

REGISTERED COMPANY NUMBER: SC467897 (Scotland)
REGISTERED CHARITY NUMBER: SC044673

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 December 2016
for
Flow Country Rivers Trust
(A Company Limited by Guarantee)

Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

Flow Country Rivers Trust

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for the Year Ended 31 December 2016

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Flow Country Rivers Trust

Reference and Administrative Details
for the Year Ended 31 December 2016

TRUSTEES

Mr J Fleming
Mr A C W MacAuslan
Lord J M Joicey
Mr J Mackay
Mr V Hackel
Mr S Laird
Mrs S Lopes
Mr S Gibb (appointed 21.3.16)

TRUST SECRETARY

Mrs E Constable

REGISTERED OFFICE

Skerraboe
North Keiss
Wick
Caithness
KW1 4XF

REGISTERED COMPANY NUMBER

SC467897 (Scotland)

REGISTERED CHARITY NUMBER

SC044673

INDEPENDENT EXAMINER

Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

Flow Country Rivers Trust

Report of the Trustees **for the Year Ended 31 December 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity aims to promote and support initiatives, including research and education, that seek to further conservation of all freshwater species of fish, migratory and otherwise, within the Flow Country of Caithness and eastern Sutherland, together with the flora and fauna associated with the rivers and still waters.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

This is the Trust's third Annual Report and during the year the Board held one formal meeting and conducted other business by email.

The Trust website is at <http://fcrt.org> and contains information on the work and administration of the Trust. Our 2015 Newsletter, which contains articles on Salmon Predation, Caithness Lochs, Fishermen's Knowledge, Bailiffs Sea Patrol and our WFR Response, can be found the website or through the following link:

http://jamesfleming.com/FCRT/FCRT%20-%20Newsletter_WEB.pdf

The 2016 Newsletter will be posted on the website in mid-March.

The Trust has received donations and grants from the Caithness and Northern District Salmon Fishery Boards, the Subsea 7 Charity Fund, a private donation and the Ulbster Arms Hotel.

Flow Country Rivers Trust
Report of the Trustees
for the Year Ended 31 December 2016

ACHIEVEMENT AND PERFORMANCE

Projects

The Trust is currently working on five projects. The Smolt Tracking and Fishermen's Knowledge come under the Pentland Salmon Initiative, which is an ERI umbrella project on the study of salmon in northern coastal waters.

Smolt Tracking

Phase 1 - the project took place in Wick River and Bay from April to June 2016 and was a very successful test of the project methodology. 34 fish were tagged in the river and 27 passed out and were detected at sea. The downstream movement was much faster than expected. Smolts were recorded passing the in-river station a mile upstream and then being recorded by the array at the mouth of the Bay the same day. A public presentation of the results was given in the PPP Centre in Wick on 3rd February. Further analysis is being carried out on the mass of oceanographic, tidal and fish detection data before publication in a scientific paper.

Phase 2 is scheduled for the River Wester and Sinclair Bay in Spring 2017 and it is hoped to place some detectors up towards Duncansby Head.

Fishermen's Knowledge

There is very little formal scientific understanding of the movement of salmon in the vicinity of the Pentland Firth which is now a hub for renewable energy developments. During the past year salmon netmen were interviewed to find out what insights they could provide based on their own experience. This project is now nearing completion and one output has been the identification of the large number of ice-houses and salmon bothies right round our coast from Naver to Berriedale. A meeting was held with Dunbeath Heritage Trust to discuss erecting information panels at DHT's ice-house and bothy at Dunbeath harbour. An application for funding has been made to Highland & Moray Fisheries Local Action Group (FLAG). This project might be the start of a larger project right round our coast as an attraction on the North Coast 500 route.

Temperature Loggers

Thurso River has been chosen by MSS (Marine Scotland Science) as part of a national project to build a computer model to predict water temperatures. The Trust downloaded all 11 loggers installed on the Thurso before the winter and they will be downloaded again in spring. The data is supplied to a PhD Researcher at MSS and it is hoped that a report on temperature in the Thurso and the other monitored rivers will become available in 2017.

Wester Project

The 4-year electro-fishing project carried out by Caithness District Salmon Fishery Board identified a serious lack of fish at the one site surveyed on the Wester.

(see <http://caithness.dsfb.org.uk/files/2017/02/2016-EF-Report-Final.pdf> page 14.)

The Trust decided to carry out a more extensive survey of the Wester catchment to investigate the status of the juvenile trout and salmon populations. A grant from the Sub-Sea 7 Charity Fund enabled the Trust to carry out a full electro-fishing survey of eight sites. The results were mixed and show that there is scope for fishery improvement. The number of 1+ fish (parr) produced was estimated to be 30% to 50% of what could reasonably be expected. The management actions for improvement of the fishery have been provisionally identified and they could be carried out sustainably and at relatively low cost.

The scientific report and a summary has now been posted on the FCRT website at Admin./Reports & Accounts.

The Wester Fishery Regeneration Project based on the data requirements and management options in the 2016 survey report is now in progress.

Caithness & North Sutherland Electro-fishing

A meeting of the river staff engaged in electro-fishing from the Helmsdale and the FCRT area was convened in the Environmental Research Institute, Thurso. The purpose was to scope the possibility of combining electric fishing data from all the rivers in the area. There were attendees from the Helmsdale, Halladale, Naver, Kinloch, Forss, Wick and the ERI. It was agreed that the project would get underway properly during 2017.

The Wild Fisheries Review, which has been in progress since 2014, was looking at provisions to overhaul the structure and remit of District Salmon Fishery Boards. The Trust were involved in discussions to form a Fisheries Management Organisation for Northern Scotland. In February 2017, the Scottish Government announced that it was cancelling these provisions of the review. We await future developments.

FINANCIAL REVIEW

Financial position

Overall the charity recorded net income of £3,336 during the year (2015 £15,553), resulting in total charitable funds of £31,891 (2015 £28,555).

Reserves policy

The trustees have examined the reserve requirements with due consideration of the charity's main operational risks. The present level of reserves will allow the charity to continue with its current activities.

Flow Country Rivers Trust

Report of the Trustees
for the Year Ended 31 December 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

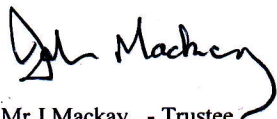
The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 January 2014. It is registered as a charity with OSCR. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

Due to the nature of the charity's work the trustees seek to ensure that the membership of the Trust reflects the range of skills required to operate successfully.

Approved by order of the board of trustees on 2 May 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'John Mackay', written over a horizontal line.

Mr J Mackay - Trustee

Independent Examiner's Report to the Trustees of
Flow Country Rivers Trust

I report on the accounts for the year ended 31 December 2016 set out on pages six to ten.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



John F Cormack
Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

2 May 2017

Flow Country Rivers Trust

Statement of Financial Activities
for the Year Ended 31 December 2016

		Unrestricted funds	Restricted funds	Total 2016 funds	Total 2015 funds
	Not es	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies		16,005	1,000	17,005	15,670
Other trading activities	2	-	-	-	2,800
Total		16,005	1,000	17,005	18,470
EXPENDITURE ON					
Charitable activities					
Project expenses		8,674	1,050	9,724	-
Running costs of the charity		3,945	-	3,945	2,917
Total		12,619	1,050	13,669	2,917
NET INCOME/(EXPENDITURE)		3,386	(50)	3,336	15,553
RECONCILIATION OF FUNDS					
Total funds brought forward		23,750	4,805	28,555	13,002
TOTAL FUNDS CARRIED FORWARD		<u>27,136</u>	<u>4,755</u>	<u>31,891</u>	<u>28,555</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Flow Country Rivers Trust

**Balance Sheet
At 31 December 2016**

	Not es	Unrestricted funds £	Restricted funds £	Total 2016 funds £	Total 2015 funds £
CURRENT ASSETS					
Cash at bank and in hand		28,732	4,755	33,487	31,153
CREDITORS					
Amounts falling due within one year	5	(1,596)	-	(1,596)	(2,598)
NET CURRENT ASSETS		<u>27,136</u>	<u>4,755</u>	<u>31,891</u>	<u>28,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,136</u>	<u>4,755</u>	<u>31,891</u>	<u>28,555</u>
NET ASSETS		<u>27,136</u>	<u>4,755</u>	<u>31,891</u>	<u>28,555</u>
FUNDS	6				
Unrestricted funds				27,136	23,750
Restricted funds				<u>4,755</u>	<u>4,805</u>
TOTAL FUNDS				<u>31,891</u>	<u>28,555</u>

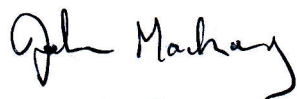
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees on 2 May 2017 and were signed on its behalf by:



Mr J Mackay -Trustee

Flow Country Rivers Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Raffle income	-	<u>2,800</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

Mr J Mackay provided scientific services to the charity during the year amounting to £600 (2015 £Nil). There were no other trustee remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

Mr J Mackay received reimbursement of travel expenses amounting to £44(2015 £Nil). There were no other trustee expenses for the year ended 31 December 2016 nor for the year ended 31 December 2015.

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	10,670	5,000	15,670
Other trading activities	<u>2,800</u>	-	<u>2,800</u>
Total	13,470	5,000	18,470
EXPENDITURE ON			
Charitable activities			
Running costs of the charity	2,722	195	2,917

Flow Country Rivers Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Total	2,722	195	2,917
NET INCOME/(EXPENDITURE)	10,748	4,805	15,553
RECONCILIATION OF FUNDS			
Total funds brought forward	13,002	-	13,002
TOTAL FUNDS CARRIED FORWARD	<u>23,750</u>	<u>4,805</u>	<u>28,555</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Accruals	<u>1,596</u>	<u>2,598</u>

6. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Unrestricted funds			
General fund	12,000	9,419	21,419
ERI Smolt Tracking	11,750	(6,571)	5,179
Wester Project	-	213	213
Saturation Stocking	-	325	325
	<u>23,750</u>	<u>3,386</u>	<u>27,136</u>
Restricted funds			
Fisherman's Knowledge	4,805	(50)	4,755
TOTAL FUNDS	<u>28,555</u>	<u>3,336</u>	<u>31,891</u>

Flow Country Rivers Trust

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

6. MOVEMENT IN FUNDS – continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	13,505	(4,086)	9,419
ERI Smolt Tracking	-	(6,571)	(6,571)
Wester Project	1,500	(1,287)	213
Saturation Stocking	<u>1,000</u>	<u>(675)</u>	<u>325</u>
	16,005	(12,619)	3,386
Restricted funds			
Fisherman's Knowledge	-	(50)	(50)
Wester Project	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
	1,000	(1,050)	(50)
TOTAL FUNDS	<u>17,005</u>	<u>(13,669)</u>	<u>3,336</u>

7. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2016 other than those disclosed in Note 3.

8. FIRST YEAR ADOPTION

Transitional relief

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

Under SORP (FRS 102) Governance Costs are now included within expenditure on Charitable Activities as a separate component of Support Costs. The comparatives have therefore been restated. This is a presentational adjustment only and has not effect on the net income for the year.

Flow Country Rivers Trust

**Reconciliation of Income and Expenditure
for the Year Ended 31 December 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		15,670	-	15,670
Other trading activities		<u>2,800</u>	<u>-</u>	<u>2,800</u>
Total		18,470	-	18,470
EXPENDITURE ON				
Raising funds		271	(271)	-
Charitable activities		<u>2,646</u>	<u>271</u>	<u>2,917</u>
Total		2,917	-	2,917
NET INCOME/(EXPENDITURE)		<u><u>15,553</u></u>	<u><u>-</u></u>	<u><u>15,553</u></u>

Flow Country Rivers Trust

**Reconciliation of Funds
At 1 January 2015
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
		-	-	-
CURRENT ASSETS				
Cash at bank and in hand		14,322	-	14,322
CREDITORS				
Amounts falling due within one year		(1,320)	-	(1,320)
NET CURRENT ASSETS		<u>13,002</u>	<u>-</u>	<u>13,002</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,002</u>	<u>-</u>	<u>13,002</u>
		<u>13,002</u>	<u>-</u>	<u>13,002</u>
FUNDS				
Unrestricted funds		<u>13,002</u>	<u>-</u>	<u>13,002</u>
TOTAL FUNDS		<u>13,002</u>	<u>-</u>	<u>13,002</u>

Flow Country Rivers Trust

Reconciliation of Funds
At 31 December 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
CURRENT ASSETS				
Cash at bank and in hand		31,153	-	31,153
CREDITORS				
Amounts falling due within one year		(2,598)	-	(2,598)
NET CURRENT ASSETS		<u>28,555</u>	<u>-</u>	<u>28,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,555	-	28,555
NET ASSETS		<u>28,555</u>	<u>-</u>	<u>28,555</u>
FUNDS				
Unrestricted funds		23,750	-	23,750
Restricted funds		<u>4,805</u>	<u>-</u>	<u>4,805</u>
TOTAL FUNDS		<u>28,555</u>	<u>-</u>	<u>28,555</u>

Flow Country Rivers Trust

Detailed Statement of Financial Activities
for the Year Ended 31 December 2016

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations - private	5,175	660
Donations - institutional	10,500	10,000
Donations - Friends of the Trust	330	10
Grants	<u>1,000</u>	<u>5,000</u>
	17,005	15,670
Other trading activities		
Raffle income	<u>-</u>	<u>2,800</u>
Total incoming resources	17,005	18,470
EXPENDITURE		
Charitable activities		
Project expenses	9,583	-
Equipment	<u>141</u>	<u>-</u>
	9,724	-
Support costs		
Administration		
RAFTS subscription	1,000	1,000
Consultancy fees	1,200	1,395
Advertising	1,155	-
Office expenses	34	152
Sundry expenses	<u>104</u>	<u>86</u>
	3,493	2,633
Governance costs		
Companies House	13	13
Accountancy fees	<u>439</u>	<u>271</u>
	<u>452</u>	<u>284</u>
Total resources expended	13,669	2,917
Net income	<u><u>3,336</u></u>	<u><u>15,553</u></u>