Registered No. SC467897
Charity No. SC044673

Flow Country Rivers Trust

(A Company Limited by Guarantee)

Report and Financial Statements

For the year ended 31 December 2015

Victor T Fraser & Co Limited
Chartered Accountants

Registered No. SC467897
Charity No. SC044673

FLOW COUNTRY RIVERS TRUST

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Contents

Legal and Administrative Information	**1**
Report of the Trustees	**2 - 4**
Report of the Independent Examiner	**5**
Statement of Financial Activities	**6**
Balance Sheet	**7**
Notes forming part of the Financial Statements	**8 & 9**

FLOW COUNTRY RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name — Flow Country Rivers Trust

Charity Registration Number — SC 044673

Company Registration Number — SC 467897

Registered Office and Operational Address

Skerraboe
North Keiss
Wick
KW1 4XF

Trustees

James Fleming
Vanya Hackel
Lord Joicey
Simon Laird
Sarah Lopes
Anson MacAuslan
John Mackay

Secretary — Eleanor Constable

Accountants

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

FLOW COUNTRY RIVERS TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
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 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.

OBJECTIVES AND ACTIVITIES

Objects of the Charity
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.

Sources of Funding
The charity relies on donations and fund raising activities to provide funding.

Achievements and performance
This is the Trust's second Annual Report and during the year the Board held three meetings.

The Trust website is at http://fcrt.org and contains information on the work and administration of the Trust. Our Newsletter, which contains articles on Salmon Predation, Caithness Lochs, Netsmen's Knowledge, Bailiffs Sea Patrol and our WFR Response, can be found through the website or through the following link http://jamesfleming.com/FCRT%20-%20Newsletter_WEB.pdf

Professor Stuart Gibb, Director of the Environmental Research Institute, Thurso (ERI) has agreed to become a Trustee in 2016. Stuart will be a very valuable addition to the future work of the Trust.

The Trust received donations from the Caithness and Northern District Salmon Fishery Boards and a private charity, a grant from Fishmongers Hall and the net proceeds from a very successful raffle of fishing lots. Expenditure of £11,750 has been committed to the Smolt Tracking and Data Collection projects to be completed next year.

Projects
The Trust is currently discussing four projects. The Smolt Tracking and Data Collection come under the Pentland Salmon Initiative, which is an ERI umbrella project on the study of salmon in northern coastal waters.

Smolt Tracking
This project is to address the lack of information on the behaviour of smolts and their migratory routes in the vicinity of the Pentland Firth. The objectives of the programme are to document and compare the activity of smolts leaving rivers in Caithness and northern Sutherland in a series of tracking experiments to be conducted annually. Tracking involves tagging pre-smolts with tags which emit a periodic acoustic signal and returning the fish to the river. An array of automatic listening stations is laid out on the sea-bed at some distance from the river mouth. When the fish migrate the tags register on the automatic listening stations and indicate their routes.

FLOW COUNTRY RIVERS TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

Smolt Tracking Cont.......
Duncansby Head, on the south-eastern edge of the Pentland Firth, is likely to be a way-point for smolts moving north from the eastern Caithness rivers. Ultimately, the net outward movement of the fish to the feeding grounds must be north-westwards but Duncansby Head marks the first point at which any westwards vector is not prevented by the mainland.

Two rivers in eastern Caithness are to be targeted for smolt tracking projects – one close to Duncansby Head and one more distant to the south. Examining fish movements in two different but similar arenas will support a comparative approach to interpretation. To complete the set, a third river to the west of the Pentland Firth is targeted to determine whether the presumed net movement of smolts towards the northwest has an eastwards component resulting, perhaps, from entrainment in the strong local currents that enter the western sector of the Firth.

Tracking small fish in the ocean is inherently difficult. Therefore, work to date has concentrated on obtaining sufficient resources to secure the work, designing-out difficulties of scale, de-risking the ancillary elements of each sub-project and de-risking the overall programme.

Smolt tracking is now scheduled to begin on the Wick River in April 2016 and the Trust has contributed funding for the purchase of the Tags.

Peatland Partnership
The 'Flows to the Future Project' (RSPB) has appointed an advisory officer who will be tasked with engaging with other landowners in the area and helping them to apply for SRDP schemes. Included in these schemes are projects associated with moorland management and drain blocking for example.

An article on the 'Flows to the Future project' has been published in the SNH magazine 'the Nature of Scotland' Autumn/Winter 2015 (available online) and FCRT is listed as a participant in the Peatland Partnership.

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 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.

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 netsmen were interviewed to find out what insights they could provide based on their own experience. The interviews will be completed shortly and a report will be prepared later this year based on the interviews and on complimentary studies of related matters. This work has been supported by a grant from The Fishmongers' Company.

The Wild Fisheries Review and discussions on the formation of a Fisheries Management Organisation for Northern Scotland are also on our agenda.

Financial Review
The total incoming resources for the charity for the year ended 31 December 2015 was £18,470 with resources expended of £2,917 giving net incoming resources of £15,553.

FLOW COUNTRY RIVERS TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

Reserves Policy
The trustees have examined the charity's requirement for reserves in light of the main risks to the organisation. The present level of reserves will allow the charity to continue its current level of activities.

Trustees Responsibilities Statement
The charity trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these 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
- 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 charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on ....24/3/2016.... and signed on its behalf by

.... John Mackay - Director

For and on behalf of the Trustees

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FLOW COUNTRY RIVERS TRUST

I report on the accounts of the charity for the year ended 31 December 2015, which are set out on pages 6 to 9.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) 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 trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 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 independent examiner's report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 seeks explanations from the 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 the course of 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.
   - to prepare accounts which accord with the accounting records and 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 CA
Chartered Accountant
3-4 Market Place
WICK
Caithness
KW1 4LP

Date: 25 March 2016.

FLOW COUNTRY RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
INCOME:					
Donations		10,670	-	10,670	15,375
Income from charitable activities:					
Fundraising		2,800	-	2,800	1,200
Grants Received		-	5,000	5,000	-
TOTAL INCOMING RESOURCES		**13,470**	**5,000**	**18,470**	**16,575**
EXPENDITURE:					
On Charitable Activities:					
Grants Payable	2	-	-	-	-
Administrative Costs	3	2,438	195	2,633	3,453
		2,438	195	2,633	3,453
Governance Costs	4	284	-	284	120
TOTAL EXPENDITURE		**2,722**	**195**	**2,917**	**3,573**
NET INCOMING RESOURCES		**10,748**	**4,805**	**15,553**	**13,002**
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		13,002	-	13,002	NIL
TOTAL FUNDS CARRIED FORWARD		**23,750**	**4,805**	**28,555**	**13,002**

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

All income and expenditure derives from continuing activities.

Registered No. SC467897
Charity No. SC044673

FLOW COUNTRY RIVERS TRUST

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
CURRENT ASSETS					
Cash at bank and in hand		26,348	4,805	31,153	14,322
LIABILITIES					
Creditors falling due within one year	5	2,598	-	2,598	1,320
NET CURRENT ASSETS		23,750	4,805	28,495	13,002
NET ASSETS		23,750	4,805	28,555	13,002
THE FUNDS OF THE CHARITY:	7				
Unrestricted income funds		23,750	-	23,750	13,002
Restricted income funds		-	4,805	4,805	-
TOTAL CHARITY FUNDS		23,750	4,805	28,555	13,002

For the period ended 31 December 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director on 24/3/2016 and were signed by:

John Mackay – Director

The notes form part of these financial statements

FLOW COUNTRY RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been fully met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably.

RESOURCES EXPENDED

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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

TAXATION

The Trust 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. The Trust is not registered for VAT and all input VAT is recoverable.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

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 a particular restricted purpose.

2. COMMITMENTS

The Trust entered into an agreement with the Environmental Research Institute (ERI) in November 2015 to provide grant assistance towards the smolt tracking project. The grant awarded was for a maximum of £11,750. Of this amount, £Nil was paid to the ERI in the year to 31 December 2015.

This therefore leaves committed expenditure of £11,750 as at 31 December 2015. The project is expected to be completed in the year to 31 December 2016.

FLOW COUNTRY RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	2015	2014
	£	£
Raffle costs	51	718
Data protection	35	35
Website updates	-	1,500
Consultancy fees	1,395	1,200
RAFTS subscription	1,000	-
Office expenses	152	-
	2,633	3,453

4. GOVERNANCE COSTS

	£	£
Independent Examiner's fee	271	120
Companies House	13	-
	284	120

5. CREDITORS Amounts falling due within one year

	£	£
Accruals	2,598	1,300

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2015 (2014 £Nil). There were no trustees' expenses paid for the year ended 31 December 2015 (2014 £Nil).

7. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds are held in a General Fund – available to spend at the discretion of the Trustees.

Restricted funds - £5,000 was received in the year from the Fishmongers Company towards the project "Salmon in the Pentland Firth: Netsmen and their knowledge". £195 was spent during the year leaving £4,805 remaining at 31 December 2015.