework will be minimised. There will still be internationally important issues that need addressing and require a collaborative approach, particularly where we share waters with Europe and therefore problems, but the UK's involvement is likely to be on a project case by case basis. The absence of EU funding is due to be replaced by the UK Government's Shared Prosperity Fund but it is not yet clear how this will be administered and what forms it will take. It is however already starting to be seen in the Green Recovery Challenge Fund (£40m) and the Nature for Climate Fund (£640m). Replacement of EU programmes with UK Government schemes fills the gap of future opportunities that the Trust can target to fund continued investment in environmental improvements in the West Country, however they are likely to be heavily over-subscribed and the charity is going to need to be able to demonstrate its impact and show itself to be a trusted organisation that can deliver.
- Weakening of environmental legislation. As UK law takes precedent over EU law there will be the potential to weaken environmental legislation. The possibility of this is considered higher due to the UK's failure to meet EU targets in recent years, specifically the Water Framework Directive. The Environment Agency have released several statements about the use of regulations and legislation and the message is that it will remain strong on the Government's agenda, but, if there is a weakening in UK law this might reduce the pressure driving environmental change and therefore investment in our rivers.
- Lack of funding for innovation and the development of new approaches. Historically the EU have been particularly interested in multi-national collaboration and learning and EU funding has allowed the charity to develop new ideas, approaches and skills. To date we have not identified any other funding programmes that offer the same level of support for these aspects of environmental improvement which being a science led organisation we have particularly valued over the years.

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All of the factors noted above are completely outside of the control of the charity and therefore our priority has been to put the charity in the best position possible to face the challenge of Brexit, whatever it may look like. The elimination of EU funding and the requirement for the charity to identify alternative funding opportunities is embedded in the next 5 year Charity Plan currently in development and this has been filtered down through the charity so all staff can identify their part in achieving the goals set out. Further details of the steps we have taken to improve the resilience of the charity have been noted throughout this report.

Additionally, our Project Finance Officers work very hard to ensure that EU project claims are submitted on time and as frequently as possible and that all paperwork is water-tight and all procurement and publicity rules are followed to the letter.

We will continue to monitor the situation as it develops and are confident that complete non-payment of EU project expenditure incurred pre the end of the transition period is an unlikely scenario due to the inevitable outcry and sheer weight of pressure from the environmental sector, and we hope the public too. Consequently, we are confident that the charity's long-term future and viability remains strong.

Impact of COVID-19 on the charity

In March 2020, shortly after the World Health Organisation's official designation of COVID-19 as a pandemic, the UK went into lockdown and the charity closed its' office in Stoke Climsland and migrated all staff to home working.

Senior managers, together with the HR Manager and other key members of staff immediately set about documenting the charity's COVID-19 response giving regular guidance to staff on expectations, permissible activities, changes in processes and procedures and importantly a full and comprehensive risk assessment was carried out, documented and distributed to all staff. The charity's Management Board, consisting of a sub-group of 3 trustees, the Chief Executive and the Head of Finance, initiated fortnightly meetings in addition to the normal schedule of bi-monthly meetings, to maintain communication between the trustees and management, keep trustees updated on developments, and seek trustee input and experience to help sense check and guide management's response to the situation.

The UK Government responded with the implementation of several government assistance measures intended to mitigate some of the negative financial impacts of COVID-19, both for businesses and individuals. The charity considered carefully the need to access this support and following a very thorough assessment of projects, staff and the amount of work that could be delivered in a state of lockdown, undertook to use the Coronavirus Job Retention Scheme to support the continued employment of 13 members of staff. The charity adopted what it termed a 'dynamic furlough process' which involved weekly meetings attended by senior managers, the HR Manager and other key members of staff, in which the above mentioned thorough assessment was repeated and decisions made about putting staff into the furlough system and taking them out of it.

All 13 of our staff that were put on furlough were disappointed not to be able to continue contributing to the charity during this peak time of difficulty and that is testament to the loyal and dedicated staff that we employ and we are grateful to them for agreeing to be furloughed and helping us to avoid some tough decisions that would otherwise have been unavoidable. The removal of Government assistance in the future will make it much more difficult for the charity to respond positively to the challenges faced by another lockdown however the trustees are satisfied that this concern is not of such importance that a significant uncertainty exists about the charity's ability to continue as a going concern.

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For those staff who were able to continue working productively on desk-based tasks the charity supported adjustments to working patterns to accommodate childcare and this was greatly appreciated and was an important element of helping staff to manage their lives more effectively throughout this extremely stressful situation.

The charity also took advantage of the VAT deferral scheme allowing payment of the quarter ending March 2020 VAT liability to be deferred until 31st March 2021. This provided a notable positive cash flow impact.

The charity is fortunate to have built up its' unrestricted reserves over recent years and this provided a layer of comfort that we could ride any substantial but short-term liquidity issues that may arise as a result of the continuing negative impact of COVID-19. Our goal however is to keep delivering projects, maintain communication with funders and minimise the disruption to our planned income streams. We are exceptionally pleased to report that despite accepted delays in activities and completion of projects, and one project that was cancelled but subsequently re-commissioned, the charity has not lost any of its' projects that were existing prior to the start of the pandemic.

Consequently, at this stage the impact on the charity and its' results has not been significant and we are hopeful based on our experience to date that this will remain the case. Our key concerns are around the availability of future funding opportunities as funding and resources are diverted to address the considerable negative social impacts of the virus. However, degradation of the environment and global warming effects continue to be major challenges that society needs to address and the consequences of inaction continue to be felt around the world. The charity are therefore confident that even in the face of a pandemic, the environmental agenda will remain strong in the long term and the future will be positive.

We will continue to follow the latest government policies and advice and are committed to continuing our activities in the best and safest way possible whilst always putting our staff and all people first.

Chairman's report

2019 saw the Trust celebrate its' 25th anniversary and to mark the occasion we held an afternoon of presentations and stories and took stock of how much has been achieved in the last 25 years, and how much more there is still to do. It is a daunting task, but we are excited and motivated by the challenge and above all have a deep and underlying commitment to improve our natural water environment.

2019 has also been a year of internal development as we looked to try and increase the robustness and resilience of the charity through the recruitment of a Communications and Marketing specialist and the commissioning of a strategic HR review to inform and facilitate the formalisation of HR within the charity. These steps were necessary given the growth in staff numbers and the impending advent of Brexit and they are a huge step forwards in terms of preparing the charity for the future. Specifically, the assistance of our newly appointed HR Manager (appointed in February 2020) has been invaluable in helping the charity deal with the HR challenges brought about by the COVID-19 pandemic.

Brexit continues to be of concern, as does the uncertainty around the scale and duration of the COVID-19 pandemic, particularly given that the future funding environment is unclear and uncertain, however we continue to take steps to address these looming uncertainties as much as possible and we are thankful that we have managed to build unrestricted reserves over recent years to provide some comfort and security that we can invest in our future and adapt to our future operating environment, whatever that may be.

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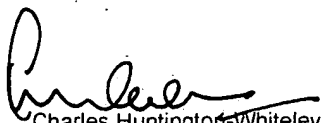
TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

We are delighted to see the continued enlightenment of both people and businesses as we shift towards a greater awareness of environmental issues and it is hoped that the changing focus of Government support for farmers and landowners in the form of ELMS will consolidate this new approach and encourage those who have the biggest impact on the environment to make the right choices – and we will continue to provide advice and support to enable them to do this.

I would like to thank all our funders, supporters and partners for their continued commitment to working with us, and for their patience and understanding as we try to navigate the events that have unfolded in 2020. I would like to thank all of the farmers and businesses that we work with for engaging with us, for acknowledging the impact that they have and for considering the potential improvements that they can make for the benefit of everyone who lives, works and visits the West Country. A special thank you also goes out to all of our volunteers and Citizen Scientists who give their time and provide valuable data and information to help us achieve our objectives and are genuinely making the world a better place by their active involvement and contribution.

For anyone who would like to know more about the charity please visit our website at wrt.org.uk. If you would like to get involved and help the charity in any way, please also get in touch as we would love to hear from you.



Charles Huntington-Whiteley
Chairman

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TRUSTEES' REPORT (continued)

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Objectives and activities

The purposes of the charity as set out in its governing document are:

- to secure the preservation, protection, development and improvement of the rivers, streams, watercourses, and water impoundments in the West Country; and
- to advance the education of the public in the management of water.

Our overarching ambition is to bring our rivers to life, from source to sea, for the benefit of everyone. Our work is driven by the desire to clean up our rivers and ensure that the fisheries, and the habitats and species that support them, are in good health. We believe that the natural environment can sustain and inspire people making us happier and healthier and we endeavour to engage with the public and re-connect them to their local rivers.

We believe that we provide a crucial contribution to improving the water environment at a time when the population continues to increase, and we are demanding more from our land and water resources. Flooding, drought, pollution, health scares, high water bills and food security are increasingly featuring in our news and our lives and we believe our enlightened approach can help tackle these challenges and make a real difference to the future of people's lives in the West Country.

In setting our objectives for the future and planning our activities for the coming year, the trustees have considered the Charity Commission guidance on public benefit. The primary strategies employed by the charity to further its purposes for the public benefit include:

- bringing about physical improvements to rivers and riparian habitats, including improving the water quality of our rivers;
- driving changes to policy through changing perceptions in education, the public and government. This includes helping to change opinions using evidence and engagement tools so that future policy fosters good environmental management which benefits society overall;
- being a leading light in the move towards a functioning integrated ecosystems approach that encourages a balanced approach to environmental management and all that it encompasses.

In implementing these strategies, we have three major areas of activity which are: protecting the river; balancing land use; and providing evidence and engaging people. Our activities described below are focussed wholly on achieving these objectives.

Protecting rivers – restoring freshwater habitat and species

The primary objective for this area of delivery is to restore freshwater habitats and species. We believe fish populations are a key indicator species of river water quality and we use best science and practical techniques to try and restore our rivers to their former abundance of fish species by improving river habitat, structure and function.

Our approach to fisheries management and improvement is an action focused approach supported by a learning cycle of action, information, and analysis. This includes the following specific activities:

- collaborative working to determine the genetic analysis of fish populations within a river system. Once we know the stock structure of the river, we can manage it with much more confidence and effectiveness.
- identifying the habitat available for fish within the river system. We use fisheries walkover surveys to assess the provision of fish habitat in a river system and to determine its condition. We also identify where barriers or obstacles exist in the river that may act to stop fish accessing those habitats. This helps us to target our work to achieve maximum impact.
- monitor the status of fish populations on rivers. We use a variety of methods to determine the number of fish in a river system including electro fishing surveys, automatic fish counters, fish tagging, and analysis of angler's catch returns and logbooks.

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- promotion of angling. Anglers have a keen self-interest to ensure our rivers are in a good condition and we aim to harness this via our Westcountry Angling Passport.

The water quality within a river system can have a significant impact on the presence of fish and other species in the catchment and this is where the charity's fisheries activities are inextricably linked to the charity's land management activities.

Balancing land use – improving the water leaving the land

The primary objective for this area of delivery is to improve the water leaving our land. We believe that if we can determine which pressures are exerting negative impacts on our aquatic ecosystems and identify where they are coming from, then we can develop a programme of tailored and targeted catchment management interventions to remove these sources and disconnect their pollution pathways. This includes increasing the resilience of our catchments using natural flood management interventions to slow water down, hold it in the catchment where beneficial, and ultimately reduce the flood risk to our communities and the risk of excess nutrients and sediment entering the watercourse.

The West Country is a predominantly rural landscape and consequently much of our focus has been on working with farmers to improve raw water quality through a collaborative approach which sees landowners informed and assisted in the protection of river catchments. This includes the following specific activities:

- tailored one-to-one advice for farmers. We work with farmers and carry out full farm surveys that culminate in the provision of a farm plan giving the farmer a full evaluation of all aspects of their farm business and highlighting opportunities for them to both save money and help to protect the environment.
- our advice is often supported by a capital grant scheme that helps farmers to invest in on-farm measures that will minimise pollutant loss from their farms.
- promote the use of Payments for Ecosystems Services (PES) as a sustainable and balanced approach to funding environmental management and improvement. During the year we were involved in the second phase of the Upstream Thinking project, a shining example of PES in practice, in which the charity is working with South West Water, a major user of water in the West Country, to implement actions to improve raw water quality.
- providing soil management advice and training to encourage farmers and landowners to take action to improve the health of their soils, thereby reducing soil run-off and helping to improve water retention and keep soil on the land where it belongs.

Both the charity and trading subsidiary continue to develop capabilities to deliver advice and guidance on management of the urban water environment.

Engaging people – reconnecting people with their river

The primary objective for this area of delivery is to reconnect people with the river and provide evidence to educate the public, and all the sub-groups that this includes, in the importance of looking after our water environment and how this can be achieved.

We believe that education is the key to changing behaviour and that this can best be achieved through the following specific activities:

- provision of robust evidence to support targeted actions. We create, manage, analyse and present spatial evidence of the highest quality to ensure that actions are targeted, integrated and cost efficient. We aim to demonstrate qualitatively and quantitatively that the delivery of integrated catchment management interventions can realise genuine improvements in water quality.

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- delivery of education via one to one visits with farmers, visits to schools, attendance at shows, presentations at regional and national conferences and even developing international ties with other organisations in order that we can learn from each other on a worldwide scale. We also supervise several work experience posts and MSc student projects as well as co-supervising PhD and research studentships at universities.
- continued development of partnership working. The charity fully supports partnership working and works closely with other organisations to deliver an integrated conservation approach. During 2019 we continued to be involved in the catchment partnerships for most of the regions within our geographical remit and we are committed to the development of constructive catchment partnerships that can help deliver real environmental improvements on the ground.
- increasing engagement with the public to raise awareness of the charity's aims and get them involved in monitoring their river environment to increase our on the ground knowledge of catchments. We hope that this will encourage people to reconnect with their river and where necessary, change their behaviours where it will have a positive impact on the water environment.

We believe that by undertaking the activities set out above it will instil in people a responsibility for the environment which will be nurtured in the next generation of land care managers, advisors, policy makers and all those who benefit from the magnificent water environment that we are fortunate to have here in the West Country.

Grant-making activities

The charity's grant making policy and activities are largely dictated by the required outcomes of the projects it is involved in, whilst ensuring that grants given will meet the requirements of public benefit. In recent years the Trusts major grant making activities have been under the Upstream Thinking project funded by South West Water. This project aims to improve raw water quality and most grants are given to farmers as a contribution towards capital works on their farm that will support this aim. Potential grant recipients are identified using a combination of farm advisor knowledge and data and evidence collected by the charity. Suggested beneficiaries of grants are discussed and approved by an internal team of farm advisors having consideration to the water quality benefits that are expected to be realised as a result of completion of the works.

Grants are an important element of delivering the charity's objectives as the cost of works can be significant and the availability of a grant is a substantial incentive where farmers may not otherwise be able to justify the cost. Furthermore, grants are usually given for a proportion of the total cost of the project and the matching investment by the farmer demonstrates a commitment by the farmer to improved water quality and allows the charity to maximise its' impact with less funds.

Our volunteers

The charity is very fortunate in being able to call on the services of volunteers for active field work along rivers. Additionally, each year we host one or more highly competent MSc students who carry out placements ranging from two weeks to three months gaining valuable work experience and at the same time learning about the charity and its' work and contributing significantly to the advancement of the charity in meeting its' objectives.

In 2019 we continued to expand our network of Citizen Scientists across the region. We now have 317 citizen scientists registered across the West Country, although not all of these are active. Based on data received during 2019, 65 of these were actively involved in monitoring our rivers and they carried out 894 river surveys, reporting their findings to us and directly increasing our knowledge and understanding of rivers and our ability to develop a targeted approach to reducing river pollution.

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Furthermore, even our inactive members have received information and education about what constitutes diffuse pollution and the things to look out for, so they are much better informed and more likely to call in a pollution incident if they see one. We are extremely grateful to all of our Citizen Scientists.

Achievements and performance

2019 saw continued growth for the Trust in both income and staff numbers and the implications of this is that we can and are delivering more projects that contribute to the achievement of our objectives.

Following the internal re-organisation in 2018 all teams have stepped up to the challenge and team structures and management tools are being tried and tested with the aim of allowing each member of staff the ability to use their key skills and abilities to achieve maximum impact in their role.

The review of our policies and procedures framework is continuing and the process has been aided by a boost in resources in the form of the appointment of a Human Resource Manager in February 2020. Our goal is to ensure that we have fair, open and transparent policies across the Trust and that our staff can feel safe, supported, and clear in their roles and responsibilities as they deliver their work. We believe the Trust is a great place to work and we want to create an environment where all staff feel the added value of working for an organisation like the Trust.

The primary objectives for the year were to: continue to be involved in catchment partnerships and promote the partnership approach; promote good soil management across all of our interactions with farmers and landowners; develop increased awareness of the charity and its' activities including our programme of schools visits, workshops, attendance at local events, recruiting Citizen Scientists and expanding the charity's online and social media presence; increase our involvement in projects aimed at alleviating flood risks within catchments using Natural Flood Management techniques; increase the engagement and interest of local businesses and stakeholders in protecting the water environment, particularly where there has been no level of engagement previously; and continue to advise and influence policy at a national and international level. The trustees consider that the charity and trading subsidiary's activities and achievements in the year have contributed to achieving these objectives and we will continue to pursue this level of delivery going forwards. Details of some of the projects that achieved our objectives are set out below.

Some of the new projects won and delivered in the year were as follows:

Barnstaple Yeo and Bradford Weir Fish Easements – the charity obtained funding from the Environment Agency to address five notable barriers to fish migration in the North Devon area. The funding was provided for the design and development of fish passes/easements with the hope of further funding to carry out construction in future years. If the charity is able to see these projects through to completion (funding permitting) this will open up 48km's of habitat for fish and will increase the biodiversity up and down these valuable water bodies.

Devon and Cornwall Soil Alliance – this is a 2.5 year Water Environment Grant (WEG) funded project that aims to build capacity and capability in soil advice across Devon and Cornwall. Degraded soils contribute to a variety of negative environmental effects including pollution, flooding, and drought and with the wider recognition of this the charity is keen to enable consistent and high-quality soils advice across the region to realise improvements in soil management. The Alliance now has 249 members, 123 registered trainees and 32 registered mentors. We have hosted three successful 'Why are soils important?' events and more are planned throughout 2020 (subject to COVID-19 restrictions).

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Plymouth River Keepers – this project was developed out of a £350k enforcement undertaking received due to an unfortunate pollution event in the Tamerton Stream in Plymouth. The project was designed to incorporate a number of outcomes including physical habitat improvements and the creation of a community engagement forum to embed water environment caretakers within the community. The project is in its' very early phases and the focus to date has been on collating evidence and data to inform discussions and reaching out to the public to obtain their thoughts and visions of what they would like to see prioritised within the project.

Some of the charity's continuing projects and their achievements in the year are as follows:

Upstream Thinking Phase Two (UST 2) – 2019 saw us move into the fifth and final year of delivery in this second phase of the Upstream Thinking project focussed on improving raw water quality across five key catchments including the Tamar, the Dart, the Fowey, the Otter and the Exe. This second phase of the programme is directed primarily at reducing the level of pesticides getting into the watercourses with a big emphasis on providing advice and educating farmers to change their pesticide use to be more environmentally friendly. An important element of this work is a Pesticide Amnesty which has seen out-of-date, unidentifiable and, in some cases, illegal chemicals removed from farms in a safe and secure way, thereby ensuring they never make it onto the land and potentially into our rivers. To date some five tonnes of chemicals have been removed. Additionally, the project has provided for c. 100 grants to farmers enabling them to implement infrastructure improvements on their farm that will have a direct impact on the levels of pollution escaping into the watercourse. These grants are given to fund a proportion of the total spend and therefore whilst the cost of the grants paid to date is £1.03 million, when considered in conjunction with farmer spend on the interventions of £1.34 million, the project has seen investment of £2.37 million across the catchments with more grants still to pay out in 2020.

Channel Payments for Ecosystem Services (CPES) – this is a four-year EU funded project in which the charity is working with a transnational group of thirteen partner organisations to develop the business case for sectors other than the Government and third sector, to pay for environmental restoration. The charity has contributed to this locally by looking at water stewardship in the two pilot catchments (Roadford Lake on the river Tamar and the river Gara in south Devon) and working with local businesses and their supply chains to identify potential improvements. For some businesses this was done by looking specifically at their own business model and supply chain and working directly with their suppliers to identify improvements that will benefit the environment. Alongside this, other businesses contributed to the idea of the scheme and these CPES Donations are held separately in a restricted fund for use on identified interventions in the two pilot catchments. In order to reach a wider audience and to help prioritise interventions the charity used an innovative online reverse auction platform (Nature Bid) in which farmers could include details of the work they wanted to fund, why, and what contributions they would like from the charity. The results were collated, and projects prioritised according to their benefit to the aims and objectives of the funding and works are expected to be completed during 2020.

Risk Aqua Soil (RAS) – this is a two-and-a-half-year EU funded project in which the charity is working with a transnational group of eight partner organisations in the Atlantic Area to strengthen the resilience and planning of the Atlantic regions to natural disasters and the consequences of climate change in rural and agricultural areas. The landscape in the Atlantic Area is predominantly agricultural and increased intensity and frequency of storms, drought and flooding and altered hydrological cycles will have significant implications for the agriculture landscape. The primary focus of the project is to consider the effect of climate change on soil management and water management, and the lack of local community involvement and skills in risk management and adaption to climate change. Our role in the project is to pilot catchment resilience actions and install high resolution monitoring so that the local community can see live data about the state of their river.

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SPONGE 2020 – this is a three year EU funded project in which the charity is working with a transnational group of nine partner organisations to deliver initiatives that will improve the climate change adaptation capacity of cities and densely built areas by implementing innovative climate change adaptation solutions in partnership with local stakeholders. Our role in the project is to co-create nature-based solutions to the water-related effects of climate change and our test area is Taunton. There is a big focus on engagement and co-creation within this project as we not only want our towns to be spongey places that soak up surface water, but we also want them to be greener and shaped by the communities that live in them. It's not just about functionality, it's about having an even better place to live. In conjunction with the EU funding we also won further funding from The Postcode Local Trust and the Royal Academy of Engineers (Ingenious Programme) to design and create SuDS and raingardens within three schools. During 2019 we worked with two primary schools, Holway and Lyngford Park Primaries, involving more than 150 pupils in the design and planting of raingardens at their school. We also worked with the community group at Middleway where residents came together to design and plant their own rain garden based on the theme 'plants bees love'.

PROWater – this is a four-year EU-funded Interreg project with partners in South England, Belgium, and the Netherlands. The project's goal is the 'protection and restoration of raw water sources through actions at the landscape scale', and it will contribute to climate adaptation by restoring the water storage of the landscape via 'ecosystem-based adaptation measures'. These interventions will have multiple benefits including increased resilience against droughts and floods and improvements to both water quality and biodiversity. The benefits of the measures will be identified so that a 'Payment for Ecosystem Services' model can be developed and based on this model, organisations that take measures to combat water scarcity can receive compensation in return for the services they provide to society by improving the quality of the living environment. As part of this project, in September 2019 the charity held its' first Water Resilience Summit in Totnes where more than 120 people attended to find out more about our current, and future, access to water in the face of challenging climate change circumstances. The Summit created an innovative, interactive, and inspiring way for people to learn about how they can be more water resilient, now and in the future.

Water for Growth – this was a three-year EU funded project that in 2019 got extended for a further year and is now due for completion in February 2021. In this project the charity is working with UK based partners in the West Country to deliver natural capital investment to the blue infrastructure of Cornwall's two most important inland river fisheries, the Camel and Fowey. The project aims to protect and enhance the value of these key assets by restoring river ecosystem function, removing fish migration barriers, and improving in-river spawning areas. This will be achieved by delivering 2 hectares of multiple small-scale habitat restoration works; and 63 hectares of supported in-river habitats following completion of multiple small-scale infrastructure capital works. At the end of 2019 the project was on target to meet all deliverables despite expecting an underspend of c. £350k. We have recently been advised that due to a programme underspend the charity will have the opportunity to bid for further funds to continue delivery of the improvements achieved to date and we are hopeful that we can bid to utilise the current projected underspend together with an additional new element of funding from the programme and additional match, to further increase the natural capital improvements made to date.

The other key deliverable of this project was the development of an interactive, mobile app to replace the manual paper-based system previously used by Westcountry Angling Passport (WAP). The charity launched Fish Pass in 2018 in the current year the app has gone from strength to strength as usage has increased together with the number of beats available to fish via the app. The app was particularly useful during the recent COVID-19 pandemic and subsequent lockdown as beat owners were able to quickly and remotely 'shut down' their beats and subsequently to re-open them within the safety of a contactless system.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Catchment Based Approach (CaBA) – despite stepping away from hosting the North Devon Catchment Partnership during the year, the charity has maintained a leading or supporting role in several catchments across Devon and Cornwall and remains committed to the future of partnership working and using this approach to deliver environmental improvements. The successful development and delivery of partnership projects across Devon and Cornwall are testament to the success of joint working to make the best use of available skills and maximise the positive environmental impact. In addition to our CaBA role within the West Country the charity continues to receive funding from The Rivers Trust to provide CaBA support and mentoring across the national network of rivers trusts.

Natural Flood Management (NFM) – the charity is increasingly engaged in projects aimed at improving the flood resilience of our catchments using NFM techniques. Our involvement to date has largely been due to our key skills in monitoring water quality, quantity and promoting best practice and advice on soils management. However, 2019 saw the commencement of the St Austell Bay Resilient Regeneration Project (StARR), a £32million flood alleviation and regeneration scheme led by Cornwall County Council. The project aims to reduce flood risk to communities living and working in the St Austell Bay area, particularly in Par and St Blazey, and our role within the project is to work with local communities in the upper catchment to develop and deliver Natural Flood Management solutions. This is a fantastic opportunity for us to showcase the transferrable skills and experience we have developed and demonstrate the added value that NFM can make to both communities and to reducing flood risk.

Fisheries Associations – the charity works together with several fisheries associations throughout the West Country including the river associations on the Fowey, the Exe, the Dart, the Teign, the Axe, the Frome and Piddle, the Taw, the Torridge and the Tamar. These associations support the charity via donations which are used to fund among other things electrofishing programmes, river habitat surveys, targeted habitat restoration and occasionally to remove weirs where they are found to be a significant barrier to fish migration. Support from the rivers associations and other local groups is considered fundamental to the charity achieving its vision of having a full-time dedicated officer present on all the major catchments within our remit.

The culmination of all the separate outputs achieved by the major projects identified above plus all the other smaller, but no less important, projects that the charity has been involved in throughout 2019 (2018 in brackets where available) can be summarised as follows:

River protection including: fencing, planting, revetment, treatment for invasive species.

- 90km of river habitat improvement has taken place, helping to improve biodiversity and water quality (98km)

Rivers under surveillance including: fish surveys using electro fishing or other methods, chemical or bio-monitoring surveys.

- 22km of river walkovers have been completed, providing baseline information for 6 projects (base line river, water and soil tests undertaken 1,647)
- electrofishing sites 265 (275)

Improved fisheries including: fish pass installation or weir removal, in river habitat manipulation.

- 16 man-made barriers or trash dams in rivers have been eased or removed, ensuring fish can access spawning grounds more easily (21)
- 15km of rivers have been opened which improved fish passage in 3 rivers (29km)

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Improved land management including: areas subject to advice on management, areas where there is evidence of change in practice, areas surveyed in detail.

- 395 trees have been planted, helping to improve water quality, habitats, and carbon capture(-)
- 278 farms benefited from our assistance to support best practice for farming and nature (387)
- 3 rain gardens have been created in urban areas to help reduce risk of flooding (4)
- farm infrastructure projects completed 37 (37)

Education, evidence, and engagement including: student placements hosted or funded, number of third parties engaged, social media engagement.

- 80 volunteers took part in projects from river clean ups to water quality monitoring (-)
- 16 schools have taken part in our nature-based workshops, promoting an interest in STEM subjects (17)
- 1,054 children have been engaged in water-related projects, inspiring them to love water, rivers, and nature (806)

Financial review

2019 has seen further growth for the charity in both income, staff numbers and the diversity of the projects we are involved in. There have been many successes and challenges throughout the year and both have demonstrated the need for investment in our internal systems and structures to ensure that the charity is able to manage and cope with this and future growth, and continue to deliver our projects efficiently and effectively.

Specifically, as the charity approached staff numbers of 50 and an increasing number of projects it became essential to invest in financial systems. From January 2019 the charity utilises online time-sheeting and expense software and has also moved to a new accounting software to increase the speed and accessibility of financial information to Project Managers, thereby helping them to manage their projects more independently. This required an investment of both money, and more significantly time by the finance and support services team, but we are confident that the benefits of these new systems will be realised for years to come.

As staff numbers have grown it also became apparent that a skilled and experienced Human Resources (HR) professional was required to take on the increasing HR requirements of the charity. Towards the end of the year an independent review was commissioned to assess HR across the charity, highlight the key HR risks and provide a targeted list of HR priorities together with a timeline for implementation. This culminated in the appointment of a dedicated HR manager in February 2020, a huge and timely blessing given what was about to happen across the world with the advent of the coronavirus pandemic.

Reliance on project funding continues to be one of the key financial risks facing the charity. Our major sources of income in the year came from the UST 2 projects (£603k including £196k of restricted income and £407k of unrestricted income), CPES (£126k), PROWater (£90k) and the Water for Growth project (£456k). Additionally, the charity received a significant donation of £350k for our Plymouth River Keepers project. Overall income increased by £404k and with the exception of the Water for Growth project and the donations raised to support delivery of the CPES project, the nature of these projects were focussed on the delivery of advice, non-capital in-river fisheries work and engagement activities i.e. relied on staff resources. This meant that the charity undertook further recruitment in the year and has increased its' staffing levels from an average monthly headcount of 42 in 2018 to 45 in 2019. This is great news in terms of the continued general increase in our impact and our ability to pursue our objectives.

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TRUSTEES' REPORT (continued)

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The charity is involved in several EU funded projects which allows us to develop international partnerships and supports innovative new thinking and approaches to environmental issues at a supra regional level. However, participating in European projects leaves the charity exposed to exchange rate risk and 2019 was a particularly volatile year for the GBP/EUR exchange rate. Consequently, following a small exchange rate gain in the previous year, a notable exchange rate loss has been recorded in the current year. Details of the amount of exchange gains/(losses) recognised are disclosed in note 12. There can also be a significant delay between submitting claims for EU projects and receiving payment of the claim. This requires significant working capital to be available to fund these arrears-based projects which can result in a time lapse of c. 6 months between incurring expenditure and receiving payment. Monitoring cash flow and ensuring sufficient availability of working capital is therefore a complex challenge for the charity.

The charity's wholly owned trading subsidiary, Westcountry Rivers Limited (WRL), had a satisfactory year and although the results show a decrease in turnover of £81k from £217k in 2018 to £136k in 2019, the surplus made has only fallen by £10k from £34k in 2018 to £24k in 2019. This is largely due to a significant decrease in administration costs from the previous year, which has directly resulted in an increase in the amount of core funds distributed to the charity for use at its' discretion.

In developing its' ecosystem service activities the subsidiary has focussed on the provision of data and evidence to inform catchment partnerships, land management advice and training and water quality testing. There has also been a drive to win commercial fisheries work including the protection of eel populations (to meet regulatory requirements for clients), fish re-locations and non-native invasive species river surveys. In this respect there is significant alignment between the activities of the charity and the activities of its' trading subsidiary and the overall determination of where a project sits within the group largely comes down to the geographical location of the projects outputs and activities and the assessment of risk associated with the project. As these activities are actively sought to further the purposes of the charity by capitalising on the experience already gained, as opposed to being a purely fundraising activity, in accordance with SORP 4.54 the charity has analysed the income and expenditure associated with ecosystems service delivery and fisheries management as charitable activities in the consolidated accounts. Details of the breakdown of the subsidiary's income, expenditure and net assets are provided in note 6 to the accounts and in all other notes the income and expenditure is recorded in the totals for the relevant charitable activity to which it relates. The trustees are pleased with the subsidiary which generated a profit of £24,257 for the year which will be gift aided in full to the charity.

Investment powers and policy

The trustees, having regard to the liquidity requirements of the charity as a result of its' involvement in several major projects that are funded in arrears, wish to keep available funds in a combination of low risk short term bank deposits and an instant access current account.

Reserves policy and going concern

Reserves are needed to bridge the gap between expending and receiving income as many of the charity's projects, particularly the large EU projects, are funded in arrears. The charity can be required to provide cash flow for these projects for up to 6 months under normal operating, but this can increase to more than 12 months following the completion of projects. They also allow the charity to manage the impact of other risks it faces including unplanned costs, growth that requires investment in structures to support increased activity and staff, and as has happened during 2020 with the advent of COVID-19, unplanned events that cause the charity to cease a notable portion of activity for a notable period of time.

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From a positive perspective, reserves allow the charity to finance specific activities within its' charitable objectives that it cannot otherwise obtain support for from an external funder. Building reserves and reducing reliance on project specific funding will aid the charity to manage its' own destiny and to realise its' vision as set out in our 5-year plan to provide a dedicated long-term river officer for every catchment within the charity's geographical remit.

As a result of the unrestricted reserves that have built up to date the charity has had the funds available to invest in core systems and functions to help manage and enable future growth. During the current year unrestricted reserves have also been used to contribute to the charity's match funding commitments for two EU funded projects (SPONGE and USAR) and this allowed the charity to maximise the EU funding invested in the West Country via these two interesting and innovative projects that are due for completion in 2020.

The charities level of restricted reserves has increased by £261k from £588k at 31 December 2018 to £849k at 31 December 2019. Of this amount £239,139 is committed for grant payments to farmers, as set out in Note 23. Delivery of services by the charity, together with the contribution of the trading subsidiary, has enabled the charity to build its' unrestricted reserves in the current year by £177k from £739k at 31 December 2018 to £916k at 31 December 2019. The level of unrestricted funds regarded as free reserves, after allowing for funds tied up in tangible and intangible fixed assets, is £838,930.

The trustees had previously considered that the ideal level of free reserves was £500k. As noted earlier in the report, despite Brexit the charity has continued to win several new EU funded projects which increases the need for working capital due to being funded in arrears. Additionally, there are the risks around Brexit itself and uncertainty around the recoverability of EU project expenditure and the future income streams that will replace EU funding for the environment. Although the charity remains confident of the future, what funding for the environment will look like when we leave the EU is still uncertain and the charity are currently trying to prepare for this as best we can. For us this means investing in our structure to increase efficiency and effectiveness of delivery including in the current year, the recruitment of a skilled and dedicated Communications and Marketing Manager to lead and develop the charity's communications and let the public know who we are, what we do and why it is important for them and the communities they live in. We have also invested in a dedicated HR resource. These things mean that despite the notable increase in unrestricted reserves over recent years, the charity is expecting to utilise reserves in the future to ensure we increase our resilience and our ability to respond to the changing environment we operate in.

Therefore whilst the charity has achieved its' goal of reaching unrestricted free reserves of £500k, this goal has not currently been revised and this will be given greater thought during 2020 in conjunction with the updating of the five year Charity Plan (2020 – 2025).

The cash inflow from operating activities of £429,856 in 2019 is primarily due to the significant donation received in the year that is restricted for use on our Plymouth River Keepers project. This saw the charity receive £350k to be spent over the next 2 to 3 years. Creditors have remained consistent with the previous year and Debtors have only increased by £49k so have not materially impacted on the net cash inflow.

Our consolidated balance sheet remains strong with net current assets of £1,688k. The trustees have reviewed the circumstances of the charity and group and specifically, have considered the worst case scenario with regards to the impact of Brexit and the post balance sheet impact of the COVID-19 pandemic on the charity's ability to continue as a going concern. Whilst the situation is continually evolving, the trustees confirm that there are currently no material uncertainties related to the events unfolding and conditions arising as a result of Brexit or COVID-19 or any other factor, that currently casts significant doubt on the charity's ability to continue as a going concern and the trustees consider that adequate resources continue to be available to fund the activities of the charity and group for the foreseeable future.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Plans for future periods

In 2019 the charity celebrated its' 25year anniversary. The occasion was marked by a workshop and lunch at The Arundell Arms in Lifton where we invited friends and supporters to come and listen to stories about how the Trust was first conceived as an idea in that same room in 1994, and about how much has been achieved since then, how the Trust has changed and evolved and adapted, and how much there is still to do to realise our vision for the West Country's rivers, streams and watercourses. The commitment and contribution of past Trustees and staff was acknowledged, and they were thanked by both the Chairman and CEO and a fun afternoon of reminiscing was had by all.

Naturally celebrating an existence of 25 years brought into focus what we would like to achieve in the next 25 years and in 2020 we began working on our next 5-year Charity Plan (2020 – 2025). The underlying theme is that we want to expand our delivery both in terms of geographical area to increase our presence in the east of the region, and thematically to increase the range of environmental activities we are able to deliver including building on our skills and experience of working in urban landscapes and increasing our delivery of Natural Flood Management solutions. The plan is currently still in development, but we are excited about what the future has to offer.

In January 2020 the role of Communications and Marketing Manager was created by the internal promotion of our Communications and Marketing Officer who has been invaluable at raising the profile of the charity since joining in February 2019. One of the key responsibilities of this new role is to develop marketing material for each of the three main areas of activity, to clearly demonstrate to potential funders and clients the teams' skills and experience. This is considered essential to our success as we approach the end of the Brexit transition period and continue to try and diversify our funding sources.

In February 2020 we appointed a HR Manager to take on the HR roles and responsibilities of the charity, which has continued to see staff numbers increase to 53 at the time of this report. The Management Team are committed to ensuring the charity is a great place to work and that staff feel valued, supported, and connected to both the charity and their colleagues. This was getting harder and harder to ensure without a dedicated resource and as staff numbers continued to grow. A number of HR priorities have been identified and already the existence of this role has shown its' value. Ultimately, we would like the charity to be acknowledged as an excellent employer who recognises and values the contribution made by its' key asset.

We continue to be actively involved in catchment partnerships throughout the region and are committed to the future of partnership working. We feel our open and inclusive attitude places us in a strong position to develop and push forward catchment partnerships, bringing in previously unengaged parties, to realise improvements to water quality and resources.

During 2019 we further increased our involvement in new projects aimed at alleviating flood risk within catchments using natural flood management (NFM) techniques and we now have a specific role within a significant project to develop and deliver NFM solutions. We would like to build on this further in 2020 winning more projects of this nature and continuing to expand our skills and experience.

We would like to capitalise on the successful development of working with local businesses, brought about via the CPES project, and continue to raise interest and awareness in wider circles to see more people and businesses getting involved in conversations and activities and thinking about the impact of their actions on the local water environment. Increasing this engagement and interest, particularly within previously unengaged audiences, will continue to be a focus of our activities.

April 2020 saw the launch of the third five-year phase of the Upstream Thinking Project funded by South West Water. Again the focus of this phase has evolved from previous iterations of the project and now includes a greater emphasis on biodiversity as well as water quality, providing us with the opportunity to include habitat enhancements on farm and aligning with the changing focus of policy and support for broader environmental benefits by recognition of the value of our natural assets.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Following the introduction of the Agriculture Bill 2020 the Environmental Land Management System (ELMS) is being developed by DEFRA as a potential new system of supporting farmers based on rewarding them for the provision of wider environmental services, replacing the schemes currently available under the EU's Common Agricultural Policy. The main areas farmers will be expected to deliver on include clean air, reductions in environmental hazards and pollution, thriving plants and wildlife, clean water, enhanced landscapes, and measures to minimise the effects of climate change. This is wholly in line with the charity's holistic approach to environmental management and we are keen to be involved in the development of the scheme. Trials have been approved throughout England and Wales to inform the detail of the scheme and we have a leading role in the approved trial being undertaken in East Devon. This will allow us to learn and see the scheme in practice, to form an opinion and provide feedback to DEFRA on the reality of implementing the scheme and valuing the benefits provided. Direct experience of advising farmers and landowners and delivering the scheme will also allow us the opportunity carve ourselves a key role in providing future advice to these groups as part of a comprehensive suite of options for them to pursue.

- Since the employment of our first Operations Delivery (Ops) team member in 2017 the Ops team have continued to go from strength to strength. They are increasingly involved in projects across all teams and approach habitat improvements with a methodology and attitude that is fully aligned with the charity's ethos and aspirations. They have demonstrated competence in the delivery of a wide range of interventions including tree planting, gravel augmentation and gravel cleaning, in-river and bankside habitat improvements, regularly created using on-site material providing refuge for fish, acting as sediment traps and providing bank protection. The team was boosted in 2019 with the recruitment of our first Ops team apprentice and this approach to developing the team is considered such a success that we intend to recruit another apprentice in 2020. Going forwards we would like to grow this area of delivery and increase the team's skills and capabilities to include the creation and/or installation of NFM solutions.

Brand recognition, in terms of members of the public knowing who we are, what we do and how it positively impacts on society continues to be an ongoing struggle. Positive progress has been made, particularly since the recruitment of a dedicated Communications and Marketing resource, and we would like to continue to develop our engagement activities in the hope of increasing support and interest in our cause.

The uncertainty caused by Brexit continues to be an area of key concern as set out earlier in this report. The charity will adapt its strategies and plans as the situation is clarified.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Reference and administrative details

Charity number: 1135007
Company number: 06545646
Registered office: Rain-charm House, Kyl Cober Parc, Stoke Climsland, Cornwall, PL17 8PH

Our Advisors

Auditors: PKF Francis Clark, Sigma House, Edginswell Park, Oak View Close, Torquay
TQ2 7FF
Bankers: Barclays Bank Plc, The Parade, Liskeard, Cornwall PL14 6AR

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year-end were as follows:

Key Management Personnel: Trustees and Directors

Chairman of the Trust
C Huntington-Whiteley

Chairman of the Management Board
A Fox-Edwards

President of the Trust
M D Martin MBE (resigned as a Trustee 7 June 2019)

Other Trustees
P Arnott
D Butler
The Lord Clinton
W Darwall
Sir Simon Day
A Gray
G Hart
Sir David Hoare Bt
J Ingham Clark
Dr K Lancaster
H B Llewellyn
R Simpson
A Southall
Dr A Torrance
W F Wyldbore-Smith

Company Secretary
K Sivorn

Key Management Personnel: Reporting Directly to Trustees and Directors

Chief Executive Officer: L Couldrick
Head of Finance: K Sivorn

WESTCOUNTRY RIVERS TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance, and management

Governing document

Westcountry Rivers Trust is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission.

Appointment of trustees

The introduction and recruitment of trustees is by recommendation of existing trustees and personal contacts with other organisations or landowners with related environmental or rivers' trust interests. The charity aims to maintain a broadly respected body of trustees with sufficient experience to provide strong governance and to add value to the charity's decision making.

During the year the Trustees commissioned an independent review of the charity's Governance structure and from this it was identified that there were some gaps in the diversity and skills matrix of the current Trustee Board. In a departure from previous practice, and in order to address the gaps, the Board took the decision to use a Charity recruitment specialist to specifically target and identify suitable Trustees to fill the gaps, whilst also selecting individuals who will bring with them the same passion and enthusiasm for the charity and its' work that the existing Trustees have. As a result of this process the charity is expecting to appoint 3 new Trustees at its' AGM in November 2020.

The right to approve the nomination of a trustee rests with the South West Rivers Association which is an unincorporated association representing the river associations in Devon and Cornwall. The final power of appointment rests with the trustees in general meeting. One fifth of the trustees are required to retire by rotation each year.

Trustee induction and training

Following their appointment each new trustee receives a briefing pack outlining their role and providing information on the duties of a trustee including their legal obligations under charity and company law, a copy of the Memorandum and Articles of Association, a copy of the most recent audited trustees report and financial statements, and the most recent management accounts and board minutes. The trustee will have several opportunities to meet the management of the charity and to shadow charity staff in carrying out their duties should they so wish.

The trustees are also directed to the charity and subsidiary's website as a source of further information on the background of the group and all its' current activities.

Organisation

The full trustee board meet twice a year to consider the overall direction of the charity and its future development and to receive information about the current major issues affecting the charity's activities. One of the meetings includes the annual general meeting of the company.

The trustees have delegated the general management of the charity to a management board under a scheme of delegation that sets out how the charity makes decisions and how decision making is delegated to the management board and the executive team. Management board meet on a bi-monthly basis. The management board consists of a selection of three trustees and the executive team and provides a key forum for liaison between the trustees and the executive team. Management board receive detailed reports covering delivery and finance and they monitor the performance of the charity and trading subsidiary against budgets and targets for the year. They also consider the future development of the group and long-term plans.

All trustees receive a summary report following each meeting of management board to ensure they are kept up to date with charity activities.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Details of trustee expenses and related party transactions are disclosed in notes 13 and 15 to the accounts. Where a trustee might indirectly benefit from improved fish stocks or habitat this is incidental.

Any connection between a trustee or employee of the charity with a supplier, beneficiary or partner must be disclosed to the management of the charity. Written confirmation of potential related party relationships and conflicts of interest is obtained from staff on an ongoing basis throughout the year, as and when a connection or conflict arises. All Trustee related parties and interests are documented in a Register and this is reviewed on an annual basis. At the AGM Trustees are asked to confirm that the Register contains a complete list of their interests and they are asked to declare any known conflicts of interest arising since their last declaration.

The charity's wholly owned subsidiary, Westcountry Rivers Limited, provides environmental services as set out in the achievements and performance section above. It is an ethos driven consultancy that gift aids its profits in full to the charity.

The charity works in partnership with several other third sector organisations, government organisations, South West Water, universities, and other funders to achieve our charitable objectives. The charity is fully supportive of The Rivers Trust, the umbrella organisation for rivers trusts nationally. The charity administers the payroll for The Rivers Trust employees and the CEO is also a Trustee and Director of The Rivers Trust.

Pay policy for senior staff

The charity follows the principles of the remuneration pay scale guidelines issued by The Rivers Trust. The charity reviews pay annually and may make selective awards based on performance and a willingness to accept greater responsibility. Cost of living increases are also considered, but the charity is unable to commit to an automatic incremental award for all staff on an annual basis. Pay reviews are carried out by the executive team and a recommendation is made to the management board who have the final say on approval of the suggested increases.

Risk management

The trustees have a risk management strategy which comprises:

- a comprehensive risk register which is subject to an annual review of the principal risks and uncertainties that the charity and its' subsidiary face;
- the establishment of policies, systems, and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Risk is assessed at several levels including identifying risks relevant to the charity and subsidiary overall, and project specific and activity specific risks. All staff receive training to assist in minimising risks to themselves and others, particularly in respect of risks related to fieldwork and health and safety. Insurance cover is reviewed at least annually, and the level of cover is considered adequate for the potential liabilities of the charity.

In 2020 the risk management response of the charity has been tested with the advent of the COVID-19 pandemic which has caused notable disruption to the charity's operations and delivery of its' activities. The scale and duration of the pandemic remains uncertain but there may potentially be further impacts on the charity and the principal risks arising from the current uncertain situation have been noted below, in addition to the permanent and ongoing key risks that the charity faces.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees have determined that the principal risks facing the charity and the steps taken to mitigate those risks are as follows:

- lone working: many of our staff undertake lone working which can involve them entering the river and/or walking remote areas of the countryside. The charity takes its responsibility for the health and safety of our staff extremely seriously and a detailed policy and procedure is in place including a buddy system and a clear action plan should emergency procedures need to be instigated.
- staff working in other dangerous situations and/or with dangerous equipment: since establishing an in-house Operations Delivery Team (Ops) in 2017 the team have expanded the range of activities they can deliver. Many of these activities require specific safety training to be carried out, qualifications achieved, rigorous completion of risk assessments and following a recognised protocol. As noted above, Health and Safety across the Trust is given great importance and this team specifically undertakes a significant amount of training and refresher courses to ensure they are on top of the latest developments in safety procedures and have the appropriate kit to keep them and others safe whilst they are at work. The Ops team are fully aware of and have been involved in the development of the Health and Safety policy in recent years and any breaches would be considered extremely serious due to the nature of their work and the potential for significant injury or death.
- cash flow: as a result of several of the charity's major projects being run in arrears careful cash flow management and planning is necessary. The charity aims to mitigate this risk by balancing the range of projects we have between those funded in advance, those funded in arrears and those where a quick turnaround between expenditure and income is expected. Additionally, we engage in continuous financial forecasting and implementing plans to maintain our reserves at or above our target reserves figure. This will become more challenging going forwards as due to COVID-19 we are operating in a continuously changing environment with increased levels of uncertainty, however, the charity assumes a prudent approach to financial forecasting and together with considering alternative future scenarios is confident that cash flow can be actively managed to ensure financial sustainability.
- dependency on a few sources of income: The charity aims to mitigate this risk by continuously developing new project ideas on which to build our bidding activity, developing partnerships and identifying the best match funding opportunities available to maximise the combined impact to the environment.
- loss of key staff: the charity values all its employees and actively pursues a system of ensuring both the career and personal development of staff including training, staff appraisals and pay and reward policies aligned to the sector.

As a result of the significant levels of funding received from EU sources historically, Brexit is considered a risk, however the charity is working hard to minimise any negative impact and will adapt its strategies and plans as the future becomes clearer.

The following key risks are considered to arise as a direct result of the COVID-19 pandemic:

- significant fall in future income: due to the wide-reaching impact of the virus and the huge economic and social disruption, the charity may find itself in a situation where there are limited future funding opportunities as funding and resources are diverted to address the social and economic impacts, in priority of environmental initiatives. The charity has an active team of staff who are involved in identifying funding opportunities and they meet regularly to co-ordinate bids and tenders. Staff are led by senior managers and the outcome of their meetings will identify a decrease in opportunities. Together with close monitoring of the cash flow and internal resource planning systems, the charity is confident it can actively manage this risk and respond to the changing environment in a timely manner.

WESTCOUNTRY RIVERS TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

- uncertainty around future lockdowns: much of our work is delivered outdoors in the environments we are trying to protect, and lockdown makes this impossible. Fortunately, there is also a significant amount of reporting and desk based work delivered within our projects and this enabled us to see our way through the previous lockdown relatively unscathed, thanks in part to the Government's Coronavirus Job Retention Scheme. However, the withdrawal of this scheme would make future lockdowns much more difficult to manage. It is difficult to mitigate this risk as it is completely outside of our control however we are attempting to build resilience within the charity, as detailed throughout this Trustees Report, to put it in the best position possible to face any future scenario that may materialise.

Trustees responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Westcountry Rivers Trust for the purposes of company law) are responsible for preparing a trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

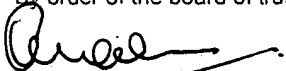
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees on 27th November 2020:



C Huntington-Whiteley (Chairman)

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTCOUNTRY RIVERS TRUST
FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Westcountry Rivers Trust (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the group and charity financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTCOUNTRY RIVERS TRUST
FOR THE YEAR ENDED 31 DECEMBER 2019

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (including the Strategic Report).

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

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement (set out on page 20), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTCOUNTRY RIVERS TRUST
FOR THE YEAR ENDED 31 DECEMBER 2019

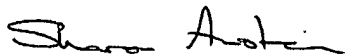
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: 2 December 2020

WESTCOUNTRY RIVERS TRUST

(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income from:					
Donations	4	16,927	464,512	481,439	47,955
Charitable activities	5	984,156	1,388,466	2,372,622	2,386,729
Other trading activities	6	69,816	-	69,816	72,167
Investments	7	4,783	-	4,783	4,176
Other		9,385	-	9,385	22,555
Total		1,085,067	1,852,978	2,938,045	2,533,582
Expenditure on:					
Raising funds	8	77,352	-	77,352	108,840
Charitable activities	9	827,061	1,595,087	2,422,148	2,337,268
Total		904,413	1,595,087	2,499,500	2,446,108
Net (losses) /gains on investments	21	76	-	76	(109)
Net income		180,730	257,891	438,621	87,365
Transfers between funds	24	(3,317)	3,317	-	-
Net movement in funds		177,413	261,208	438,621	87,365
Reconciliation of funds					
Total funds brought forward		738,924	587,805	1,326,729	1,239,364
Total funds carried forward	24	916,337	849,013	1,765,350	1,326,729

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

The notes on pages 29 to 53 form part of these financial statements.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

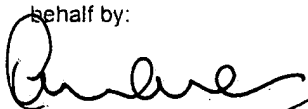
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Intangible assets	17	4,604	5,780	4,604	5,780
Tangible assets	18	72,803	61,210	72,803	61,210
Investments	19	-	-	100	100
		<u>77,407</u>	<u>66,990</u>	<u>77,507</u>	<u>67,090</u>
Current assets					
Debtors	20	1,024,581	975,808	972,860	950,171
Investments	21	423	347	423	347
Cash at bank and in hand		920,838	537,419	912,842	496,971
		<u>1,945,842</u>	<u>1,513,574</u>	<u>1,886,125</u>	<u>1,447,489</u>
Liabilities					
Creditors falling due within one year	22	(257,899)	(253,835)	(233,270)	(232,856)
Net current assets		<u>1,687,943</u>	<u>1,259,739</u>	<u>1,652,855</u>	<u>1,214,633</u>
Total assets less current liabilities		<u>1,765,350</u>	<u>1,326,729</u>	<u>1,730,362</u>	<u>1,281,723</u>
Net assets		<u>1,765,350</u>	<u>1,326,729</u>	<u>1,730,362</u>	<u>1,281,723</u>
The funds of the charity:					
Unrestricted funds	24	916,337	738,924	881,349	693,918
Restricted funds	24	849,013	587,805	849,013	587,805
Total charity funds		<u>1,765,350</u>	<u>1,326,729</u>	<u>1,730,362</u>	<u>1,281,723</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 29 to 53 form part of these financial statements.

The financial statements were approved by the trustees on 27th November 2020 and signed on their behalf by:


C Huntington-Whiteley
Chairman

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash from (used in) operating activities	26	429,856	(131,453)	462,308	(61,767)
Cash flows from investing activities					
Interest income		4,783	4,176	4,783	4,176
Purchase of intangible assets		-	(5,878)	-	(5,878)
Purchase of tangible fixed assets		(51,220)	(54,060)	(51,220)	(54,060)
Cash provided by (used in) investing activities		(46,437)	(55,762)	(46,437)	(55,762)
Increase (decrease) in cash and cash equivalents in the year		383,419	(187,215)	415,871	(117,529)
Cash and cash equivalents at the beginning of the year		537,419	724,634	496,971	614,500
Cash and cash equivalents at the end of the year		920,838	537,419	912,842	496,971

The notes on pages 29 to 53 form part of these financial statements.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting Policies

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

- a) Basis of preparation of financial statements and assessment of going concern**
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 (March 2018)) and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, see Trustees Report for further details.

Westcountry Rivers Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

- b) Group financial statements**
The financial statements consolidate the results of the charity and its wholly owned subsidiary Westcountry Rivers Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

- c) Income**
All income, including income from government and other grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the performance of services is recognised in accordance with the stage of completion as determined by reference to the contract specifications. This can be by milestones delivered, time spent by staff compared to the time budgeted for delivery of the contract or more commonly by costs incurred compared to total expected costs.

In the previous year we acted as lead partner and principal for the Fishtrail project. Receipts and payments for project partners are included in the Statement of Financial Activities on an accrual basis. The income is included within income from charitable activities and the expenditure as grants to institutions included within expenditure on charitable activities.

- d) Fund accounting**
Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds received which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in note 24 to the financial statements.

WESTCOUNTRY RIVERS TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

d) Fund accounting (cont.)

Investment income, gains and losses are allocated to the appropriate fund.

Transfers between funds are executed for projects which have been completed but have required support from the charity's unrestricted funds to ensure maximum impact of the project, or where the fund has a remaining surplus. Transfers of a surplus to unrestricted funds only take place with the funders' consent.

e) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including costs of the wholly owned trading subsidiary that do not relate to charitable activities, and their associated support costs.
- Expenditure on charitable activities comprise the costs of delivering projects and educational activities undertaken to further the purposes of the charity and includes some of the activities of the wholly owned trading subsidiary where these are clearly linked to charitable activities but cannot be carried out by the charity directly, usually due to the geographical restriction within the charity's governing document. It also includes associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable are included in expenditure in the year in which the offer is made and communicated to the recipient except in those cases where the offer is conditional. Conditional grants are recognised as expenditure when the performance related conditions set out in the grant agreement are fulfilled. Grants offered subject to conditions which have not been met at the year-end, are noted as a commitment, but not accrued in expenditure.

f) Employee benefits

Expenditure on redundancy payments and other termination benefits are recognised once there is a legal or constructive obligation to make a payment to an employee, it is probable that the employment will be terminated and settlement will be required, and the amount of the obligation can be measured reliably.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, and governance costs which support the charity's delivery of projects and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 11.

h) Operating leases

Rental charges under operating leases are charged on a straight-line basis over the term of the lease.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

i) Intangible assets

Intangible assets relate to the purchase of timesheet and expenses software. Intangible assets are capitalised at cost and are amortised over their estimated useful economic life as follows:

Software	25% straight line
----------	-------------------

The amortisation rate reflects the charity's assessment of the period over which economic benefits will flow to the charity as a result of reduced staff time costs before the software will face significant risk of technological obsolescence.

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

j) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Furniture, fittings and equipment	25-33% straight line / 50% reducing balance
-----------------------------------	---

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

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is recognised where the criteria for recognising income has been met at the year-end but the claim or invoice has not been submitted/issued until after the year-end.

The charity and trading subsidiary undertake the delivery of multiple projects that span several months and can cross the year-end. Amounts recoverable on contracts are recognised based on their stage of completion and measured at cost plus profit to the extent that such profit is reasonably certain and after making provision for any foreseeable losses in completing contracts, less payments on account received.

l) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash held in current and savings accounts in UK banking institutions and short term highly liquid investments with a maturity of three months or less from the date of deposit.

WESTCOUNTRY RIVERS TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

n) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due. Creditors are discounted to their present value where they are due after more than 12 months and where the impact of discounting is material.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

p) Pensions

The charity operates a defined contribution pension scheme and membership is open to all employees of the charity and its trading subsidiary. The assets of the scheme are held separately from those of the charity. The charity matches employee contributions of 4% with an employer contribution of 7% and the contributions are paid into the fund monthly. The contributions made for the accounting period are treated as an expense and were £64,111 (2018: £54,762). Contributions totalling £nil (2018: £nil) were payable to the fund at the balance sheet date.

q) Funds received as Agent

In the current and previous year, the charity has acted as agent in administering the payroll of The Rivers Trust. The receipts from The Rivers Trust are not recognised as income and the payments to employees and HMRC are not recognised as expenditure in the Statement of Financial Activities.

r) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains are recognised as other income in the Statement of Financial Activities and exchange losses are recognised as a support cost and allocated as set out in g) above.

s) Classification of income and expenditure of the wholly owned trading subsidiary

The charity's trading subsidiary provides a number of services focussed on using the skills and experience developed in the charity to promote ecosystem services nationally and support delivery of the charity's objectives on a national scale. These activities are actively sought to further the purposes of the charity rather than a purely fundraising activity. Charities SORP (FRS 102) states that activities undertaken by a subsidiary that fall within a parent charity's purposes should be analysed as charitable activities in the consolidated financial statements.

The trustees believe that this classification reflects the true impact that the charity and the group has in achieving its charitable objectives and that information presented in this way is more relevant to assessing the charity's activities and achievements.

All income and expenditure derived from charitable activities carried out by the trading subsidiary have been included within income from/expenditure on charitable activities, see note 6 for details.

WESTCOUNTRY RIVERS TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The Trust is incorporated in England and Wales.

3 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which provides an array of environmental consultancy services.

The summary financial performance of the charity alone is:

	2019 £	2018 £
Income	2,801,904	2,316,935
Management charge to subsidiary company	7,200	7,200
Gift aid from subsidiary company	34,275	7,194
	<u>2,843,379</u>	<u>2,331,329</u>
Expenditure	(2,394,816)	(2,270,936)
Net (loss)/gain on investments	76	(109)
	<u>2,394,740</u>	<u>(2,271,045)</u>
Net income/(expenditure)	448,639	60,284
Total funds brought forward	1,281,723	1,221,439
Total funds carried forward	<u>1,730,362</u>	<u>1,281,723</u>
Represented by:		
Unrestricted income funds	881,349	693,918
Restricted income funds	849,013	587,805
	<u>1,730,362</u>	<u>1,281,723</u>

4 Income from donations

Income from donations was £481,439 (2018: £47,955) of which £16,927 was unrestricted (2018: £23,436) and £464,512 restricted (2018: £24,519).

As noted in the trustees report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5 Income from charitable activities

	2019 £	2018 £
Protecting rivers	1,028,120	979,715
Balancing land use	984,818	1,107,227
Engaging people	359,684	299,787
Total income from charitable activities	2,372,622	2,386,729

Income from charitable activities was £2,372,622 (2018: £2,386,729) of which £984,156 was unrestricted (2018: £1,102,673) and £1,388,466 restricted (2018: £1,284,056).

Included within unrestricted income from charitable activities above is income generated by the subsidiary from charitable activities of £66,325 (2018: £144,480). Further details of the trading subsidiary's operations and results are included in note 6.

Government grants received in the year and included in income from charitable activities above amount to £1,088,205 (2018: £944,301). Government grants were received from the Environment Agency (£305,229), the European Union (£765,065) and Natural England (£17,911). Further details of the nature and amount of government grants recognised in the accounts are included in note 24.

6 Income earned from other trading activities

The wholly owned trading subsidiary Westcountry Rivers Limited is incorporated in the United Kingdom (company number 3090310) and pays all its profits to the charity under the gift aid scheme. Westcountry Rivers Limited provides environmental consultancy services that both directly further the charitable purposes of the charity or otherwise complement the charity's activities through its provision of ecological services. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	Charitable Activities	Other Trading Activities	2019 £	2018 £
Turnover	66,325	69,816	136,141	216,647
Cost of sales	(36,600)	(60,326)	(96,926)	(131,532)
Gross profit	29,725	9,490	39,215	85,115
Administration costs (incl. management charge)			(14,958)	(50,840)
Net profit			24,257	34,275

WESTCOUNTRY RIVERS TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6 Income earned from other trading activities (cont.)

	2019 £	2018 £
Opening capital and reserves	45,006	17,925
Net profit for the year	24,257	34,275
Distribution: donation gift aided to the charity	(34,275)	(7,194)
Closing capital and reserves	34,988	45,006
The assets and liabilities of the subsidiary were:		
Current assets	112,929	128,922
Current liabilities	(77,941)	(83,916)
Total net assets	34,988	45,006
Share capital and reserves	34,988	45,006

The charity's subsidiary company provides a number of services that are in furtherance of the charity's objectives but that cannot be carried out by the charity due to the geographical restriction within the charity's governing document limiting its area of operation to the West Country. These services cover all the charity's charitable activities and in accordance with SORP (FRS 102) income and expenditure from the provision of these services has been included within unrestricted income from/expenditure on charitable activities in the consolidated financial statements.

7 Investment income

All the group's investment income of £4,783 (2018: £4,176) arises from money held in interest bearing deposit accounts.

8 Analysis of expenditure on raising funds

	2019 £	2018 £
Commercial trading operations	68,084	96,800
Salaries and other staff costs	42	220
Support costs	9,226	11,820
Total expenditure on raising funds	77,352	108,840

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9 Analysis of expenditure on charitable activities

Current Year

	Activities Undertaken Directly £	Grant Funding of Activities £	Support Costs £	Total 2019 £
Protecting rivers	826,009	2,257	130,874	959,140
Balancing land use	661,048	274,149	138,732	1,073,929
Engaging people	278,639	47,565	62,875	389,079
Total	1,765,696	323,971	332,481	2,422,148

Previous Year

	Activities Undertaken Directly £	Grant Funding of Activities £	Support Costs £	Total 2018 £
Protecting rivers	749,710	63,117	124,450	937,277
Balancing land use	655,089	328,813	146,120	1,130,022
Engaging people	209,466	14,533	45,970	269,969
Total	1,614,265	406,463	316,540	2,337,268

Expenditure on charitable activities was £2,422,148 (2018: £2,337,268) of which £827,061 was unrestricted (2018: £881,255) and £1,595,087 was restricted (2018: £1,456,013).

Included within unrestricted expenditure on charitable activities above is expenditure incurred by the subsidiary on charitable activities of £36,600 (2018: £78,372). Further details of the trading subsidiary's operations and results are included in note 6.

10 Analysis of grants

Grants to individuals

	Total 2019 £	Number of grants 2019	Total 2018 £	Number of grants 2018
Protecting rivers	2,257	1	2,352	2
Balancing land use	274,149	32	328,813	35
Total	276,406	33	331,165	37

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10 Analysis of grants (cont.)

Grants to organisations

	Total 2019 £	Number of grants 2019	Total 2018 £	Number of grants 2018
Protecting rivers	-	-	60,765	8
Engaging people	47,565	5	14,533	2
Total	47,565	5	75,298	10

Recipients of institutional grants in the current year were partner organisations in projects in which the charity was the lead partner.

11 Analysis of governance and support costs

The charity initially identifies the cost of its support functions. It then identifies those costs which relate to the governance function. Having identified these costs, the support costs together with the governance costs are apportioned between the three key charitable activities undertaken in the year (see note 9). Support costs are not allocated to grant making specifically as all grant making is undertaken within the remit of specific projects and therefore the key driver of grant making activities is the time spent by staff delivering the projects that form part of each charitable activity. All support costs are allocated based on the direct labour hours charged by staff to each activity in the year. The analysis of support costs is as follows:

Current Year

	Raising Funds £	Protecting rivers £	Balancing land use £	Providing evidence & engaging people £	Total 2019 £
Salaries and other staff costs	3,634	51,549	54,644	24,765	134,592
Travel and subsistence	48	683	724	328	1,783
Professional fees	306	4,344	4,604	2,087	11,341
Finance costs and exchange losses	609	8,632	9,150	4,147	22,538
Office costs	2,042	28,970	30,710	13,918	75,640
Communication and engagement	110	1,554	1,648	747	4,059
Depreciation and amortisation	1,070	15,177	16,087	7,291	39,625
Other costs	869	12,333	13,074	5,925	32,201
Governance	538	7,632	8,091	3,667	19,928
Total	9,226	130,874	138,732	62,875	341,707

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11 Analysis of governance and support costs (cont.)

Previous Year

	Raising Funds £	Protecting rivers £	Balancing land use £	Providing evidence & engaging people £	Total 2018 £
Salaries and other staff costs	5,906	62,181	73,009	22,969	164,065
Travel and subsistence	49	519	610	192	1,370
Professional fees	150	1,576	1,850	582	4,158
Finance costs and exchange losses	81	851	999	314	2,245
Office costs	2,382	25,081	29,448	9,265	66,176
Communication and engagement	180	1,898	2,228	701	5,007
Depreciation and amortisation	1,328	13,979	16,413	5,164	36,884
Other costs	1,014	10,676	12,535	3,943	28,168
Governance	730	7,689	9,028	2,840	20,287
Total	11,820	124,450	146,120	45,970	328,360

12 Net income/(expenditure) for the year

This is stated after charging:

	2019 £	2018 £
Operating equipment – leases	1,004	1,004
Amortisation	1,176	98
Depreciation	38,449	36,786
Exchange (gains)/losses recognised	19,825	(6,327)
Auditors remuneration:		
Audit fees	10,100	8,000
Accountancy and tax services	895	-
First Level Controller services	11,897	6,554

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13 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2019 £	2018 £
Salaries	1,183,882	1,152,468
Social security costs	106,195	105,787
Pension costs	64,111	54,762
	<u>£1,354,188</u>	<u>1,313,017</u>

One employee had employee benefits in excess of £60,000 (2018: one) falling within the following bands:

	2019 £	2018 £
£70,000 - £79,999	1	1

Pension costs are allocated to funds and activities in proportion to the related staffing costs incurred.

The charity trustees were not paid nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2018: £nil). One trustee received re-imbursement for travel expenses in the current year amounting to £55 (2018: £nil). One retiring Trustee was given a gift. The cost to the Trust was £175 (2018: one Trustee was given a gift with a cost of £165.). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

The key management personnel of the group comprise the trustees, the Chief Executive Officer, and the Head of Finance (in the previous year it also included the Commercial Director and the Interim Head of Finance). The total employee benefits of the key management personnel of the group were £130,873 (2018: £179,608).

During the year one employee of the charity ceased employment and the charity made a termination payment to this employee amounting to £16,000, in addition to a payment in lieu of two months' notice amounting to £6,367 (2018: one member of the key management personnel of the Charity was made redundant and the charity made a redundancy payment to this employee amounting to £28,318).

The charity pays an insurance premium to indemnify trustees and senior staff from any loss arising from the neglect or default of trustees or staff and any consequent loss.

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14 Staff numbers

The average monthly head count was 45 staff (2018: 42) and staff were engaged in the activities of the group as follows:

	2019 £	2018 £
Trading	2	4
Project delivery staff	37	32
Core support staff	6	6
	<u>45</u>	<u>42</u>

15 Related party transactions

The trustees have considered related parties and have identified the following transactions requiring disclosure:

- During the year the charity received donations from trustees and grant making organisations controlled by trustees of £10,890 (2018: £9,558).
- During the year the charity received donations from South West Rivers Association of £200 (2018: £200).
- Polly Couldrick, wife of the CEO, is employed by the charity on a zero hours contract and is subject to the same terms and conditions of employment as all other members of staff.
- During the year the charity held events/used the facilities at the Arundell Arms on two occasions (2018: nil). The Arundell Arms is a country hotel owned and managed by Adam Fox-Edwards. Adam Fox-Edwards is a Trustee of the charity. The transactions were entered into on an arm's length basis. The total value of transactions in the year was £1,735 (2018: £nil) and at the year-end the balance owed to the Arundell Arms by the charity was £nil (2018: £nil).
- During the year Clinton Devon Estate received approval from Defra for their application to carry out an 'Environmental Land Management' scheme (ELMs) trial on their Estate. An employee of the charity assisted the Estate with their application and has a role within the trial to provide 200 days of management and support to the Estate throughout the trial. The Estate is owned by Lord Clinton and his family. Lord Clinton is a Trustee of the charity. The Trial is being managed by the Estate office independently of Lord Clinton. The transactions are carried out on an arm's length basis and are within the normal course of activity for the charity. The total value of transactions in the year was £4,658 (2018: £nil) and at the year-end the balance owed to the charity by Clinton Devon Estate was £4,601 (2018: £nil).

16 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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17 Intangible assets

	Group Software £	Charity Software £
Cost:		
As at 1 January 2019	5,878	5,878
Additions	-	-
Disposals	-	-
As at 31 December 2019	<u>5,878</u>	<u>5,878</u>
Amortisation:		
As at 1 January 2019	98	98
Charge for the year	1,176	1,176
On disposals	-	-
As at 31 December 2019	<u>1,274</u>	<u>1,274</u>
Net book value:		
As at 1 January 2019	<u>5,780</u>	<u>5,780</u>
As at 31 December 2019	<u>4,604</u>	<u>4,604</u>

18 Tangible fixed assets

	Group Furniture, Fittings & Equipment £	Charity Furniture, Fittings & Equipment £
Cost:		
As at 1 January 2019	356,315	355,518
Additions	51,220	51,220
Disposals	(13,727)	(13,675)
As at 31 December 2019	<u>393,808</u>	<u>393,063</u>
Depreciation:		
As at 1 January 2019	295,105	294,308
Charge for the year	38,449	38,449
On disposals	(12,549)	(12,497)
As at 31 December 2019	<u>321,005</u>	<u>320,260</u>
Net book value:		
As at 1 January 2019	<u>61,210</u>	<u>61,210</u>
As at 31 December 2019	<u>72,803</u>	<u>72,803</u>

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19 Fixed asset investments

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company Westcountry Rivers Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of the trading subsidiary are summarised in note 6. The registered office of Westcountry Rivers Limited is Rain-Charm House, Kyl Cober Parc, Stoke Climsland, Cornwall, PL17 8PH

20 Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	102,100	65,041	-	-
Other debtors	234,442	306,998	234,442	306,998
Prepayments and accrued income	688,039	603,769	685,206	580,336
Amount due from subsidiary undertaking	-	-	53,212	62,837
	1,024,581	975,808	972,860	950,171

21 Current asset investments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Market value as at 1 January	347	456	347	456
Unrealised gain/(loss) on revaluation	76	(109)	76	(109)
Market value as at 31 December	423	347	423	347

Investments are carried at their fair value. Investments consist of equities traded on the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, by reference to the London Stock Exchange website.

22 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	24,511	31,290	17,416	29,721
Other creditors	1,476	115	1,576	215
Accruals	99,451	91,393	95,304	79,517
Payments received on account for contracts	27,497	45,658	13,988	38,024
Social security and other taxes	104,964	85,379	104,986	85,379
	257,899	253,835	233,270	232,856

WESTCOUNTRY RIVERS TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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23 Grant Commitments

The charity entered into a number of grant agreements during the year that have not been recognised as a liability in these accounts. These funding commitments are made to farmers as part of the SWW Upstream Thinking project. The charity enters into grant agreements to fund a proportion of the total value of capital works being undertaken by the farmer to improve raw water quality. No grant is payable unless the capital works are completed in full and in accordance with the approved works set out in the grant agreement. Once the commitment has been made, the timeframe for it to be realised is variable depending on the scale of the capital works undertaken. The charity generally expects commitments to be realised within one year of being made.

Grant commitments are funded by South West Water within the scope of the SWW Upstream Thinking project. All income to meet grant commitments and subsequent expenditure representing grant payments to farmers are separately recognised in a restricted fund (note 24). At the year-end the charity had grant commitments equal to the restricted fund balance of £239,139 (2018: £310,461).

24 Analysis of charitable funds: Analysis of movements in unrestricted funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2019 £
General fund	738,924	1,085,067	(904,413)	(3,317)	76	916,337

Analysis of charitable funds: Analysis of movements in restricted funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2019 £
3 Rivers Project*	8,521	-	(8,473)	(48)	-	-
Barnstaple Yeo*	-	97,289	(50,062)	-	-	47,227
Bradford Weir Easement*	-	29,000	(17,266)	-	-	11,734
CaBA North Devon*	18,897	-	(17,427)	-	-	1,470
CaBA South Devon*	5,645	15,000	(19,551)	-	-	1,094
CaBA Tamar*	14,441	15,000	(12,191)	-	-	17,250
CPES*	-	125,889	(125,889)	-	-	-
CPES Donations	-	50,633	-	903	-	51,536
Dartmoor Dips*	5,261	-	(3,685)	-	-	1,576
Dartmoor Headwaters NFM*	-	7,000	(6,171)	48	-	877
Deer Project	-	20,000	-	-	-	20,000
Devon and Cornwall Soils Alliance*	-	28,922	(28,922)	-	-	-
Dog Marsh Weir Fish Easement*	-	15,000	(13,115)	-	-	1,885
Dorset General Fund	10,350	-	(4,449)	(2,500)	-	3,401
Education	23,315	300	(21,588)	-	-	2,027
Exe Electrofishing	(12,388)	20,000	(9,334)	-	-	(1,722)
Exe Phase 3 – General	55,194	4,840	(160)	-	-	59,874
Fal Estuary Pollution Project* s	(1,636)	19,500	(15,268)	-	-	2,596
Total carried forward	127,600	448,373	(353,551)	(1,597)	-	220,825

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24 Analysis of charitable funds: Analysis of movements in restricted funds (cont.)

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2019 £
Total brought forward	127,600	448,373	(353,551)	(1,597)	-	220,825
Fal Facilitation Fund*	(6,552)	17,911	(11,359)	-	-	-
FIP – River Tone*	1,726	7,500	(9,941)	-	-	(715)
Frome & Piddle	10,401	-	-	-	-	10,401
Frogmore Creek*	15,813	-	(10,423)	-	-	5,390
Frome Surveys (RAFT)	4,247	-	-	2,500	-	6,747
Ingenious Grant (5W)	20,476	6,000	(26,013)	(463)	-	-
Mine Waters Mitigation*	9,379	-	(5,215)	-	-	4,164
Plymouth River Keepers	-	350,000	(26,591)	-	-	323,409
Postcode Local Trust	15,465	-	(15,417)	(48)	-	-
PROWater*	-	89,853	(89,853)	-	-	-
Risk Aqua Soil*	-	63,354	(63,358)	-	-	(4)
River Inny and Ottery*	-	22,000	(23,883)	-	-	(1,883)
River Otter Legacy	-	5,000	-	-	-	5,000
SPONGE*	-	48,275	(48,787)	512	-	-
SIARR*	-	8,785	(8,785)	-	-	-
Strategic Exe Weirs *	-	20,500	(28,802)	-	-	(8,302)
SWW Upstream Thinking Grants	310,461	196,066	(267,388)	-	-	239,139
Tamar (Lambert) Project	27,553	-	(17,535)	-	-	10,018
Taw Access over Weirs	12,748	625	-	(10,000)	-	3,373
Taw Spawning Improvements *	8,791	-	(16,752)	10,193	-	2,232
Taw Valley Facilitation Fund *	(2,108)	5,328	(3,220)	-	-	-
Tone Strategy*	-	12,918	(14,075)	1,277	-	120
Triple-C*	-	12,002	(12,002)	-	-	-
Upper Tamar Water Assessment*	-	5,000	(5,308)	308	-	-
USAR*	-	33,768	(33,768)	-	-	-
Warleggan Juvenile Salmon	6,271	-	(2,986)	-	-	3,285
Water for Growth*	-	456,018	(456,018)	-	-	-
Westcountry Angling Passport	10,991	19,318	(21,077)	-	-	9,232
Other funds	14,543	24,384	(22,980)	635	-	16,582
Total	587,805	1,852,978	(1,595,087)	3,317	-	849,013

In the current year four projects that had been included in 'Other funds' in the previous year, have been disclosed separately in the table above due to exceeding the Trusts' threshold for material funds requiring disclosure. These are identified by a * next to the fund name.

Additionally, 11 projects that had been disclosed separately in the previous year, have been included in 'Other funds' in the table above due to falling below the Trusts' threshold for material funds requiring disclosure. These are identified by a ° next to the fund name in the comparatives table below.

These are the reasons for the difference in the 'Balance at 1 January 2019' for Other funds.

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24 Analysis of charitable funds: Analysis of movements in unrestricted funds (previous year)

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2018 £
General fund	533,379	1,225,007	(990,096)	(29,258)	(109)	738,924

Analysis of charitable funds: Analysis of movements in restricted funds (previous year)

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2018 £
3 Rivers Project*	16,992	10,000	(18,471)	-	-	8,521
Biffa Fresh Water Pearl Mussel	(2,300)	5,775	(9,190)	5,715	-	-
BLC – The Good Work Project °	-	6,717	(3,100)	-	-	3,617
CaBA North Devon*	19,524	15,000	(15,627)	-	-	18,897
CaBA South Devon*	4,588	15,000	(13,943)	-	-	5,645
CaBA Tamar*	5,579	15,000	(6,138)	-	-	14,441
CPES*	(2,668)	87,106	(84,438)	-	-	-
CRF*	3,922	-	(3,307)	(615)	-	-
Dart Redds Project °	49	-	-	-	-	49
Dartmoor Dips*	-	14,000	(8,739)	-	-	5,261
Dorset General Fund	15,316	-	(4,216)	(750)	-	10,350
Education	4,252	3,560	(18,506)	34,009	-	23,315
Exe Electrofishing	-	-	(17,388)	5,000	-	(12,388)
Exe Phase 3 – General	50,438	8,790	(4,034)	-	-	55,194
Fal Facilitation Fund	-	-	(6,552)	-	-	(6,552)
FIP – Little Dart*	(537)	7,500	(7,291)	328	-	-
FIP – River Tone*	(4,216)	17,700	(11,274)	-	-	2,210
FIF – Devon and Cornwall*	(1,317)	-	-	1,317	-	-
Fishtrail* °	(3,074)	34,670	(34,412)	-	-	(2,816)
Frome & Piddle	14,159	-	(3,758)	-	-	10,401
FPM Hatchery Feasibility* °	-	10,000	(8,483)	-	-	1,517
Frogmore Creek*	21,722	-	(6,906)	997	-	15,813
Frome Surveys (RAFT)	4,247	-	-	-	-	4,247
Gannel Project °	3,449	-	(1,392)	-	-	2,057
Ingenious Grant (5W)	-	24,184	(3,708)	-	-	20,476
Kingsbridge-Salcombe Scoping* °	-	15,000	(13,504)	(997)	-	499
Lyd Habitat Works*	-	10,000	(16,572)	6,572	-	-
Mine Waters Mitigation*	10,083	-	(704)	-	-	9,379
Oare to Good Project* °	-	5,000	(6,578)	-	-	(1,578)
Postcode Local Trust	-	20,000	(4,535)	-	-	15,465
Postcode Lottery Fund	750	-	(505)	(245)	-	-
PROWater*	-	53,500	(53,500)	-	-	-
Risk Aqua Soil*	-	82,985	(82,985)	-	-	-
Total carried forward	160,958	461,487	(469,756)	51,331	-	204,020

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24 Analysis of charitable funds: Analysis of movements in restricted funds (previous year)
(cont.)

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 December 2018 £
Total brought forward	160,958	461,487	(469,756)	51,331	-	204,020
SPONGE*	-	67,932	(69,700)	1,768	-	-
SWW Upstream Thinking °	6	-	-	-	-	6
SWW Upstream Thinking Gants	394,246	239,051	(322,836)	-	-	310,461
Tale Valley Trust °	2,657	-	-	-	-	2,657
Tamar (Lambert) Project	61,774	-	(34,221)	-	-	27,553
Taw Access over Weirs	18,951	1,375	(757)	(6,821)	-	12,748
Taw Diffuse Pollution* °	2,255	-	(109)	-	-	2,146
Taw Electrofishing	2,808	-	(7)	(2,801)	-	-
Torrige Large Woody Debris*	-	7,000	(7,938)	938	-	-
TrAC Eels*	326	-	(6,066)	5,740	-	-
Upper Torrige °	10,248	338	-	(7,697)	-	2,889
USAR*	-	54,388	(54,388)	-	-	-
Warleggan Juvenile Salmon	-	6,271	-	-	-	6,271
Water for Growth*	-	397,392	(404,392)	7,000	-	-
WaterLIFE*	6,351	-	(6,351)	-	-	-
Westcountry Angling Passport	6,323	22,826	(18,158)	-	-	10,991
Wet Feet	34,009	-	-	(34,009)	-	-
Wood on the Little Dart*	1,315	-	(937)	(378)	-	-
Wood on the Little Dart 2* °	-	20,000	(17,253)	-	-	2,747
Other funds	3,758	30,515	(43,144)	14,187	-	5,316
Total	705,985	1,308,575	(1,456,013)	29,258	-	587,805

Included within restricted funds are several activities funded by government grants as identified by an asterisk *.

Description, nature, and purposes of restricted funds

*3 Rivers Project – a collaborative project to reduce the impact of diffuse pollution from both rural and urban land use.

*Barnstaple Yeo – funding for the design and development of fish passes/easements at four locations in the main river Yeo, for hopeful progression to construction in future funding years.

Biffa Fresh Water Pearl Mussel – project aimed at restoring freshwater pearl mussels in rivers in England in which the charity is responsible for managing a trial technique to rear mussels through the beginning of life stage.

BLC: The Good Work Project – project to facilitate the Bioregional Learning Centre embarking on a learning journey to the Hudson Valley in New York State to meet with the team that lead the Good Work Fellowship. The aim is to develop a South Devon Resilience Strategy and training programme.

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24 Analysis of charitable funds (cont.)

*Bradford Weir Easement – funding for the design and development of a fish easement at the Bradford water tidal flap for hopeful progression to construction in future funding years.

*CaBA – the Catchment Based Approach brings people together to decide what they want from our river catchments and the best and most sustainable way to use, manage, and pay for our valuable local resources. The charity is hosting three catchments, Tamar, North Devon, and South Devon, and will, together with the catchment partnership be developing an action plan to manage our shared resources.

*CPES – Channel Payments for Ecosystem Services is an Interreg funded project aimed at developing the business case for alternative sectors to pay for environmental restoration. The project will be working with businesses within two study areas, including a lake receptor and an estuary receptor, to understand the individual and collective benefits of improving water quality and quantity.

CPES Donations – donations received from local business and interested stakeholders for funding targeted interventions within catchments in which the business has an interest and/or presence. These donations were raised within the scope of the CPES project and in line with the CPES objectives which hope to see businesses take an increased interest in their local catchments and recognise the role they play in helping to conserve them.

*CRF – Catchment Restoration Fund to work on the Rivers Dart and Teign, Rivers Axe and Exe, in the South Hams area, in the River Taw area and in the South Cornwall area.

Dart Redds Project – "Restoring Environments for Developing Dart Salmon" is a project funded by the Dartmoor Sustainable Development Fund.

*Dartmoor Dips - project led by the Dartmoor Hill Farming Project, designed to gather information directly from Dartmoor farmers, the local supply chain and veterinary practices on the reported increases in sheep scab reported on Dartmoor, identifying the historic, current and regional issues, sheep scab has had on farm businesses, and the treatments used, such as dipping.

*Dartmoor Headwaters NFM – project to deliver Natural Flood Management interventions within the Walkham Catchment, thus reducing flood risk to the village of Walkhampton.

Deer Project – an enforcement undertaking to deliver aquatic habitat and species improvement works on the River Deer.

*Devon and Cornwall Soils Alliance – project aimed at building both capacity and capability to deliver skilled expert soil advice across Devon and Cornwall.

*Dog Marsh Weir Fish Easement – funding for the design and construction of a fish easement at Dog Marsh Weir on the river Teign.

Dorset General Fund – funds received to deliver river improvements in the Dorset area.

Education – funding received to deliver the charity's education programme.

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24 Analysis of charitable funds (cont.)

Exe Electrofishing – funds received as a contribution towards the charity's electrofishing programme in the Exe catchment. The charity is aware that it will receive a significant donation towards these costs in early 2019 however there is no legal entitlement to the donation and in accordance with the charity's accounting policy for recognition of income, this donation will be recognised when it is received.

Exe Phase 3 - General – a project fund to support a River Exe officer delivering habitat restoration on the River Exe.

*Fal Estuary Pollution Project – project funding to report on both historic and current assessments of diffuse pollution on land bordering the estuary, and work with landowners to gain support for remediation.

Fal Facilitation Fund – project to develop a farmer discussion group based in the lower Fal, to increase awareness and uptake of Countryside Stewardship Schemes and enhance opportunities for biodiversity, water quality and soil management.

*FIP – Little Dart – project to engage with farmers and deliver 10 Water Improvement Plans for farm holdings in the Little Dart, targeting specifically the reduction of sediment to the river.

*FIP – River Tone – project to identify and prioritise riparian and in-stream habitat restoration opportunities on the Upper River Tone, to benefit Trout and coarse fish species.

*FIF Devon and Cornwall – project to investigate and undertake habitat improvement works at coarse and non-migratory trout fisheries within the West Country to achieve multiple benefits.

*Fishtrail – this is an angling development project that will create angling videos and a transnational network of angling promotion following a Natural Capital approach.

Frome & Piddle – funding to co-ordinate the implementation of a fish pass on the Frome and Piddle in West Dorset.

*FPM Hatchery Feasibility – project involved a desk study and costing exercise to ascertain a good location to set up a Freshwater Pearl Mussel (FPM) hatchery in the Torridge to artificially rear FPM's for reintroduction to the catchment. The aim is to prevent extinction of this species in Devon: the only existing population in the South of England.

*Frogmore Creek – a collaborative project to investigate sources of pollution in the Frogmore Creek waterbody and implement solutions with a specific focus on engaging with local communities.

Frome Surveys (RAFT) – this is a partnership project with the aim of improving the salmon population of the river Frome by delivering multiple habitat improvement interventions.

Gannel Project – an enforcement undertaking to improve the condition of the Gannel waterbody by means of habitat improvement works.

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24 Analysis of charitable funds (cont.)

Ingenious Grant (5W) – Westcountry Women Working with Water (5W) is a project funded by the Royal Academy of Engineering's Ingenious Grant. The charity has worked in partnership with engineers from Exeter University and the University of the West of England to deliver a range of engagement activities and SuDS features in two schools in socially deprived areas of Taunton. We have worked predominantly with female students and parents from low-income backgrounds to discuss, design and deliver SuDS on the school grounds, with the primary aim of reducing risk of surface water flooding and promoting the uptake of STEM subjects by girls in under-served communities.

*Kingsbridge-Salcombe Scoping – project to carry out an evidence-led spatial analysis and evaluation of contaminant critical source areas delivering pollutant load to the Kingsbridge Salcombe Estuary.

*Lyd Habitat Works – project to undertake riparian habitat works, increasing light onto riffle areas and providing additional bankside habitat for juvenile salmonids.

*Mine Waters Mitigation – a collaborative project to develop existing knowledge on mitigation methods available to reduce the impact from metal or associated acidification on watercourses and aquatic biodiversity.

*Oare to Good Project – project to remove a barrier from the River Lyn thereby allowing free migration of all species and preventing further entanglement of debris and brash causing a fish impasse.

Plymouth River Keepers – an enforcement undertaking encompassing a diverse range of activities with a primary focus on community based environmental restoration coupled with physical restoration of river features.

Postcode Local Trust – Funding for the Community Raingardens project. Through this project we have worked with socially deprived communities in Taunton to co-design and co-deliver four community raingardens (SuDS systems). This has increased awareness of local environmental issues, reduced the risk of surface water flooding, and brought these communities together to give them a voice within their local landscapes.

Postcode Lottery Fund – funding received for the River Buffs project aimed at establishing a local environmental volunteer group in West Devon with the purpose of collating data on a variety of environmental factors which can subsequently be used to identify and carry out conservation works to improve the environmental condition of the area.

*PROWater – this is a four year Interreg project in which we are working with partners in South England, Belgium and the Netherlands with the aim of contributing to climate adaptation by restoring the water storage of the landscape via 'ecosystem-based adaptation measures' such as forest conversion, natural water retention or restoration of soil compaction. These interventions build resilience against droughts and floods, and benefit water quality and biodiversity. Alongside this the project aims to close the information gap between policy and the water user, by developing a vision to tackle water scarcity and drought risks in the long term.

*Risk Aqua Soil – this is an Interreg funded project looking at the impact of climate change and land use change on the way water interacts with soils, and the risks that this poses to society. Through modelling, mapping, and monitoring, local farmers and landowners are being engaged to understand how their farm can adapt to changes and build resilience in our catchments.

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FOR THE YEAR ENDED 31 DECEMBER 2019

24 Analysis of charitable funds (cont.)

*River Inny and Ottery – funding to deliver habitat improvement works on the rivers Inny and Lower Ottery.

River Otter legacy – legacy received in the year for the benefit of the River Otter, as per the donors' request.

*SPONGE – this is a three-year Interreg project from the 2 Seas area for Community led Sustainable Urban Drainage Solutions (SUDS) to improve flood resilience in towns and cities linked with local and international strategies.

*StARR – the charity is a partner in the St Austell Bay Resilient Regeneration project delivering natural flood management advice and activities in the upper catchment to decrease flooding and reduce pollution as part of an integrated catchment management approach.

Strategic Exe Weirs – funding to carry out preliminary investigations and assessments to inform plans to overcome obstacles in the Exe catchment with a priority focus on improving fish passage.

SWW Upstream Thinking – a project to improve raw water quality on the river catchments Tamar, Fowey, Roadford, Wimbleball and the Tamar Lakes.

SWW Upstream Thinking Grants – funds relating to the grant spend included within phase 2 of the project. All funds received under this distinct element of the project are to be spent specifically on distributing grants to farmers for farm improvements that will improve water quality. These funds can only be applied for this particular purpose.

Tale Valley Trust – donations received towards investigating and monitoring pollution sources on the River Tale.

Tamar (Lambert) Project – an enforcement undertaking to improve the condition of the Lambert waterbody by means of habitat improvement works with a specific focus on improving biodiversity.

Taw Access over Weirs – Riparian Owner donations towards fish passes on the River Taw.

*Taw Diffuse Pollution – a collaborative project to reduce pollution from agricultural sources and deliver multiple benefits to biodiversity and flood risk in the Taw catchment.

Taw Electrofishing – funds received as a contribution towards the charity's electrofishing programme in the Taw catchment.

Taw Spawning Improvements – funding to carry out surveys and identify appropriate interventions to improve spawning habitat in the Taw catchment.

Taw Valley Facilitation Fund – project to provide workshops, events, and training in the Taw Valley, to increase awareness and uptake of Countryside Stewardship Schemes and enhance opportunities for biodiversity, water quality and soil management.

*Tone Strategy – funding to provide a strategic overview of the river Tone catchment using an ecosystem service approach.

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24 Analysis of charitable funds (cont.)

*Torrige Large Woody Debris – project to deliver bank defence in the Lower Torridge, using Large Woody Debris and natural brash to try and reduce significant erosion. This green engineering project has helped to stabilise a heavily eroding bank in a very high-energy area of the river, and we are looking forward to seeing how this technique fairs over the next few years.

*TrAC Eels – funding received with the aim of understanding the eel populations and habitat at Steart Marshes in order to identify conservation measures to help protect them.

Triple-C – project focused on the capitalization of successful initiatives on the prevention and management of risks deriving from climate change.

Upper Tamar Waterbody Assessment – funding to consolidate existing data and provide a baseline of catchment condition for each waterbody in the Upper Tamar, including the production of catchment maps to summarise opportunities and gaps to inform the medium-term plan.

Upper Torridge – funding to undertake restoration plans on the River Torridge.

*USAR – Interreg funded project from the 2 Seas area for the assessment of sediment and contaminant loss from the South West, feeding into a sediment reuse strategy developed with French, Belgium, and Dutch partners.

Warleggan Juvenile Salmon – project on the Warleggan tributary of the Fowey in Cornwall with the aim of improving habitat for juvenile salmon and migratory and non-migratory trout through a program of riparian arboriculture works and introduction of large woody material into the river.

*Water for Growth – this is a project aimed at increasing the fisheries potential and thereby developing the Natural Capital of the Cornish rivers Camel and Fowey.

*WaterLIFE – this project aims to work with communities, business, and government agencies to deliver exciting initiatives in five catchments in England and Wales that accelerate the implementation of the Water Framework Directive and improve freshwater environments.

Westcountry Angling Passport (previously Angling 2000) – operation of fishing on beats within the Westcountry Angling Passport. The fund name has been amended following the re-branding of the scheme and the launch of the Fish Pass app.

Wet Feet – funds an Education Officer to co-ordinate all our pre tertiary educational materials and services. During the previous year the balance in this fund was transferred to the Education fund. These funds are completely aligned and the separate classification of them within our records was due only to the way in which the funds were raised historically.

*Wood on the Little Dart – the purpose of this project is to reinstate some of the woody debris on the Dart, where straightening of the river has left it devoid of in river habitat structure resulting in limited fisheries holding capacity.

*Wood on the Little Dart 2 – continuing funds to provide river, fish, and bankside improvements in the Little Dart catchment.

Other funds – this includes several smaller funds that have been received to fund either specific activities or activities in a specific area within the Westcountry.

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25 Analysis of group net assets between funds

Current Year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible assets	4,604	-	4,604
Tangible fixed assets	72,803	-	72,803
Cash at bank and in hand	525,673	395,165	920,838
Other net current assets/(liabilities)	313,257	453,848	767,105
Total	916,337	849,013	1,765,350

Previous Year

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Intangible assets	5,780	-	5,780
Tangible fixed assets	61,210	-	61,210
Cash at bank and in hand	389,127	148,292	537,419
Other net current assets/(liabilities)	282,807	439,513	722,320
Total	738,924	587,805	1,326,729

26 Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Net income/(expenditure) for the reporting period	438,621	87,365	448,639	60,284
Adjustments for:				
Depreciation and amortisation charges	39,625	36,884	39,625	36,884
Losses/(gains) on investments	(76)	109	(76)	109
Dividends and interest from investments	(4,783)	(4,176)	(4,783)	(4,176)
Loss/(profit) on the disposal of fixed assets	1,178	418	1,178	418
(Increase)/decrease in debtors	(48,773)	(224,565)	(22,689)	(189,683)
Increase/(decrease) in creditors	4,064	(27,488)	414	34,397
Net cash provided by (used in) operating activities	429,856	(131,453)	462,308	(61,767)

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27 Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash at bank and in hand	420,838	187,419	412,842	146,971
Notice deposits (less than 3 months)	500,000	350,000	500,000	350,000
Total cash and cash equivalents	920,838	537,419	912,842	496,971

28 Operating lease commitments

At 31 December 2019 the group and charity had total future minimum lease payments due under non-cancellable operating leases as follows:

Group and Charity	2019 £	2018 £
Within 1 year	20,597	2,499
Between 2 and 5 years	22,157	1,506

29 Funds received as agent

The following amounts were received and paid by the charity acting as agent:

	2019 £	2018 £
Payroll receipts from The Rivers Trust	776,788	698,871
Payments made to The Rivers Trust employees and HMRC	771,042	702,386

As at the reporting date the charity held the following amounts in their capacity as agent:

	2019 £	2018 £
Payroll receipts from The Rivers Trust not yet paid to HMRC	24,946	19,200

Amounts held as agent are included within Creditors: amounts falling due within one year in the balance sheet.