



## Annual Report and Accounts 2020/2021

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*Protecting freshwater life for everyone to enjoy*

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The front cover of our report shows new clean water ponds created in the Water Friendly Farming project which research, published during the year, shows have unprecedented benefits for freshwater biodiversity at landscape scale, with ponds a lynch-pin habitat for freshwater life.

## Freshwater Habitats Trust – Protecting freshwater life for everyone

Freshwater Habitats Trust (FHT) began life in 1988 as Pond Action with the aim of ensuring the future of our freshwater wildlife.

Over the last 30 years we may have changed our name but our commitment to protecting freshwater habitats has gone from strength to strength, as seen in our activities and achievements during 2020.

We continue to work with a wide range of organisations and people to protect life in freshwater habitats. We've made new discoveries about what makes freshwater habitats special, how best to protect them and, above all, tried to make a practical difference on the ground. Our long-term projects are producing meaningful and tangible results, freshwater habitats we created 25 years ago are thriving, endangered species are spreading in habitats we've made, or encouraged others to make, and concern about the protection of life in freshwater has never been greater.



The Club-tailed Dragonfly is a striking yellow and black nationally rare dragonfly with a stronghold on the Thames in Oxfordshire.

Freshwater Habitats Trust is highly strategic, and we target our work where evidence suggests it will be most effective, to help us achieve our aim *to protect freshwater life for everyone to enjoy*.

During 2020-21 we began the review of our organisation's Strategic Vision which covered the years 2013-20.

Freshwater Habitats Trusts aims for those years focused on three primary goals for freshwater:

- **Species** – All threatened freshwater plants and animals have recovered and developed sustainable populations.
- **Habitats** – The UK has a functioning network of freshwater habitats: The Freshwater Network.
- **People** – People value freshwater habitats and their wildlife.

The steps we took to get there were:

- **Identify what we have** – locate the Important Freshwater Areas (IFAs) in the UK.
- **Protect the best habitats** – ensure that important areas are recognised and protected.
- **Species conservation** – protect our most threatened freshwater plants and animals.
- **Expand and connect** – build out from the high quality areas.

Our work in all areas from policy, practical projects, partnership and outreach, to monitoring and research is always focused on helping us achieve this vision, and we have made good progress in achieving those steps over the first seven years of FHT's work. Now, in 2021, we will launch a new strategy which builds on and refines these concepts as we plan for the next 15 years of the organisation's work.



## Overview

2020/21 saw us involved in a range of practical projects, both existing and new, important applied research and a continuing role in policy development. Our work featured in the public media and, both in Britain and internationally, the critical role of small waters – like ponds and small streams – gained increasing attention. With the award of the European Union funded **PONDERFUL** project we have been able to reinvigorate long-established contacts with freshwater scientists and practitioners in continental Europe which had stalled post-Brexit.



A pond on the floodplain of the Biebrza River helping to make this one of the most important wetlands in Europe.

Highlights of the year included the continued support for the **Newt Conservation Partnership**, to which we second five members of FHT staff. The partnership has now created 90 new high quality ponds for Great Crested Newts in its first three year's work across the South Midlands as part of the government's District Level Licensing scheme. A further 21 neglected ponds were also restored or managed. Monitoring results show that almost two-thirds of compensation sites and 36% of ponds are already occupied by Great Crested Newt. This year also saw preparations for substantial expansion of the area covered by the Newt Conservation Partnership. We continue to work closely with the scheme's managers, NatureSpace Partnership, and our colleagues in Amphibian and Reptile Conservation who co-direct the Newt Conservation Partnership. In 2021 and 2022 we will be extending the project to include Berkshire, all of Buckinghamshire, East Sussex, Surrey, Staffordshire and Hampshire.

Practically we continued work focused on the national **Important Freshwater Areas**, particularly the New Forest and Dorset Heaths IFA, the Oxford IFA, The Thames Basin IFA, The Brecks IFA and the Yorkshire Lowlands IFA. Our wide-ranging work in the New Forest National Park, one of the UK's most important landscapes for freshwater biodiversity continued and is providing a model for how to protect high quality freshwater habitats, especially the smaller waters which are a vital but often neglected part of water management. 2020-21 also saw important foundations for future large-scale projects in the New Forest established where our projects are undertaken in a close working partnership with the Environment Agency and New Forest National Park Authority.

Our research led to the first major scientific publications from the **Water Friendly Farming** project demonstrating clearly the importance of clean water pond creation for the protection of freshwater biodiversity. The work showed that clean water ponds provided one of the most effective measures so far developed for increasing freshwater biodiversity in farmed landscapes. The importance of the project's multiple outcomes was reflected in its extension to 2027 with funding from the Environment Agency and Anglian North Regional Flood and Coastal Committee, which oversees flood protection funding. Further research papers using our and others' pond data were also published with collaborators in various Universities, led by Dr Matt Hill of the University of Huddersfield.

Building on the Water Friendly Farming, we continued working on landscape level projects in a number of catchments with a particular focus on the New Forest, Oxfordshire and in the South Midlands from Buckinghamshire to Northamptonshire and Bedfordshire. With Anglian Water we began the Pitsford Water Friendly Farming project, a 5-year programme to replicate and extend the results of Water Friendly Farming in the catchment of Anglian Water's Pitsford Reservoir in Northamptonshire, one of their major water supply sources. We also had a busy year setting up new large projects including the EU funded **PONDERFUL** research project, the **East-West Rail landscape freshwater biodiversity project** and further development of the **Freshwater Network programme**. We worked with a range of colleagues interested in small waters to establish the foundations for a new research programme on small waters in association with Defra and other government agencies.



2020-21 was dominated by the COVID-19 crisis and delayed some of our practical and volunteer engagement projects. Fortunately, the pandemic has so far had relatively little impact on our work and we finished 2020-21 in a stronger position both financially and in the range and quality of work we are doing than any time previously.

## Our activities in 2020/21

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### People, Ponds and Water project – Legacy work

From 2015-2018 the National Lottery Heritage Fund (NLHF) supported the **People, Ponds and Water project** which allowed us to develop three strands of work which continue to play a central role in the organisation's activity.

The three main project aims of the People, Ponds and Water project were:

- Gathering evidence on status and trends in freshwater habitats and species
- Protecting the best freshwater habitats
- Championing freshwater biodiversity, particularly by encouraging people to assess the extent of water pollution, and conversely the occurrence of clean water, with a special focus on smaller waters which often go un-monitored.

In order to achieve these aims the People Ponds and Water project had **three overlapping project elements**:

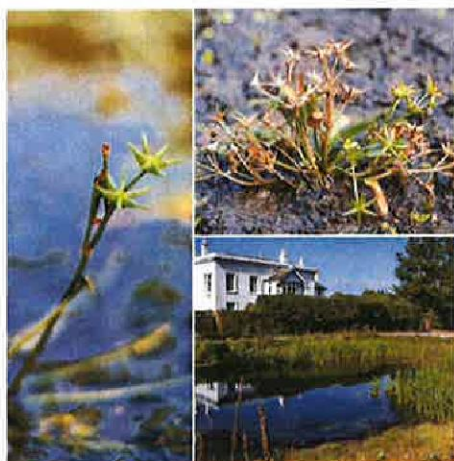
- PondNet
- Flagship Ponds
- Clean Water for Wildlife.

Since 2018 our work on these three elements has continued to build on the legacy of the original NLHF-funded project.

**PondNet** – The aim of PondNet was to create a volunteer survey network to collect statistically robust data to identify trends in pond quality and pond species, including uncommon plants and animals. Survey methodologies were standardised and included environmental metrics; giving information to help explain the reasons for changes in biological quality, and ultimately help to guide the direction of freshwater policy and practice. As part of this project, over the last 5 years, working with Defra, Natural England and Amphibian and Reptile Conservation Trust; Freshwater Habitats Trust has established the world's first national, volunteer-based, eDNA monitoring programme for a protected species, the Great Crested Newt.

2020/21 saw the completion of a sixth year of survey, visiting the same ponds annually to build a picture of status and change of this species in terms of 1 km square and pond occupancy. Whilst this is still a relatively short timescale, we can already begin to report with greater certainty on the current status of Great Crested Newts in England; and consider the opportunities and constraints of this new citizen science approach for longer term monitoring of Great Crested Newts and other aquatic species and habitats. At the same time, we have continued to develop the design and funding mechanism for a national freshwater monitoring network building on the PondNet framework.





Summer Starfruit, one of Britain's most distinctive and endangered water plants, at a flagship pond site, Headley Heath (a National Trust property in Surrey).

**Flagship Ponds** – This element of the People, Ponds and Water project saw the creation of a network of some of the most important, and highest quality, pond sites in England and Wales, known to support populations of species under threat. We helped local communities develop sustainable plans for these sites enabling them to undertake monitoring, management and pond creation to help species recovery.

2020/21 has seen us to continue to support Flagship Ponds at various sites in the New Forest, on National Trust properties around England and Wales and in Oxfordshire. We began preparatory work to expand numbers of ponds at the Pinkhill Meadow Flagship site and gave advice for a new Management Plan at the Castor Hanglands Flagship site in Cambridgeshire. We continued practical work at the Strensall Common Flagship site in Yorkshire.

**Clean Water for Wildlife** – The aim of this element of the original People, Ponds and Water project was to create a citizen science survey to

raise awareness of the true extent of nutrient pollution, and identify clean water habitats in England and Wales, with the ultimate aim of helping to protect biodiversity. Nutrient pollution is invisible, so often doesn't seem 'real' to people. Using quick kits made it possible for people to easily 'see' pollution for the first time and we have continued to apply this approach in a range of our projects. In 2020/21 we have continued to apply the Clean Water for Wildlife concept running the Testing the Water project as part of the Brecks and Fen Edge Landscape Project funded by the National Heritage Lottery Fund. We also applied this approach working with local citizens in Oxford as part of the Saving Oxford's Wetland Wildlife Project. In many of our project we also use the Clean Water for Wildlife test kits to assess levels of nutrient pollution as part of preparatory work to develop new practical projects, such as the R. Ock Arable Farmers project.

**People, Ponds and Water-Species Project: Medicinal Leech** – Work during the NLHF funded People, Ponds and Water project identified the need for a specific project focussed on Medicinal Leech. Because of their severe declines, Medicinal Leeches are a global conservation priority and listed under a raft of international legislation as needing protection. Preparation for this project began in 2019-20 and we successfully fundraised to provide the resources needed for this work. The project started in October 2020 and in the next few years the project will see: (1) data collation to document and understand the decline of England's Medicinal Leeches; (2) development of an eDNA monitoring tool to allow wide volunteer engagement through surveys at sites across England; (3) collaboration with zoos to secure three populations through 'Ark collections' to provide a living gene bank in case of wild extinctions; (4) raising the profile of medicinal leeches through displays at three zoos and six events that engage 5000 people in their conservation; and (5) convening a collaborative workshop to define and initiate a suite of long-term conservation actions, engaging 30 partners, land managers and key volunteers.

## Work with the National Trust

During 2020-21 we continued to develop our joint working with the National Trust. Covid 19 limited our ability to carry out practical projects in partnership with the National Trust but we envisage these resuming once pandemic restrictions lift. In the meantime, this year we have actively engaged with NT in order to develop our future plans for collaborative working.



## Environmental DNA

We continued developing and testing the use of environmental DNA in a number of contexts during the year. New projects using eDNA were set up for Pitsford Water Friendly Farming, which will be used in summer 2021 and beyond, and also in the Ponderful project where a standard set of eDNA samples will be taken from a network of ponds in 11 European states. We expect also to use eDNA sampling in the R. Irfon in Wales and with the Medicinal Leech.

During the year we began developing plans for a national monitoring network, focussing on smaller waters, capitalising on the use of eDNA in combination with traditional monitoring methods.

## Catchment Management work

We have continued a range of work as the hosts of three catchments in the Catchment-based Approach (CaBA) programme:

- **New Forest catchment** (in partnership with the New Forest Park Authority)
- **River Ock catchment**
- **River Thames catchment** (in partnership with the River Thames Conservation Trust)



Cotton grass on New Forest wetland

### New Forest catchment

Work on the New Forest Catchment Partnership (enabled by Water Environment Improvement Fund (WEIF) CaBA funding) has been focussed on a range of activities:

**Engagement:** In 2020, the catchment partnership, in its 9<sup>th</sup> year, continues to engage with a varied audience from across the New Forest and further afield raising awareness of the unique qualities of the freshwater landscape and promoting our work to protect and enhance. This last year our engagement work has included: 1) The 2020 Water Forum, with nearly 100 attendees were inspired by our vital work in the catchment from protecting curlew, to amphibians to the rare tadpole shrimp. 2) Waternews now in its 4<sup>th</sup>

year with a higher than average engagement rate and with over 60 articles continues to cover current topics, projects and activities from across the catchment. 3) July 2020 marked our first New Forest focused social media page to connect with familiar and new audiences from interest groups to academics delivering key messages and knowledge to a local and national audience interested or working in the freshwater environment. 4) FHT presented at the Integrated Catchment Group (EA local internal group of over 15 members) to showcase the WEIF projects completed over the past year – sharing key achievements and lessons learnt working with landowners and industry to reduce diffuse pollution from across the catchment. 5) Funding from Our Past, Our Future landscape partnership scheme and WEIF has provided an opportunity to work closely with engagement teams from multiple agencies from across the Forest to establish 6 key messages to disseminate to the visiting public on how best to enjoy and protect wetland (fresh and coastal) habitats and wildlife in the New Forest. These messages come in the form of a leaflet and poster and can be used by partner organisations and businesses across the Forest.

**Sub-groups:** With our Environment Agency catchment coordinator the two sub-groups have continued to work closely together to improve the partnership approach when addressing New Forest water issues (1) an Agricultural sub-group and (2) a Protected sites sub-group. FHT also sit on the Mitigation Measures sub-group working closely with a local Environment Agency Colleagues.



**Practical management:** Work during the year took place on four practical projects: (1) New Forest nurseries (WEIF funding) – The soft fruit and horticulture industry across the New Forest have received funding and expert advice from water management specialists to reduce nutrient and sediment run off into local waterbodies. A total of four sites have benefitted from rainwater capture and integration into existing irrigation systems increasing the storage capacity across the catchment from 120,000l to 570,000l reducing nutrient input, flood alleviation and adaptation to climate change, building relationships and raising awareness of issues and opportunities within the sector. This project has seen over £20k investment from the industry to contribute to these on-site measures. (2) Bartley and Fletchwood sub-catchments (WEIF funding) –



Grazing cattle in the New Forest, attracted to wetland floodplains, help create ecosystems which include rare plants such as pillwort

Farms and small holding including recreational horse keeping have received funding and expert advice to reduce nutrient and sediment run off from land management and recreational activities. A total of 14 sites have been provided with advice and of these six sites have received funding to support better management practices and the capture of rainwater for livestock drinking water. All contributing to the reduction of nutrient input, supporting adaptation to climate change and building strong relationships within the farming and small holding communities across the catchment to encourage a more sustainable approach to protecting local waterbodies. (3) Beaulieu Estate (WEIF funding) – capital works to install rainwater harvesting to further work started in the National Lottery Heritage Fund supported 'Our Present, Our Future' project, and (4) Hatchet Pond (WEG funding) – working with our partners Forestry England and Natural England, activities to reduce the impact of recreation and misconnect issues on a Special Area of Conservation (SAC) lake. This year has seen the removal of a run-down toilet block which was impacting on the water quality of the SAC and now proposals and plans are in place to remove the car park from the edge of the lake to minimise recreational impact, sediment and nutrient run off.

**Strategy:** Southern Water Drainage and Wastewater Management Plans (DWMPs) – FHT and National Park Authority as Catchment Hosts are feeding in the partnerships local knowledge into the DWMPs to help shape their long-term strategy for the future management of their resource in the New Forest as part of a two year consultation process.

### River Ock catchment

A range of activities were undertaken in the R. Ock catchment further laying the groundwork for a large-scale habitat restoration and management programme working with farmers and landowners.

The first stage of SSSI fen restoration work at the Barrow Farm Fen SSSI, in the Ock catchment, was undertaken along with work on the Hinksey Heights Fen, a Local Wildlife site on the edge of Oxford where long-term scrub and woodland development has led to considerable degradation of one of Oxfordshire's largest remaining valley peat deposits.

We completed further site visits to farmers with support from the Environment Agency WEIF funding and began initial project designs for practical works the first of which we expect to undertake in 2021-22.





The Waddesdon wetland project

### River Thames catchment

We continued joint catchment management activities with the River Thames Conservation Trust of which the most important was to work to create a new floodplain wetland complex on the Waddesdon Estate and complete the Important Freshwater Area (IFA) for the R. Thames catchment.

**Waddesdon Estate:** The Waddesdon Estate wetland comprises a fish refuge and a complex of ponds and pools covering about 2 hectares ha. It is the first floodplain wetland habitat creation of that scale in the

catchment and will be used as a demonstration site to develop further floodplain restoration projects. This is a two-phased project, which is being led and coordinated by our partners the River Thames Conservation Trust, with FHT as a subcontractor providing technical expertise and leading on the wetland design. In 2019, Phase 1 of the project part-dug the site, including trial holes to monitor hydrology. Phase 2 construction was completed in summer 2020.

### Saving Oxford's Wetland Wildlife

The overall aims of the Saving Oxford's Wetland Wildlife project are:

- 1) increasing people's awareness of Oxford's exceptional freshwater environment; which contributes to Oxford and its surrounds being recognised as a nationally significant Important Freshwater Area
- 2) maximising the benefits of the Oxford Flood Alleviation Scheme for freshwater biodiversity; and
- 3) engaging people in practical conservation of freshwater habitats and species.

**Increasing people's awareness of the importance of freshwater biodiversity in the Oxford area:** The area centred on Oxford is a nationally critical region for freshwater biodiversity but most Oxford residents are unaware of this, although the city's meadows and river are much loved by residents and visitors. The Oxford Flood Alleviation Scheme site, on the west side of the city, has around 160,000 people living within 5 km so present a tremendous opportunity for introducing people to the water environment. We have engaged with schools, community groups and individuals by involving them in eDNA and water quality testing and undertaking walks and talks to inform and raise public and local interest in the city's special freshwater wildlife. This year we have engaged with over 1,900 Oxford residents through surveys, volunteering practical work, public talks, guided walks and social media. Over 380 people attended guided walks and public talks about the project over the last year. So far throughout the project we have:



1,300 water testing kits were distributed to members of the public so they could take part in our WaterBlitz survey

- Distributed over 1,300 water quality testing kits to Oxford residents who have taken part in our Oxford WaterBlitz survey, helping to map waste pollution around the city.
- Engaged with over 1,300 people from 18 local community groups and 11 schools.
- Over 70 people have undertaken practical management work at some of Oxford's most valuable wetland sites.

**Creation and management of freshwater habitats for protected species:** We have been working to restore water levels in fens which have been drained, create new clean water ponds, and bring sites back into good condition through selective removal of scrub growth and management of wetland vegetation. This work is directly benefitting the protected species, and wetland habitats which are nationally threatened. We are





providing detailed management plans for these sites to ensure sustainable management in the long term. During 2020 we undertook further work at Cutteslowe Meadows - which now supports introduced 'rescue' populations of four nationally endangered and threatened water plants: Fen Violet, Creeping Marshwort, Greater Water-parsnip and Tubular Water-dropwort.

*Survey and ex-situ conservation work for priority species, assessing water pollution and raising awareness of the importance of the Oxford area for these species:* The project is helping to protect and increase populations of extremely rare and threatened water plants, including Biodiversity Action Plan aquatic plants. They are being cultivated by volunteers for introduction into new areas, enhancing the number and distribution of these vulnerable wetland plants and securing their future in Oxford.



FHT volunteer and partnership projects in Oxford have resulted in significant improvements in local freshwater habitats such as at Cutteslowe Meadows.

## Restoring Oxfordshire's SSSI Fens

This project aims to restore important alkaline fen habitats at four Oxfordshire SSSI fens which are currently in poor condition due to lack of management and water pollution. During the year the project undertook four main activities:

**Volunteer work parties:** With the help of monthly volunteer work parties, at Hinksey Heights, we managed stands of Common Reed, which threaten to dominate the restoration areas.

**Baseline surveys:** We undertook repeat surveys of water quality, invertebrates, and plants to provide the basis for assessing the success of the restoration work.

**Practical management:** Management work was undertaken at three sites including Spartum and Middle Barton Fens SSSI - predominately scrub removal and tree felling.

**Species translocation:** Seeds of Parsley Water-dropwort and Marsh Lousewort were translocated to the first of four sites as part of the restoration effort.

## Water Friendly Farming

Water Friendly Farming is a large research demonstration project where we, and our partners, including the Environment Agency, Game & Wildlife Conservation Trust, University of York and University of Sheffield, are running one of the largest and longest running trials of the effectiveness of measures to protect the water environment from rural land management. During 2020 the first main scientific paper from the project was published, an important step in understanding just how critical ponds are for freshwater biodiversity. We continued field work to assess the effectiveness of the range of nature-based measures that have been introduced to protect and enhance freshwater in the landscape, especially focusing on streams. We also started the new Pitsford Water Friendly Farming project in the catchment of Pitsford Reservoir north of Northampton jointly with the Environment Agency and Anglian Water. This project is replicating and extending the results of Water Friendly Farming over the next 5 years.

Water Friendly Farming is providing important evidence of the rapid benefits achieved from making clean water ponds, with very striking landscape wide gains in freshwater biodiversity - much more pronounced than is usually seen in catchment management projects. During 2020 we completed analysis of catchment flood management models and began work to produce the first papers on catchment modelling results, with the work being led by University of York. We published an analysis of alternative approaches to controlling pesticide runoff using





Newt Conservation Partnership created two ponds and planted two hectares of trees at a farm in West Oxfordshire. One of these ponds has already been colonised by great crested newts!

information from the project. In December 2020, the site also became a Demonstration Site for the EU Horizon 2020 funded PONDERFUL project.

### **Newt Conservation Partnership**

The Newt Conservation Partnership (formerly the South Midlands Newt Conservation Partnership) was established to create high quality aquatic and terrestrial habitat for Great Crested Newts as part of the Natural England-led Great

Crested Newt District Licensing scheme. In this project we work closely with the NatureSpace Partnership. The Newt Conservation Partnership is currently operating in 18 local planning authorities across the Midlands and 120 ponds in total have been created or restored. FHT is a key partner in this scheme, working with NatureSpace and Amphibian and Reptile Conservation Trust, as well as many landowning and management organization and individuals. In 2020 we surveyed all compensation sites that have been created under the scheme using environmental DNA to assess the presence of Great Crested Newts. The results confirmed that Great Crested Newts had already colonised new ponds in 60% of sites. The scheme is not only benefiting Great Crested Newts, but also other freshwater and pond-associated wildlife, including priority species for conservation like the Common Toad. We have ambitious plans for larger-scale, multi-phase habitat creation projects to begin in 2021.

### **European Pond Conservation Network**

During 2020 we helped plan the next European Pond Conservation Network conference which is now running in May 2021. It is being hosted by University College London as part of the Hydroscape project and is providing a valuable early start up activity for the PONDERFUL project. We are on the organising committee of the conference.

## Plans for 2021-21

### During 2021-22 we plan to:

- Continue the major Europe-wide project **PONDERFUL** project led by the University of Vic in Spain and involving a consortium of European pond conservation specialists.
- Develop the first practical projects in the **Freshwater Network**, focussing initially on the catchments of the River Thames, the Oxford - Cambridge Arc, the New Forest and the Yorkshire Lowlands. The Freshwater Network aims to protect and link up freshwater biodiversity hotspots across the country. During the year we also hope to get a major funder on board for this next phase of freshwater biodiversity protection and recovery.
- Develop a new project building a 'halo' of high-quality freshwater habitats around the New Forest, extending the area which has freshwaters of the quality seen in the open Forest at the heart of the National Park.
- Continue developing a new national small water monitoring network, building on the foundations provided by PondNet.
- Complete the 7<sup>th</sup> year of the Great Crested Newt national eDNA monitoring programme
- Continue catchment projects which deliver benefits for freshwater biodiversity in England and Wales (with a focus on the New Forest, Northamptonshire and the South Midlands, R. Irfon in mid-Wales).



We will continue with new pond creation projects such as the work happening at Raleigh Park in Oxford as part of our Saving Oxford's Wetland Wildlife project. We're busy restoring alkaline fen habitat and creating new pools which will benefit freshwater wildlife, including some rare plants and invertebrates



NCP will continue to work in partnership to create habitats for Great Crested Newts

- Continue to create new terrestrial and pond habitat for Great Crested Newts as part of the NatureSpace Partnership District Licensing scheme and extend to new counties in the South and the Midlands.
- Continue to promote and practically undertake new pond creation programmes, including planning a new phase of the Million Ponds Project.
- Publish, promote and make people aware of our work; now scheduled for publication in 2022, the long-awaited New Naturalist book 'Ponds, Pools and Puddles' (written by two of the Trusts senior staff) will help to make more people aware of the value of small waterbodies for freshwater biodiversity.
- We will launch a new strategy for the next 10 years, updating the 2013-20 strategy that has guided the first eight years of the work of Freshwater Habitats Trust.



## Reference details

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### Patron:

The Earl of Selborne KBE FRS (Deceased Feb20)

### Board of Trustees:

Roger Thomas	Chair of Trustees
Brian Abbott	Treasurer
Baroness Hilton of Eggardon	
Professor Lorraine Maltby	
Keith Lawrey	Resigned Jul20
Dr Mark Downs	
Dr Edward Sykes	
Debbie Tann	

### Company Secretary:

Natasha Challoner

### Senior Management Team:

Dr Jeremy Biggs	Director
Dr Pascale Nicolet	Technical Director (part-time secondment as CEO to NCP)
Dr Naomi Ewald	Director of Research and Development
Natasha Challoner	Finance Manager

### Registered Office:

Bury Knowle House,  
North Place, Headington,  
Oxford, OX3 9HY

### Auditors:

Moore Kingston Smith  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

### Bankers:

HSBC Bank plc  
108 London Road,  
Headington,  
Oxford, OX3 9AP

Freshwater Habitats Trust is a registered charity, no. 1107708, and a company limited by guarantee registered in England and Wales, no. 5317683, at the above registered address.

## Structure, governance and management

The trustees (who are also directors of Freshwater Habitats Trust for the purposes of company law) are responsible for preparing the Trustees' Annual 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, of the charitable company 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 operation.

The trustees are responsible for keeping adequate 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. They 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.

In so far as the trustees are aware:

- There is no relevant information of which the charitable company's Auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Auditor examiner is aware of that information.

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.

Freshwater Habitats Trust is an incorporated charity established and governed under a Memorandum and Articles of Association completed in December 2004, under the name of Pond Conservation: The Water Habitats Trust. The Trust was entered onto the Register of Charities, Number 1107708, on 19th January 2005. It was registered as a Limited Company, Number 5317683, on 20th December 2004. Pond Conservation remained inactive until 1st April 2005, at which point it took over the charity "The Ponds Conservation Trust". It subsequently also took over the subsidiary company "The Ponds Conservation Trust: Policy & Research Ltd". The Trust's name was changed to Freshwater Habitats Trust in August 2013 and the Memorandum and Articles of Association were updated to reflect this in October 2013.

The Trust is administered by a Board of Trustees, currently consisting of eight members. The Senior Management Team (SMT) reports to the Trustee Board, and manages staff and activities of the Trust under delegated authority from the Trustee Board.

The financial management and fundraising strategy of the Trust are supervised by Trustees and SMT, reporting and making recommendations to the full board for implementation.



The Trust currently provides an informal induction process for new Trustees. Prospective trustees are nominated for their professional experience and the match of their skills to the board's needs. They are approached by the Chair or an SMT member, the aims and activities of the Trust are explained to them, and they are provided with explanatory information and reports. They are invited to attend a board meeting to learn more of our work and procedures and when possible, to meet staff. On becoming a Trustee, they are provided with explanatory material on Trusteeship from the Charity Commission, and copies of the budget, recent accounts, and recent staff and board meeting minutes.

### **Public Benefit**

The Board of Trustees is satisfied that they have complied with the duty in of the 2011 Charities Act to have due regard to public benefit guidance issued by the Charity Commission, and that the mission, aims and activities of Freshwater Habitats Trust meet with these criteria.

All employees, including the Chief Executive and the key management personnel, are covered by the same remuneration policy which is based on externally benchmarked salary bands. The remuneration policy is approved by the board and subject to periodic review.

### **Objects**

- To advance public education in the conservation and ecology of ponds, wetlands, catchment systems and other water habitats;
- To promote for public benefit the conservation and creation of freshwater habitats and their wildlife, and their sustainable enjoyment by the public, in particular, but not exclusively, through:
  - (a) Promotion and conduct of active creation and conservation of freshwater habitats and their catchments.
  - (b) Public education in the conservation and ecology of freshwater habitats and their catchments.
  - (c) Promotion and conduct of research and the dissemination of useful results.
  - (d) Advocacy to promote the conservation, creation, sustainable use and enhancement of freshwater habitats.

### **Mission statement**

To protect freshwater life for everyone to enjoy.

### **Risk management**

The Board of Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations, reputation, business and finance of Freshwater Habitats Trust. The Senior Management Team (SMT) assess and update the likelihood and impact of material risks on a risk management matrix, which is reviewed by the Board on a quarterly basis at Trustee meetings. Any significant changes are reported to Trustees as they arise.

Health and Safety Procedures are reviewed annually on a rotational basis, with Health and Safety reports as standing items on Board, SMT and staff meeting agendas. Specific risk assessments are carried out for all new activities and field working sites. Health and Safety is a primary element of the staff induction system, and training is provided whenever appropriate.

### **Data Protection**

The Board of Trustees recognises the importance of protecting the personal information FHT collect and how this is handled within the organisation. Guidelines, Privacy Policies and Procedures are regularly reviewed and Data Protection is a standing item at internal meetings.

## Financial review

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The Statement of Financial Activities for the year ended 31 March 2021 is set out on page 23 of this report.

### Income

Freshwater Habitats Trust's total income increased in 2020/21 to £1,159k (2019/20: £701k).

Voluntary income of £580k (2019/20: £232k) is now similar to Charitable activities. Continuing grants include, Water Friendly Farming research funding (£24k), Environment Agency (212k), New Forest National Park (£12k), Natural England (£33k) and Thames Water (£66k). New funding was received from EU Horizon 2020 (184k)

Charitable activities income of £579k is higher than the prior year (2019-20: £468k). This included Environment Agency, Water Friendly Farming project (£45k), Wootton Brook project (£111k), Newt Conservation Partnership (£178k), and eDNA Great Crested Newt monitoring (£126k).

### Expenditure

Total expenditure for 2020/21 is higher by 39% at £953k (2019/20: £688k) following the additional income. The fundraising costs of the organisation remain low at 4.3% of total expenditure (2019/20: 1.1%), with a dedicated fundraiser employed part way through the year and core staff time now being allocated to fundraising.

### Reserves position

Closing reserves of £591k are 53% higher than 2019/20 (£385k).

Restricted reserves increased 246% to £263k (2019/20: £76k) due to the receipt of The Horizon 2020 grant prior to commencement of the project.

Unrestricted reserves increased 6% to £327k (2019/20: £309k). This was due to an increase in contractual projects and funds held over relating to on ongoing projects at £33k (2019/20: £14k).



## Reserves policy

The Charity's policy is to maintain general reserves to reflect the long-term nature of its work. As the temporary custodians of these reserves, trustees feel that it is essential that they leave The Freshwater Habitats Trust in a state where it can continue for as long as freshwater habitats need preserving, and there is no sign of this need diminishing.

Total reserves of £591k (2020: £385k) are made up of;

Designated reserves £22k (2020: £0) which are not available for general purposes. (See note 16)

Restricted reserves £263k (2020: £76k) (see note 16)

General reserves £307k (2020: £309k)

The level of the unrestricted general reserves has provided some protection to the Charity and allows time to adjust to changing financial circumstances. This has limited the risk to service provision from operating deficits or an unexpected need for unbudgeted expenditure.

The Trustees have agreed that unrestricted reserves should not fall below £ 299k.

In the opinion of the Trustees , this level of reserves continues to be required to provide working capital having taken into account the following factors:-

- The Charity seeks to operate in a proactive manner, to make commitments in manpower (paid and voluntary) to support long term projects.
- To support restricted projects where final funding is not received until the project is complete.
- To support unfunded overhead costs not covered by funding

The trustees consider that it is appropriate for the Financial Statements to be prepared on a going concern basis as they believe that the current level of reserves at the date of signing will enable the Charity to survive any exceptional and unexpected circumstances. They will also ensure that the Charity can continue to be able to advise and support the preservation of Freshwater Habitats ion the foreseeable future.

## Approval

### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of the Trustees 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 period that 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, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements.
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

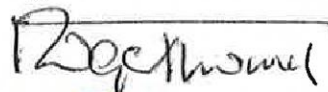
- There is no relevant information of which the charitable company's Auditor is unaware; and
- The trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Auditor is aware of that information.

The Trustees' Annual Report is approved by the Trustees of the Charity.

### Small Company Rules

These accounts have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

Signed on behalf of the Trustees on 27 July 2021



Roger Thomas  
Chair



Brian Abbott  
Treasurer



# Independent Auditors' report to the members of Freshwater Habitats Trust

## Opinion

We have audited the financial statements of Freshwater Habitats Trust ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 financial statements section of our report. We are independent of the charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other matter

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit and are unaudited.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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.

### **Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 the trustees 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Neil Finlayson (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Date: 16/09/2021



## Statement of financial activities for the year ended 31 March 2021

(Incorporating the summary Income and Expenditure account)

	Note	Unrestricted funds	Restricted funds	Total funds year ended 31-Mar-21	Total funds year ended 31-Mar-20
		£	£	£	£
<b>Income from:</b>					
Grants and donations	2	47,485	532,500	579,985	232,340
Investments		256	-	256	937
Charitable activities	3	578,935	-	578,935	467,887
<b>Total income</b>		<b>626,676</b>	<b>532,500</b>	<b>1,159,176</b>	<b>701,164</b>
<b>Expenditure on:</b>					
Raising funds	4	41,271	-	41,271	7,253
Charitable activities	5	557,083	355,099	912,182	681,124
<b>Total expenditure</b>		<b>598,354</b>	<b>355,099</b>	<b>953,453</b>	<b>688,377</b>
Transfers between funds		(9,451)	9,451	-	-
<b>Net movement in funds</b>		<b>18,871</b>	<b>186,852</b>	<b>205,723</b>	<b>12,787</b>
Fund balances at 1 <sup>st</sup> April 2020		308,704	76,260	384,964	372,177
Fund balances at 31 <sup>st</sup> March 2021		327,575	263,112	590,687	384,964

All income and expenditure derive from continuing activities.

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

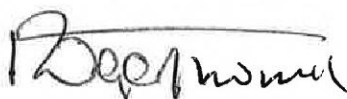
The notes on pages 26 to 37 form part of these financial statements

## Balance sheet as at 31 March 2021

	Note	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
		£	£	£	£
<b>Fixed assets:</b>					
Intangible assets	11	-	-	-	-
Tangible assets	12	1,264	1,264	3,423	3,423
<b>Current assets:</b>					
Stock	13	6,203		425	
Debtors	14	158,435		102,655	
Cash at bank and in hand		695,851		465,239	
<b>Total current assets:</b>		860,489		568,319	
<b>Creditors:</b>					
Amounts falling due within one year	15	(271,066)		(186,778)	
<b>Net current assets:</b>			589,423		381,541
<b>Net assets:</b>			590,687		384,964
<b>The funds of the charity:</b>					
Restricted funds			263,112		76,260
Unrestricted funds			327,575		308,704
<b>Total charity funds</b>	16		590,687		384,964

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These statements were approved and authorised for issue by the Trustees on 27 July 2021 and signed on their behalf by:



Roger Thomas  
Chair



Brian Abbott  
Treasurer

Company Number 5317683



## Cash flow statement

For the year ended 31<sup>st</sup> March 2021

	Notes	2021	2020
		£	£
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	see below	230,356	135,471
<b>Cash flows from investing activities:</b>			
Interest income		256	937
Purchase of Leasehold, plant and equipment	12	-	(1,600)
<b>Net cash used in investing activities</b>		<u>256</u>	<u>(663)</u>
 Change in cash and cash equivalents in the reporting period		 230,612	 134,808
Cash and cash equivalents at the beginning of the reporting period		465,239	330,431
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>695,851</u></u>	<u><u>465,239</u></u>

## Reconciliation of net income to net cash flow from operating activities

		2021	2020
		£	£
<b>Net Income (as per the statement of financial activities)</b>		205,723	12,787
<b>Adjustments for:</b>			
Depreciation and amortisation charges	11,12	2,159	2,998
Investment income		(256)	(937)
(Increase)/decrease in stocks	13	(5,778)	100
(Increase)/decrease in debtors	14	(55,780)	77,837
Increase in creditors	15	84,288	42,686
<b>Net cash provided by operating activities</b>		<u><u>230,356</u></u>	<u><u>135,471</u></u>

## Analysis of cash and cash equivalents and net debt

	2021	2020
	£	£
Cash in hand		
Opening balance	465,239	134,808
Cash flows	230,612	330,431
<b>Closing balance</b>	<u><u>695,851</u></u>	<u><u>465,239</u></u>

## Notes to the financial statements for the year ended 31 March 2021

### General information

Freshwater Habitats Trust is a public benefit entity, a charity registered in England and Wales (registered charity number 5317683) and a company limited by guarantee (company number 1091708), registered in England. The registered office and its principal place of business is Bury Knowle House, North Place, Headington, Oxford, OX3 9HY.

### 1. Accounting policies

#### a. Accounting convention

##### Basis and preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable United Kingdom and Republic of Ireland (FRS 102).

The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP including Update Bulletin 2), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

#### b. Going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Trust to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. After making enquiries the trustees have concluded that there is a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements and there are no material uncertainties at the date of signing.

The Trustees have given due consideration to the impact of the Covid-19 pandemic, which has remained an issue in the period between the year end and the signing of the financial statements.

The charity's income continues to be largely sheltered from the impact of Covid-19 due to a number of long term grants and contracts, as well as its donors who have continued to support the charity in the current global pandemic. Having reviewed forecasts prepared by management the Trustees are confident that the charity will continue to meet its obligations as they fall due and that therefore the going concern basis continues to be appropriate.



**c. Fund accounting**

Unrestricted funds are those funds which 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 those funds over which the trustees do not have full discretion concerning their use.

**d. Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity becomes legally entitled to the income and when this income can be quantified with reasonable accuracy. Any contract income received in advance of the work being done is deferred.

No amounts are included in the financial statements for services provided by volunteers.

**e. Resources expended**

All expenditure is recognised on an accruals basis. Raising funds are those costs incurred in attracting voluntary income. Charitable activities include costs in furtherance of the charity's objects and support costs relating to those activities. Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements. Support costs include administrative staff and central office costs. Where support staff work for a particular activity their costs are allocated to that activity based on an hourly recharge rate. Any remaining support costs are allocated to the charitable activities in the same percentage.

**f. Intangible and tangible fixed assets and depreciation**

Depreciation and amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- Computers and software - 33% straight line.
- Leasehold costs - depreciated over the period of the lease (5 years).
- Assets costing less than £1,000 are not capitalised and are included in expenditure.

**g. Stocks**

Stocks and work in progress are included at the lower of cost and net realisable value.

**h. Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity in the year.

**i. Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the balance sheet date. All exchange differences are included in the statement of financial activities.

**j. Financial instruments**

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

**k. Critical accounting estimates and areas of judgement**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. There are no significant estimates or judgments that have a material effect on amounts recognised in the financial statements.



## 2. Grants and donations

Year to 31 March 2021	Unrestricted	Restricted	Total 2021
	£	£	£
<b>Project Activities</b>			
Environment Agency	-	212,232	212,232
New Forest National Park Authority	-	12,927	12,927
Thames Water	-	66,601	66,601
Rural Payments Agency	-	1,719	1,719
Trust for Oxfordshire's Environment	-	6,230	6,230
Horizon 2020	-	183,800	183,800
HLF	-	13,093	13,093
Natural England	-	33,227	33,227
Other	11,339	1,501	12,840
	<u>11,339</u>	<u>531,330</u>	<u>542,669</u>
<b>Other</b>			
HMRC -JRS	18,078	-	18,078
Supporter Scheme	10,717	-	10,717
Other	7,351	1,170	8,521
	<u>36,146</u>	<u>1,170</u>	<u>37,316</u>
<b>Total grants and donations:</b>	<u><u>47,485</u></u>	<u><u>532,500</u></u>	<u><u>579,985</u></u>
<b>Year to 31 March 2020</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2020</b>
	£	£	£
<b>Project Activities</b>			
Environment Agency	-	97,796	97,796
New Forest National Park Authority	-	19,129	19,129
Thames Water	-	36,126	36,126
Rural Payments Agency	-	28,400	28,400
Trust for Oxfordshire's Environment	-	12,917	12,917
Other	-	23,000	23,000
	<u>-</u>	<u>217,368</u>	<u>217,368</u>
<b>Other</b>			
Supporter Scheme	10,765	-	10,765
Other	1,907	2,300	4,207
	<u>12,672</u>	<u>2,300</u>	<u>14,972</u>
<b>Total grants and donations:</b>	<u><u>12,672</u></u>	<u><u>219,668</u></u>	<u><u>232,340</u></u>

### 3. Charitable activities

	Unrestricted	Restricted	Total 2021
	£	£	£
Year to 31 March 2021			
Project Activities	575,215	-	575,215
Corporate membership & sponsorship	3,720	-	3,720
	<b>578,935</b>	<b>-</b>	<b>578,935</b>

	Unrestricted	Restricted	Total 2020
	£	£	£
Year to 31 March 2020			
Project Activities	463,787	-	463,787
Corporate membership & sponsorship	4,100	-	4,100
	<b>467,887</b>	<b>-</b>	<b>467,887</b>

### 4. Raising funds

	Unrestricted 2021	Restricted 2021	Total 2021
	£	£	£
Year to 31 March 2021			
Staff costs	38,476	-	38,476
Support costs	2,795	-	2,795
	<b>41,271</b>	<b>-</b>	<b>41,271</b>

	Unrestricted 2020	Restricted 2020	Total 2020
	£	£	£
Year to 31 March 2020			
Staff costs	4,200	-	4,200
Support costs	3,053	-	3,053
	<b>7,253</b>	<b>-</b>	<b>7,253</b>



**5. Cost of charitable activities including grants payable and activities undertaken directly by the charity**

	Grants payable	Staff costs	Project activities	Other costs	Support costs	Total 2021
<b>Year to 31 March 2021</b>	£	£	£	£	£	£
Project Activities	3,750	314,886	427,775	2,224	163,547	912,182
	<b>3,750</b>	<b>314,886</b>	<b>427,775</b>	<b>2,224</b>	<b>163,547</b>	<b>912,182</b>
	Grants payable	Staff costs	Project activities	Other costs	Support costs	Total 2020
<b>Year to 31 March 2020</b>	£	£	£	£	£	£
Project Activities	-	281,203	252,281	1,975	145,665	681,124
	<b>-</b>	<b>281,203</b>	<b>252,281</b>	<b>1,975</b>	<b>145,665</b>	<b>681,124</b>

**6. Support costs**

	Unrestricted 2021	Restricted 2021	Total 2021
<b>Year to 31 March 2021</b>	£	£	£
Staff costs	81,723	26,652	108,375
Office running costs	34,636	11,296	45,932
Governance costs	153	50	203
Other	6,815	2,222	9,037
	<b>123,327</b>	<b>40,220</b>	<b>163,547</b>
	Unrestricted 2020	Restricted 2020	Total 2020
<b>Year to 31 March 2020</b>	£	£	£
Staff costs	59,650	23,136	82,786
Office running costs	38,957	15,110	54,067
Governance costs	3,128	1,213	4,341
Other	3,222	1,249	4,471
	<b>104,957</b>	<b>40,708</b>	<b>145,665</b>

## 7. Net incoming resources

Net incoming resources are stated after charging:

	2021	2020
	£	£
Auditor's remuneration	8,900	-
Independent examiner's remuneration	-	3,846
Depreciation on tangible assets	2,159	2,515
Amortisation of intangible assets	<u>-</u>	<u>483</u>

## 8. Trustees' remuneration and related parties

Trustees received no reimbursement (2020: £604) in relation to travel expenses in the financial year and no trustees received any remuneration.

Unrestricted donations from trustees were £120 (2020: £195)

There were no other related parties that required disclosure for the year (2020- None)

## 9. Employees remuneration

The aggregate payroll costs of employees were:

	2021	2020
	£	£
Wages and salaries	391,551	314,916
Social security	36,762	27,335
Pension costs	22,202	17,359
	<u>450,515</u>	<u>359,610</u>

No employee received emoluments of more than £60,000 during the year (2020 - no. 0)

## Average number of employees:

	2021	2020
Project activities	8	7
Support	3	3
	<u>11</u>	<u>10</u>

Key management personnel includes the Trustees and senior management. The total employee benefits, including pension costs, of the charity's key management personnel were £217,027 (2020: £210,316)

## 10. Taxation

As a registered charity Freshwater Habitats Trust benefits from exemptions on income and gains falling within Sections 466-493 of the Corporation Tax Act 2010 to the extent they derived from charitable activities.



# 11. Intangible fixed assets

	Software £	Total £
<b>Cost</b>		
At 01/04/20	8,677	8,677
Additions	-	-
At 31/03/21	8,677	8,677
<b>Amortisation</b>		
At 01/04/20	8,677	8,677
Annual charge	-	-
At 31/03/21	8,677	8,677
<b>At 31/03/21</b>	-	-
<b>At 31/03/20</b>	-	-

# 12. Tangible fixed assets

	Leasehold costs £	Computers £	Total £
<b>Cost</b>			
At 01/04/20	1,600	16,268	17,868
Additions	-	-	-
Disposals	-	-	-
At 31/03/21	1,600	16,268	17,868
<b>Depreciation</b>			
At 01/04/20	229	14,216	14,445
Annual Charge	229	1,930	2,159
Release on disposal	-	-	-
At 31/03/21	458	16,146	16,604
<b>Net book value</b>			
At 31/03/21	1,142	122	1,264
At 31/03/20	1,371	2,052	3,423

**13. Stocks**

	2021	2020
	£	£
Books for resale	670	425
Kits for use and resale	5,533	-
	<u>6,203</u>	<u>425</u>

**14. Debtors**

	2021	2020
	£	£
Project debtors	70,607	40,013
Prepayments and accrued income	86,091	60,606
Other debtors	1,737	2,036
	<u>158,435</u>	<u>102,655</u>

**15. Creditors falling due within one year**

	2021	2020
	£	£
Project creditors	83,687	2,823
Deferred income < one year	119,148	34,059
Accruals	34,965	102,335
Taxation and social security costs	32,016	46,311
Other creditors	1,250	1,250
	<u>271,066</u>	<u>186,778</u>



## 16. Analysis of funds

	At 1-Apr-20 £	Incoming resources £	Resources expended £	Fund transfers £	Balance 31-Mar-21 £
<b>Restricted Funds</b>					
Catchment Partnership Funds: Ock, Thame & New Forest	11,210	42,000	42,877	1,358	11,691
WEIF New Forest Projects	-	138,834	138,834	-	-
Important Freshwater Areas Oxfordshire	2,885	-	3,496	611	-
Million Ponds Digging Fund	28,031	-	-	-	28,031
New Forest Catchments	3,109	-	320	-	2,789
New Forest HLF Beaulieu	-	2,274	2,274	-	-
River Irfon	8,554	1,719	10,273	-	-
Arable Farming (Ock & Thame)	-	18,052	18,651	599	-
Saving Oxfordshire wetland wildlife	-	69,946	38,532	-	31,414
Horizon H2020	-	183,800	15,536	-	168,264
HLF Brecks	-	13,093	15,917	2,824	-
Water Friendly Farming Research	-	24,000	24,000	-	-
Other small projects	-	4,055	8,114	4,059	-
Water Environment Grants (Hatchett & Oxfordshire Fens)	-	33,227	33,227	-	-
Medicinal Leech	22,471	1,500	3,048	-	20,923
<b>Total restricted funds:</b>	<b>76,260</b>	<b>532,500</b>	<b>355,099</b>	<b>9,451</b>	<b>263,112</b>
<b>Unrestricted funds</b>					
Designated Pond Creation Fund	-	-	-	22,000	22,000
General funds	308,704	626,676	598,354	(31,451)	305,575
<b>Total unrestricted funds:</b>	<b>308,704</b>	<b>626,676</b>	<b>598,354</b>	<b>(9,451)</b>	<b>327,575</b>
<b>TOTAL FUNDS</b>	<b>384,964</b>	<b>1,159,176</b>	<b>953,453</b>	<b>-</b>	<b>590,687</b>

16. Analysis of funds (continued)

	At 1-Apr-19 £	Incoming resources £	Resources expended £	Fund transfers £	Balance 31-Mar-20 £
<b>Restricted Funds</b>					
Catchment Partnership Funds: Ock, Thame & New Forest	9,869	42,000	40,659	-	11,210
WEIF New Forest Projects	-	34,875	34,875	-	-
Important Freshwater Areas Oxfordshire	7,565	-	4,680	-	2,885
Million Ponds Digging Fund	28,116	-	85	-	28,031
New Forest Catchments	3,109	-	-	-	3,109
New Forest HLF Beaulieu	-	7,129	7,129	-	-
River Irfon	22,394	-	13,840	-	8,554
Arable Farming (Ock & Thame)	487	8,921	9,350	(58)	-
Saving Oxfordshire wetland wildlife	1,684	48,005	49,689	-	-
Biffa Award, Stow Common	92	-	92	-	-
Anglian Water	8,875	-	8,875	-	-
Water Friendly Farming Research	-	24,000	24,000	-	-
Other small projects	56	3,338	7,924	4,530	-
Water Environment Grants	-	28,400	28,780	380	-
Medicinal Leech	-	23,000	529	-	22,471
<b>Total restricted funds:</b>	<b>82,247</b>	<b>219,668</b>	<b>230,507</b>	<b>4,852</b>	<b>76,260</b>
<b>Unrestricted funds</b>					
General funds	289,930	481,496	457,870	(4,852)	308,704
<b>Total unrestricted funds:</b>	<b>289,930</b>	<b>481,496</b>	<b>457,870</b>	<b>(4,852)</b>	<b>308,704</b>
<b>TOTAL FUNDS</b>	<b>372,177</b>	<b>701,164</b>	<b>688,377</b>	<b>-</b>	<b>384,964</b>

Restricted funds consist of grants which have been made Freshwater Habitats Trust which have yet to be fully completed and span over the year end. Transfers between funds occur when there is match funding agreed at the start of the project.



## 17. Analysis of net assets by funds

	Unrestricted	Restricted	Total Funds
Year to 31 March 2021	£	£	£
Fixed assets	1,264	-	1,264
Current assets	597,377	263,112	860,489
Current liabilities	(271,066)	-	(271,066)
Net assets	327,575	263,112	590,687

	Unrestricted	Restricted	Total Funds
Year to 31 March 2020	£	£	£
Fixed assets	3,423	-	3,423
Current assets	489,236	79,083	568,319
Current liabilities	(183,955)	(2,823)	(186,778)
Net assets	308,704	76,260	384,964

## 18. Operating lease commitments

As of 31 March 2021 the charity had the following commitments under non-cancellable operating leases.

	Land and buildings 2021 £	Land and buildings 2020 £
Expire within one year:	31,000	31,000
Expiry within two to five years:	849	31,849
	31,849	62,849

