

CIWEM Chartered Institution of
Water and Environmental
Management

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

Charity No: 1043409 (England and Wales) | Charity No: SC038212 (Scotland)

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Reference and administrative details

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Registered charity

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(England and Wales)
No. SC038212
(Scotland)

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Devonshire House
60 Goswell Road
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Foreword by the Chair of the Trustee Board and Chief Executive

2020 has been a positive year for CIWEM.

Whilst in many ways it was not the year that we planned, we have been able to carry through our ambitions and accelerate changes that fulfil the guiding principles of our strategy to be relevant and accessible to all.

The accelerated adoption of digital technology in 2021 has helped us to progress our own digital transformation. Accelerated change has been especially prevalent in our delivery of events, training, professional registration and mentoring.

CIWEM's staff and volunteers rapidly adapted their ways of working and, as world constraints continued due to the COVID pandemic, they have exhibited remarkable resilience. This has resulted in one of our strongest years ever for the level and scope of services delivered to our members. The indicators of this include the unprecedented numbers of people that have engaged in our events from all over the world. The feedback from attendees describes our events as best in class. We have also seen growth in the number of professional review interviews; increase in overall membership; our online mentor platform connecting more people at all stages of their careers; our magazine, *The Environment*, representing a greater diversity of people than ever before and enriching our sharing of knowledge and breadth of influence; and our learning and development programme delivering training to over 3,000 professionals.

CIWEM only exists through the generosity of our volunteers in our branches, specialist groups, technical panels, boards, and committees. We are grateful to the organisations that allow their employees time to volunteer and who support us financially including sponsorship. Never has this been truer than in 2020 and we wish to record our thanks to you all for not just carrying us through the year but making it one of our best.

Environmental performance

We continue to be motivated by our declaration of climate and ecological emergencies in 2019. We have

seen a marked reduction in our scope 3 emissions mostly as a consequence of restrictions over the year. Our ambitions to reduce our travel-related scope 3 emissions were fast-tracked by remote working and meeting technology – something which we expect to maintain to a significant extent in future. Additionally, the transition of our journals to digital publications mean no more shipping and printing emissions.

Our scope 1 and 2 emissions mostly relate to our use of energy in our building. This energy has, for several years now, been provided from 100% renewable sources. Whilst the low occupancy of our building has led to reduced consumption, we recognize that this consumption has shifted to the domestic dwellings of our staff and volunteer visitors where we have less visibility and influence and where dispersed working offers less efficiency. This is a challenge faced by many organisations even as we return to new work patterns and we are looking at how we will address this.

Our other contributions to resolving the climate and ecological emergencies have come from our work to share knowledge, educate, and influence change. This has been achieved through our events, training, publications and awards and our partnerships with businesses and NGOs all of which are detailed below.

Trustee board and executive team developments

In 2020 we welcomed five new trustees to our board: Peter Brooks, Nicky Cunningham, John Curtin, Nicholas Howden and Matthew Jack. Matthew joins as a full trustee having served for a year as our 'early career' board member. We are delighted to continue this initiative and, such was the quality of applications, early career professionals who have participated fully and been mentored by experienced trustees. Welcome to Sian Leake and Emily Shipton.

Two trustees, Janice McKenna and Luciana Wong, resigned during the year and Angela Grey, Aaron Burton, and Roger Falconer retired. We thank them for their support. David McHugh retired following his year in office as President but is co-opted to the Trustee Board until our AGM in July 2021.

In recent years, we have invested in strengthening and broadening the skills with our executive team. The commercial difficulties imposed during 2020 could have threatened this, but we were able to maintain our team by temporary repurposing of roles and responsible use of Government grants. Towards the end of 2020 and into early 2021, we continued with our planned recruitment to strengthen our membership, training, communications and marketing, and publications teams.

Organisational growth

At the beginning of 2020 we created the potential for significant growth by securing a 10-year contract with Water UK to deliver training to UK water companies on the adoption of Sustainable Drainage Systems (SuDS). We had also purchased the 'Flood and Coast' event and were set to deliver this in partnership with The Environment Agency. Both activities were adapted into digital formats and delivered to a first-class standard.

It is especially encouraging to see our membership grow in 2020 in terms of total numbers, members transferring upgrades, and the numbers of professional review interviews and new registrations. Our learning and development activities have also expanded in line with our 5-year strategy. Further details are provided below.

We have some very exciting plans for 2021 consistent with our longer-term plans and building upon the successes of 2020.

- Enhance our membership support through retraining of our assessors, review of our membership grades and entry procedures
- Review of our corporate strategy setting direction for 2022 to 2026 embedding our plans to further address the climate and ecological emergencies
- Accelerate our digital transformation through a full review and implementation of new systems and services

- Secure additional contracts for delivery of industry-wide training programmes

Paul Seeley steps down from chair of the Trustee Board after 4 years in the role at this year's AGM. We are delighted to announce that Andrew Dunn will take over the role of Trustee Chair from September 2021. As retiring Chair, Paul would like to take this opportunity to thank his fellow Trustees, the excellent staff at CIWEM, and our members, for making this Institution a strong and positive influence with in the world of Water and Environmental Management.

We look forward to working with our members and partners to meet these aims and continue to make CIWEM accessible and relevant.

Paul Seeley
Chair, Trustee Board

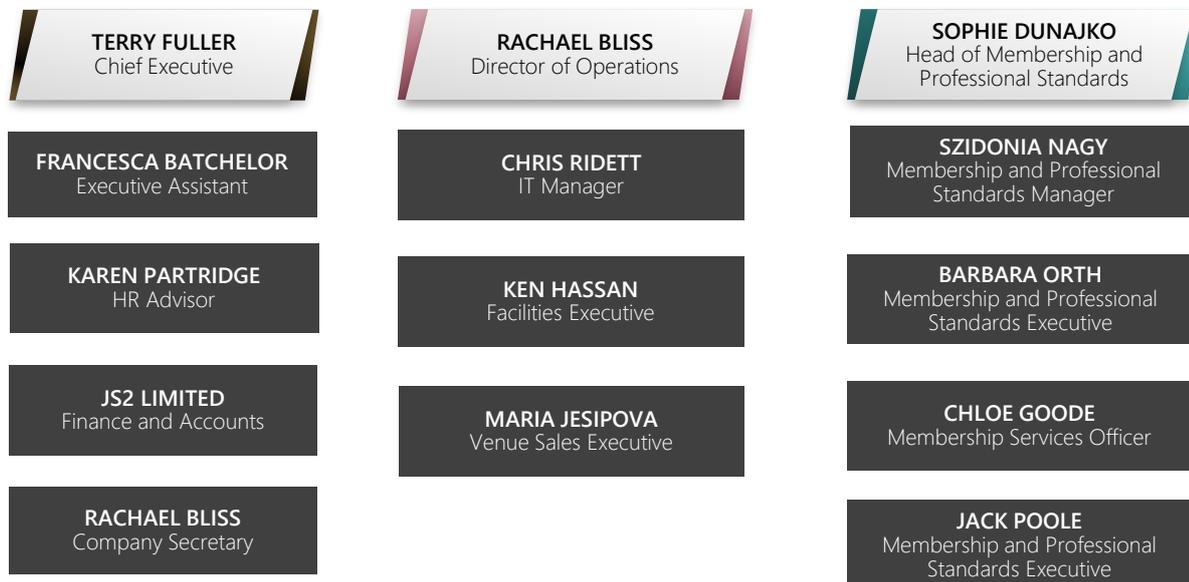


Terry Fuller
Chief Executive



CIWEM staff structure

Team organisation and operation (line management)



DARREN ECKFORD
Head of Learning and
Development Services

JOSEPH WILSON
Accreditation and Business
Relations Manager

VALERIA JI
Learning and Development
Executive

REBECCA SELLS
Head of External Affairs

IRINA DANILOVA
Interim Head of Events

ROXANA OLDERSHAW
Events Manager

EMMA BOOTH
Events Officer

ALASTAIR CHISHOLM
Director of Policy

HEATHER GARDNER
Sr. Policy Advisor

SARAH ANDERTON
Policy Advisor

VICTORIA HARRIS
Publications Manager

KAREN THOMAS
The Environment Editor

JANE BOLAND
Communications Manager

BARBARA WOODS
Branch Liaison Officer



Report of the Trustee Board

The Trustee Board have pleasure in presenting their annual report and accounts for the year ended 31 December 2020. The report and accounts consolidate the activities of the Institution and its wholly owned subsidiaries CIWEM Services Limited and 106-109 Saffron Hill Management Limited (together referred to as “the group”).

In presenting their report the members of the Trustee Board confirm that they have governed this Institution with regard to the Charity Commission’s guidance on public benefit.

Organisation and governance arrangements

CIWEM is a registered charity and is constituted and governed by its Royal Charter and Bye-Laws, which were granted in 1995 and amended in 2009 and 2020. The Trustee Board is responsible for setting out the ongoing strategic direction of the Institution and defining its business priorities. It also approves the terms of reference and monitors the work of Committees, Boards, Task Groups and Panels, to which certain operational matters are delegated. The Trustee Board normally meets five times a year to carry out its decision making and strategic responsibilities.

CIWEM also has a network of Branches, Special Interest Groups, Common Interest Networks and Technical Panels that are run by volunteers. They work alongside the executive staff helping to deliver the Institution’s charitable objectives, principally through the provision of technical meetings and events for Members, nationally and internationally. The Trustee Board monitors the work of the Branches and Groups at Trustee Board meetings.

Statement of Trustees responsibilities

The Trustees 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.)

The law applicable to charities in England & Wales and Scotland requires the Trustees to prepare financial

statements for each financial year, which give a true and fair view of the state of the affairs of the charity and the group and of the income and expenditure of the group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustee Board is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy, at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Royal Charter.

The board is also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and for the financial information included on the charity’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees who served on the Trustee Board during the financial year are shown (in the positions they held at the year-end) and are as follows:

Trustees

Peter Brooks (appointed July 2020)

Aaron Burton (retired October 2020)

Stephanie Campbell

Andrew Chang (Honorary Treasurer)

Joanna Cochrane

Nicky Cunningham (appointed July 2020)

John Curtin (appointed July 2020)

Claudia David

Andy Dunn

Roger Falconer (retired October 2020)

Nicholas Howden (Professional Standards Committee Chair) (appointed July 2020)

Matthew Jack (appointed July 2020)

Eilish Kavanagh (Finance Audit & Resources Chair)

Janice McKenna (resigned July 2020)

Shaun Nicholson (Nominations Committee Chair) (President elect)

Niki Roach (President)

Paul Seeley (Trustee Chair)

Steve Thompsett

Luciana Wong (resigned March 2020)

Additional attendees

Co-opted board members

Angela Grey (retired July 2020)

David McHugh (Strategy Implementation Group Chair)

David Wickens (CIWEM Services Limited Chair)

Early Career Professionals

Emily Shipton

Sian Leake

Independent

David Wilkes (Remuneration Committee Chair)

CIWEM Services Limited: Non-Trustee board directors

Trevor Harrington

Mike Summersgill

Caroline Gould

Company Secretary

Rachael Bliss

Frank Liddell (part-year)

CIWEM governance

CIWEM governance

The Trustee Board is the body responsible for overseeing the Institution's management and administration and for setting policy. The Board consists of up to 15 Trustees, including the Chair, Deputy Chair, Honorary Treasurer, the Presidential Team, Trustees and co-opted Board members who are not Trustees.

All Trustees are non-executive members of the Board appointed on merit from an independently facilitated selection process. Further details of Trustee appointment periods, the Trustee appointment process and terms of office can be found in the Institution's Bye-Laws.

Trustees are recruited by advertisements in the Institution's magazine, on the website, alongside with external adverts in the National Press. Honorary Officers are appointed from amongst the Trustee Board.

All new Trustees receive an induction pack containing detailed information about CIWEM and its work, and go through an induction process with regular opportunities to update skills.

Management

The Institution's Chief Executive is responsible for the day-to-day management of the Institution's affairs and for implementing policies agreed by the Trustee Board. The Chief Executive and Company Secretary are supported by Directors and Heads of Departments who make up the Executive Senior Management Team.

The Executive Senior Management Team at the end of 2020 comprised:

- Terry Fuller, Chief Executive
- Rachael Bliss, Director of Operations
- Alastair Chisholm, Director of Policy
- Sophie Dunajko, Head of Membership and Professional Standards

- Darren Eckford, Head of Learning and Development
- Rebecca Sells, Head of External Affairs (Maternity)
- Irina Danilova, Head of Events (Secondment)

The remuneration of the Executive Senior Management Team is considered by the Remuneration Committee by reference to market rates and other appropriate factors. Recommendations are made to the Board of Trustees for approval.

Risk management and internal controls

During 2020, the Trustee Board maintained a risk register, and regularly reviewed the major risks to which CIWEM was exposed, especially business, operational and financial risks, and accounting for the changing environment. Policies and procedures have been put in place to manage and reduce the identified risks, which were assessed in detail and updated to ensure their adequacy and effectiveness.

The principal risks, uncertainties and steps taken to mitigate the likelihood of their occurrence and impact were as follows:

COVID 19. This represented a significant risk to CIWEM in 2020, after a very positive start to the year. This included closure of our venue and loss of the rental income that it generates. Our face-to-face events, training programmes, and professional interviews had to be suspended and migrated as far as possible to digital media.

We took the following mitigation measures to maintain the viability of the institution as a going concern, enable us to maintain services to our members and supporters and to mitigate financial impact:

- Maintained a detailed modelling and forecasting of our cash flow so that we could focus our activities
- Took a 'payment holiday' on our amortised loan and maintained close dialogue with our bank regarding further financial support. In the event

this was not necessary

- Instigated measures to confine our costs to maintaining critical operations and those that generate income surplus
- Accessed cost relief and deferment being offered by the Government including the Furlough scheme, income tax and business tax
- Adapted the provision of our services to utilise on-line technology to allow these to continue including professional reviews, membership support, training, webinar events, publications and delivery of policy

Member subscriptions. Income from membership subscriptions continues to form a significant part of the Institution's annual income, funding our activities for the public benefit and dissemination of best practice.

In 2020 we took the following direct action to retain and grow membership:

- Ensured our membership was open to all those who met our professional standards
- Supported our members moving through their CIWEM journey and sought to bring back into membership those whose subscriptions have lapsed
- Continued to build on the support and resources provided to our branches
- Strengthened resourcing of our membership team and assessors and reviewers
- Expanded our digital services to improve accessibility

We undertook a review of our membership subscriptions, and this led us to increase annual membership subscriptions in line with inflation, this equated to between a £1.00 to £5.00 increase across the grades. We continue to make our membership accessible with provisions in place for those that might see fees as a barrier to membership. With hardship rates for those experiencing financial hardship which includes taking a career break, for maternity and paternity leave or unemployment and supporting those from Low Income Countries with fee grades at 50% of the High-Income Country fees.

Purchase of Flood and Coast. In 2019 we completed the purchase of this event from a privately-owned events company. The event was delivered by CIWEM for the first time in 2020 as a series of 4 digital

webinars between October 2020 to April 2021. Despite significant reduction in income, we were able to make significant savings and deliver a profitable event. Many of our exhibitors and sponsors who had already paid for a 'face to face' event in 2020 allowed us to hold their payments over for the planned event in 2021. This provided significant support to maintain our cash levels during very challenging parts of the year. These monies have been accrued into the 2021 accounts. We have increased our resource specifically to deliver this event and we are in formal partnership with the UK Environment Agency who have been heavily involved in previous years. We are maintaining a specific risk register and reporting on progress at our CSL Board meetings.

Delivery of SuDS Training to the UK Water Industry. CIWEM has secured a 10-year contract in partnership with CIRIA to deliver training to UK Water Companies via Water UK. This represents a substantial growth in our Training Business. We have increased our in-house resources to deliver this contract and entered into formal contracts with CIRIA and subcontractors with expertise in this field. We are maintaining a specific risk register and review at each CSL Board Meeting. Due to the COVID 19 restrictions the planned classroom training were modified for delivery on-line. The contract has been successfully delivered with very little impact due to these changes.

The Trustee Board recognises that there are inherent limitations in any system of risk management and accordingly even the most effective system can only provide reasonable and not absolute assurance that the key risks have been managed adequately. However, the Trustee Board is satisfied that, through the risk management process, the major risks have been mitigated to an acceptable level.

CIWEM also maintains a range of policies and procedures including: health and safety; equality and diversity; environmental; and IT systems protection. These policies are updated in order to ensure compliance with legal requirements and employment best practice.

Formal certification to the latest 2015 ISO 14001 International Standard was awarded to CIWEM in Spring 2016. A re-certification visit was due to take place in 2020 but this has been deferred due to the restrictions of the pandemic. It is our intention to regain this certification at the earliest opportunity.



Membership

The impacts of the Covid-19 pandemic drove a shift in delivery of our core membership activities and functions. Our active start to the year included visits to universities to engage with students and academics about the career long benefits of joining a professional body and face to face membership support sessions and workshops to organisations across the sector. Our activities rapidly moved online, facilitating much greater outreach with our members without the limitations of geographical barriers.

Following a short pause, our virtual transition extended to cover all aspect of the membership journey with Professional Review Interviews and meetings of the Professional Standards Committee migrating online. This shift enabled greater flexibility for both applicants and volunteers, removing the need for significant periods of travel and allowing for improved engagement across these activities.

Throughout 2020, we continued our membership development programme to grow and support our member community, with professional competence a key focus. We centred our activities on ensuring applicant journeys were facilitated by delivering

additional guidance in multiple online formats, including the expansion of the membership webinar programme. Our local branches across the globe also played a huge role in disseminating guidance and sharing best practice.

Growing our engagement with early careers professionals has seen our Early Careers Network develop and grow, supporting those in the first five years of their water and environment careers towards professional registration. The launch of the CIWEM Mentor Platform further supported this, designed to support our members across their careers with their professional and personal development in guided mentor relationships.

In 2020 we were pleased to help professionally register more than 200 individuals as engineers, scientists, environmentalists and water and environment managers, and award more than 275 individual registrations.

The continued involvement of our dedicated volunteers continues to underpin many of our membership activities. We would like to thank everyone who has contributed, your work has been invaluable across the CIWEM community. Thank you.



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Branches

In 2020 we transitioned our full programme of branch and group events and networking activities to virtual formats due to the global pandemic. CIWEM remained committed to supporting the water and environment sector even during social distancing and delivered interactive events that were even more accessible to our members and the public as all our branch events were made free to attend.

Our branch network continued to provide a wealth of opportunities for our members to network, learn and engage through free webinars and virtual events that covered all three CIWEM digital series categories: Flood Resilience, Climate Emergency Adaption & Resilience and Land and Water Management.

Throughout 2020 we have provided further support to the branches, developing better processes to aid with the delivery of virtual events and involve a wider, more diverse audience, including fostering the uptake of virtual technology to showcase regional activities and engage in a new way. Many branches have adopted new media and have incorporated webinars and live transmissions to geographical hubs.

Together CIWEM branches and groups ran nearly 70 virtual events during the year contributing to a rich and varied programme supporting our members' interests across a range of subjects.

A calendar of all CIWEM activities has been produced to aid the branches and groups to finalise their 2020 programme and to assist their integration into the complete CIWEM programme, which considerably improved co-promotion of CIWEM activities, such as our learning and development services, business partnership and accreditation schemes to assist with the integration of all CIWEM activities in a more cohesive way. In turn, branches have provided new contacts and ideas to aid the development of our services to members.

The contribution the CIWEM branches and groups have made to the programme of digital events during the lockdown has been significant and we are grateful to our volunteers for their support.



Flood and Coast 2020 attracted over 1,500 delegates from 10 nations and paved the way towards our fully virtual event confirmed for the 28th of June – 1st July 2021.

Policy and technical

The COVID pandemic threw yet more weight behind the need to put the environment front and centre of policy-making and future development. The origins of the virus and its transmission to humans drew into sharp focus our destructive relationship with nature. The concept of a 'green recovery' mainstreamed. Roads and skies emptied, the air cleared, emissions fell, nature ventured more confidently into towns and cities and people experienced and bonded with their local environments; the health and wellbeing lifelines on their doorsteps. A tumultuous year has offered a range of new perspectives on the future as well as ushering a change in how we've worked.

With some initial disruption our panels and groups continued to meet, collaborate and support the Institution remotely. Our focus for outputs evolved, with a strong emphasis on webinar-led knowledge sharing and debate, focused on issues relating to the climate and ecological emergencies. From nature-based solutions, the development of a new environmental land management scheme, property flood resilience to net zero in the water sector we attracted bumper audiences to engage with top-level speakers. However we emerge from the pandemic, this approach will continue as a means to engender discussion around prominent issues for our members and beyond, and to harness this discussion to inform our policy work.

In 2020 we worked hard to help support and facilitate progress in enhancing standards for the delivery of property flood resilience and this continues as a key strand through 2021. The growing focus on river

water quality and storm overflows offers an ideal opportunity to harness the wide-ranging expertise of CIWEM's membership to consider how we should be taking an integrated, systems-approach to managing water in our urban environments to achieve climate resilience and nature recovery in tandem. Likewise, achieving improved carbon sequestration, climate resilience and nature recovery at local, catchment, and landscape scales in the most efficient and multi-beneficial way is the focus for our work in a more rural context. As ever, we could not do any of this without our network of volunteers brought together through our panels and groups. Thank you all.

Events

COVID-19 related restrictions affected all CIWEM events in 2020, so no planned f2f events have taken place during this period at HQ or branch level. All our planned events were first postponed and some of them were then adapted to a digital format. Income and costs for the postponed events were deferred to 2021.

We continued bringing our community together and launched a series of centrally organised digital events under the leadership of CIWEM's Director of Policy that were heavily supported by industry experts, our panels, networks and Groups. We ran our digital events using Zoom and facilitated a real engagement between speakers and attendees using an interactive tool, Slido. CIWEM-led digital series of events generated a good number of membership leads and contributed to promoting CIWEM to a broader audience.

Our flagship event, Flood & Coast, was transformed from a face-to-face event into a series of four digital sessions running from October 2020 through to April 2021 with the digital ceremony for the Flood & Coast Excellence Awards hosted online as a pre-recorded video in December. These digital sessions attracted over 1,500 delegates from 10 international locations and paved the way towards our fully virtual event confirmed for the 28th of June – 1st July 2021.

The UDG Annual Conference ran as a virtual event and was the culmination of the year of highly regarded digital events across the whole industry, attracting speakers and delegates both nationally and internationally. The event ran as a series of three digital sessions featuring keynote addresses, technical papers and panel discussions.

The diversity of our events programme in 2020 was a tribute to the breadth of interest and expertise within the CIWEM membership. We will continue to bring leading experts, thinkers and decision-makers together to debate the biggest environmental challenges of the day in engaging and stimulating formats and settings.





Learning and development

2020 forced a step change to the way we deliver learning and development services to the wider industry. Developments we were planning over a longer timeframe were brought forward by necessity during the pandemic.

A major project for the L&D team, Water UK SuDS Training, underwent rapid change with all face-to-face elements converted to web-based training in a short timeframe. Three of the Water and Sewerage Companies (WaSC's) are yet to participate but we expect 2021 to provide more clarity for these WaSC's internally on how they will engage with training (virtual or delayed face-to-face). All face-to-face courses were migrated online successfully. The conversion of the Mentor training course was straightforward because our trainer had experience delivering other modules online. Fast Track to Chartership presented more of a design challenge to re-create the learning potential of a classroom environment. We were impressed with the trainer's initiative to challenge previous requirements and the resulting evolution of the course generated excellent course feedback. In 2021 we will continue to offer web-based options for this training regardless of whether we return to face-to-face sessions. We continued to develop our CIWEM e-learning courses in 2020. All virtual courses now have a face-to-face element. In 2021 we will also implement Articulate (learning design software) to enhance them further and increase interactivity. Overall, the successful conversion to an online programme resulted in the training of over 3000 delegates across the second half of the year.

During 2020 we also built strong relationships with leaders in the water sector. We began working with the Water Research Centre (wRC) to create shared content and to develop an online academy. The wRC have a large library of technical content and are looking to use our skills and platforms to convert that library to accessible learning materials in 2021. We also designed a Wastewater Manager course with Severn Trent Water for their new internal training academy. This course is due to launch early 2021 and will be the first of many to come.

We have set two major goals for 2021, land two additional major projects and create a suite of CIWEM training modules that will cover full running costs in learning and development by the end of 2022. This

strategy will create more space to chase and deliver national-scale training initiatives. At the time of writing in 2021, we have secured one major project, Property Flood Resilience (PFR) Training, have re-launched Municipal Waste Water Treatment training modules, as well as agreed the first three modules of the CIWEM wRC academy courses.

At the end of 2020 Valeria Ji joined the team and she has already had a big impact on our ability to deliver training options at pace. This was a significant factor in CIWEM securing the contract with the Environment Agency to deliver the PFR Training Suite. This project consists of a large team with representatives from CIRIA, National Flood Forum, Rab, Sedgwick, The Environmental Design Studio, and the Property Care Association. This collaboration is a very exciting development within the wider industry, with the first round of course delivery due to take place in August 2021. CIWEM's presence in the PFR space is enhanced through linking up our learning and development programmes with related initiatives in our Events and Policy teams.

We look forward to building on this success in 2021.

Professional standards and accreditation

Professional Standards Committee

The Professional Standards Committee (PSC) was formed in 2014 as a Standing Committee reporting to the Trustee Board. Its key role is to ensure best practice is followed in CIWEM's membership policy as set out in its Royal Charter. It is assisted by an Engineering Subcommittee, a Business and Science Subcommittee, an Accreditation Board, and a Qualifications Panel, all of which report to the PSC.

In 2020 we welcomed eight new members to the PSC. We extend huge thanks to those departing members for their years of commitment to CIWEM in this role, your knowledge and experience has been invaluable in supporting our growth and development.

Qualifications Panel

The Qualifications Panel was established to fulfil CIWEM's obligation under the Engineering Council's Registration Code of Practice to maintain a panel of competent registrants to assess applicants for registration who do not possess the Council's

exemplifying qualifications. The Panel reports to the Professional Standards Committee. Typically, the applicants considered by the Panel hold an overseas degree or a degree in a subject other than engineering.

Accreditation board

2020 saw the recruitment of seven new accreditation board members which extends the board membership number to 12. Professor John Bridgeman joined as the new Chair to replace Dr. Nicholas Howden who moved on as chair of the Professional Standards Committee.

In 2020, all accreditation visits were moved to an online format and conducted remotely. Remote visits were carried out with the University of the West of England, IT Sligo – Ireland, Scotland's Rural College, The Open University and the City University of Hong Kong. This totalled to 26 accredited programmes in 2020 which leaves the total number of CIWEM accredited programmes at 104 at 30 different universities.

2020 also saw the accreditation of the Professional Development Scheme at Mott MacDonald. CPD accreditations were carried out with Jacobs Flood Modeler, Learning and Develop Associates, RAB Consulting and Terra Firma Academy.

The accreditation board also ratified the accreditation of the Environment Agency's Centre for Excellence Board which accredits their internal training for incident response management. A training session was also held for the Centre for Excellence Board members.

Finally, a new project was undertaken to align the current CPD accreditation guidelines to the property flood resilience code of practice. This is now ready to use in order to accredit PFR training.

Publications

The Environment magazine

The Environment magazine had an exciting year in terms of editorial and turned in a respectable performance in terms of advertising support and recruitment ads.

Syon and magazine editor Karen Thomas agreed a

new media-partner strategy, based on three thought-leadership packages, to be clearly marked as commercial content, to pitch to prospective partners. The 2021 report will reveal that the media-partnership strategy started to bear fruit. Commercially, the decision to introduce classified advertising created a lifebuoy for the magazine in a difficult year that saw so many UK publishers struggle. For editorial, lockdown proved challenging, cancelling the conferences, live interviews and visits that form the bedrock of independent journalism.

One highlight of the year was a live report – pre lockdown – from Ilkely, where local people campaigned with success to designate their stretch of the River Wharfe as bathing water. Another original feature examined the after-effects of the February 2020 storms on the Rhondda Valley, one of the hardest-hit areas of the UK, interviewing local and Westminster politicians, local people and business owners. The March 2020 Youth Takeover of The Environment, every article by or about a young star aged under 30, was also very well received.

Also in March, UK chancellor Rishi Sunak announced the lifting of the so-called Reading Tax. Removing this opens the opportunity to offer The Environment to a readership beyond the CIWEM membership and to at last deploy the magazine as a tool to promote the organisation. This has kickstarted a new initiative, to explore how a digital-first strategy can transform CIWEM's visibility, finding ways for all departments to deploy the stories we tell to promote the institution online to a much wider audience. That conversation has led CIWEM to engage a consultant to guide us through a digital transition that includes all departments. Exciting times lie ahead for ciwem.org.

Journals

2020 was an exciting year for both of CIWEM's journals. The Journal of Flood Risk Management became a fully gold Open Access journal as of 1st January 2020, meaning that all articles are free for anyone to read, download and share online globally, providing an international platform for knowledge sharing in all areas related to flood risk.

Water and Environment Journal became a digital only publication for CIWEM members as of 1st January 2021 as part of our aim to transition to digital first publishing. This will have a significant impact on

CIWEM's pledge to achieve net zero emissions by 2030, avoiding the print and distribution of approximately 20,000 copies each year, as well as improving accessibility and enabling members access to the extensive back catalogue of articles online from the Journal's inception in 1987.

Commercial operations

CIWEM's commercial activities are undertaken through CIWEM Services Ltd. (CSL) which is a wholly owned subsidiary of CIWEM. CIWEM is a not-for-profit organisation and all surplus generated by CSL are gifted to CIWEM to further our public benefit activities including the support of our members' professional development. Our principal commercial revenue streams are events, training and accreditation, publications, advertising, jobs and sponsorship, and venue hire.

Financial picture

- CIWEM's group income for the year totaled £2.35m (£2.46m for 2019). Expenditure totaled £2.34m (£4.28m for 2019). The decrease in expenditure is a result of the impairment of £1,760,954 included in 2019 following the reduction of the fixed asset value of Saffron Hill as explained in the 'Financing' section below.
- Approximately 68% of our income (£1.59m) was from Membership subscriptions, and the remaining 32% (£0.76m) was from our commercial lettings, events, training and publications. We are transitioning towards less heavy reliance on our membership income and more towards an even split with income from our commercial activity, which will be even more evident in 2021.

Balance sheet

- CIWEM's group balance sheet shows total net assets of £1.24m at the end of 2020.
- As at the year end, the total funds held within the group were £1.24m (£1.23m for 2019) of which £1.16m were unrestricted (£1.14m for 2019).

Financing

We renegotiated our bank facilities through a market comparison exercise in 2019. This was prompted by the discontinuation of the Revolving Credit Facility (RCF) by Barclays who are no longer offering this to

their customers. We were required to seek a valuation of the Saffron Hill property which is security for the bank against the loan. Our existing bankers, Barclays, offered the most financially favourable products and we signed new arrangements in September 2019. These are:

- A loan of value £1.9M amortised over a period of 20 years and renegotiable after 5 years.
- An overdraft facility of £0.75M renewable annually.

These arrangements offered a reduction in interest payments and we have increased the amount of capital repayments.

Our building was revalued as at Dec 31st 2019 as part of the renegotiation of our loans. This led to an adjustment of our fixed assets on our 2019 balance sheet.

An impairment cost could arise each year if the market value of the Saffron Hill property at the year end is deemed to be lower than the balance included in our financial statements. The Trustees are required to consider if there is indication Saffron property has been impaired at each balance sheet date, and there needs to be a sound basis behind this decision.

Although there is no requirement to seek a formal professional valuation each year, to help inform this decision we have reached out to professional advisors to seek their informal opinion on how the property value might have changed since their last formal valuation as at 31 December 2019. Their feedback is that although 'pricing has softened slightly' over the 2020 year for similar property values in London, that 'the EC1 area has been the most resilient and has held up better than most during the pandemic and various lockdowns'.

On this basis, factoring in the buoyant position in Farringdon and the high standard of upkeep of the property, the Trustees consider that the property value will have potentially reduced by 2% in the year to December 2020. Given that the draft 2020 statutory accounts already include a depreciation cost for the year of approximately 2%, we consider that no impairment charge is required for 2020.

Reserves Policy

The Trustee Board is satisfied that the banking facilities negotiated in 2019 secured on the freehold of the

building, and the fabric of the building itself, provide for appropriate reserves in the immediate term. However, this investment of reserves in the building has resulted in negative free reserves. As a result the Trustee Board set out a five-year plan to build free reserves which will reduce CIWEM's dependency on bank support.

The five-year plan adopts a hierarchy for the allocation of our year end surplus with the objective being to contribute to all three of the following but in a proportion that reflects the priority of our aims and our financial performance.

1. Build our free reserves
2. Enhance our charitable activities
3. Pay-off loan capital above the contracted obligations.

This hierarchy will be reviewed at least annually and in the event of a significant change such as business risk or external economics. We do not consider this hierarchy is changed by the impacts of the pandemic over 2020. It should be noted that during 2020 we ceased payments of the capital on our amortised loan with the agreement of our bank. It should also be noted that our profitability in the year was reduced by the impacts of the pandemic also affecting our forecast longer term trajectory for building our free reserves. This 5 year financial strategy is the subject of review during 2021 to account for this impact and our new 5 year corporate strategy planned for launch in 2022.

Grants Policy

Income from government or other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

The report of the trustees, including the message from the Chair and the Chief Executive and the Reference and Administrative details set out on the pages above, was approved by the Trustees on 20th May 2021 and is signed on their behalf as below.



Paul Seeley
Chair



Andrew Chang
Honorary Treasurer

INDEPENDENT AUDITORS' REPORT

For the Year Ended 31 December 2020

**Independent Auditors' Report
to the Members of The Chartered
Institution of Water and
Environmental Management**

Opinion

We have audited the financial statements of The Chartered Institution of Water and Environmental Management for the year ended 31 December 2020 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets and the Group 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 Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's 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 Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

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

Conclusions related 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 charity'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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity 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 Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 group and parent charity's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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 charity.

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 Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charity 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 inquired 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 group and parent charity'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 group and parent charity'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 group or parent charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- 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 charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters which 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 charity and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

7 June 2021

Andrew Stickland (Senior Statutory Auditor)

For and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

Consolidated statement of financial activities

For the year ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME					
DONATIONS AND LEGACIES	3	58,670	-	58,670	-
INCOME FROM CHARITABLE ACTIVITIES:					
Membership subscription and fees		1,587,991	-	1,587,991	1,602,959
Conferences and events		74,243	6,791	81,034	259,705
Education and training courses		403,481	-	403,481	165,851
OTHER TRADING ACTIVITIES					
Investment income	4	67	-	67	189
Books and publications		109,749	-	109,749	114,123
Lettings		92,606	-	92,606	293,354
OTHER INCOME		18,439	174	18,613	20,463
TOTAL INCOME		2,345,246	6,965	2,352,211	2,456,644
EXPENDITURE					
EXPENDITURE ON RAISING FUNDS:					
Lettings		199,895	-	199,895	298,054
EXPENDITURE ON CHARITABLE ACTIVITIES:					
Membership services		900,914	-	900,914	1,008,217
Conferences and events		469,994	19,232	489,226	495,140
Education and training		364,125	-	364,125	181,447
Policy and partnerships		384,082	-	384,082	525,958
Donations, prizes and awards		3,944	218	4,162	9,091
IMPAIRMENT OF FREEHOLD PROPERTY	9	-	-	-	1,760,954
TOTAL EXPENDITURE	5	2,322,954	19,450	2,342,404	4,278,861
NET INCOME / (EXPENDITURE) & MOVEMENT IN FUNDS					
		22,292	(12,485)	9,807	(1,822,217)
TOTAL FUNDS BROUGHT FORWARD	16	1,141,495	88,408	1,229,903	3,052,120
TOTAL FUNDS CARRIED FORWARD	16	1,163,787	75,923	1,239,710	1,229,903

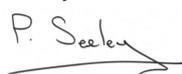
Note 19 - shows the Charity Statement of Financial Activities

Consolidated and charity balance sheets

As at 31 December 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed Assets					
Tangible assets	9	3,910,872	3,998,184	3,910,872	3,998,184
Intangible assets	10	79,726	113,635	4,726	13,635
Investments	11	-	-	100	100
Total Fixed Assets		3,990,598	4,111,819	3,915,698	4,011,919
Current Assets					
Debtors	12	411,237	414,702	147,106	194,956
Cash at bank and in hand		107,024	197,042	63,008	79,374
Total Current Assets		518,261	611,744	210,114	274,330
Creditors: Amounts falling due within one year	13	1,229,553	1,639,269	1,108,900	1,254,382
Net Current (Liabilities)		(711,292)	(1,027,525)	(898,786)	(980,052)
Creditors: Amounts falling due after more than one year	14	2,039,596	1,854,391	1,784,889	1,814,391
Net Assets		1,239,710	1,229,903	1,232,023	1,217,476
Funds	16				
Restricted funds		75,923	88,408	75,923	88,408
Unrestricted funds:					
General		1,163,787	1,141,495	1,156,100	1,129,068
Total Funds		1,239,710	1,229,903	1,232,023	1,217,476

These Accounts were approved and authorised for issue by Trustee Board on 20 May 2021 and signed on its behalf by:



Paul Seeley

Chair



Andrew Chang

Honorary Treasurer

The annexed notes form part of these financial statements

Consolidated and charity statement of cash flows

For the year ended 31 December 2020

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flows from operating activities:				
Net income/ (expenditure) for the year	9,807	(1,822,217)	14,547	(1,827,873)
Adjustments for:				
Depreciation charges	135,669	187,308	110,669	187,308
Impairment charge	-	1,760,954	-	1,760,954
Interest	(67)	(189)	(67)	(189)
Loss on the sale of fixed assets	-	19,513	-	19,513
Decrease in debtors	3,465	16,040	47,850	234,373
(Decrease)/ increase in creditors	(10,450)	(33,312)	39,077	(147,883)
Net cash provided by operating activities	138,424	128,097	212,076	226,203
Cash flows from investing activities:				
Interest	67	189	67	189
Purchase of tangible fixed assets	(14,448)	(9,963)	(14,448)	(9,963)
Purchase of intangible fixed assets	-	(35,000)	-	-
Net cash (used in) investing activities	(14,381)	(44,774)	(14,381)	(9,774)
Cash flows from financing activities:				
Cash inflows from new borrowing	-	(511,443)	-	(511,443)
Repayments of borrowing	(24,349)	-	(24,349)	-
Net cash (used in) financing activities	(24,349)	(511,443)	(24,349)	(511,443)
Change in cash and cash equivalents in the year	99,694	(428,120)	173,346	(295,014)
Cash and cash equivalents at the beginning of the year	(50,985)	377,135	(168,653)	126,361
Cash and cash equivalents at the end of the year	48,709	(50,985)	4,693	(168,653)
Represented by				
Cash at bank and in hand	107,024	197,042	63,008	79,374
Bank overdraft	(58,315)	(248,027)	(58,315)	(248,027)
	48,709	(50,985)	4,693	(168,653)

The annexed notes form part of these financial statements

Consolidated and charity statement of cash flows (continued)

For the year ended 31 December 2020

Analysis of changes in net debt

	Brought forward 1/1/2020 £	Cash flows £	Carried forward 31/12/2020 £
Cash at bank and in hand	197,042	(90,018)	107,024
Bank overdraft	(248,027)	189,712	(58,315)
Loans falling due within one year	(73,994)	(5,153)	(79,147)
Loans falling due after more than one year	(1,814,391)	29,502	(1,784,889)
Total (net debt)	(1,939,370)	124,043	(1,815,327)

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting Policies

Basis of Accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore have also prepared the 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) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The presentational currency used is British pound sterling, and balances are rounded to the nearest £1.

Going Concern

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 Charity and Group 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.

Whilst the COVID-19 pandemic was seen as a significant risk, membership income held up and face to face events, training programmes and professional interviews migrated as far as possible to digital media. This, together with measures to confine costs and access to government support has resulted in cash levels increasing over the year.

Detailed forecasts and projections have been prepared and these indicate that the Institution continues to be able to operate within the arranged overdraft facility with its bankers. However, as with all overdraft facilities, it is subject to annual review and can be cancelled at any time. The next annual review is in September 2021 although the Trustees have no reason to believe it will not be renewed.

Accordingly the trustees have concluded that there is a reasonable expectation that the Charity and Group has adequate resources to settle its debts as they fall due and therefore continue to adopt the going concern basis in preparing its financial statements.

Consolidated Financial Statements

The group financial statements consolidate the financial statements of the charity and its wholly-owned subsidiary undertakings, CIWEM Services Limited and 106-109 Saffron Hill Management Limited.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Accounting Policies (continued)

Branches and Groups

The financial transactions of all UK branches and groups and the two non sterling branches of Hong Kong and the Republic of Ireland have been included within the main CIWEM accounts.

Income

Subscription income represents total subscriptions received from members for the year. Subscription receipts relating to the following year are treated as deferred income. No accrual is made for subscriptions in arrears.

Conference & event income is recognised within the year held. Any conference and event receipts relating to the following year are treated as deferred income. Attendance and sponsorship is the main source of income, which is either invoiced in advance or payable as an entrance fee.

Income from government or other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable the income will be received and the amount can be reliably measured.

All other income is included in the Statement of Financial Activities when the Charity is entitled to the income, the amount is probable, and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis, net of recoverable VAT. All costs have been charged where possible directly to the relevant activity. Where costs cannot be directly attributed to particular activities, they have been allocated between expense headings on the basis of time spent.

Tangible fixed assets and Depreciation

Tangible fixed assets are included in the balance sheet at original cost less accumulated depreciation. Cost includes capitalised interest and other finance costs where appropriate. Depreciation is provided on a straight line basis calculated to write down the cost of all tangible assets to their estimated residual values over the number of years of expected use. Leased assets are written off over the period of the lease. Assets are depreciated at the following rates:

Freehold Land	Not depreciated
Freehold buildings	60 years
Fitting out costs	20 years
Furniture and fittings	5 years
Office equipment	5 years
Computer equipment and software	3 years
Management Information Systems	5 years

All single purchases of less than £1,000 (excl. VAT) are written off in the year of purchase unless forming part of a more comprehensive scheme or capital project.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Accounting Policies (continued)

Intangible fixed assets and Amortisation

Intangible fixed assets are included in the balance sheet at original cost less accumulated amortisation. Amortisation is provided on a straight line basis calculated to write down the cost of all intangible assets to their estimated residual values over the number of years of expected use. Assets are depreciated at the following rates:

Computer equipment and software	3 years
Flood & Coast event	4 years

Impairment of fixed assets

Assets that are subject to depreciation or impairment are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is an indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have previously been impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Taxation

Under the provisions of Section 466-497 of the 2010 Corporation Taxes Act and section 256 (1) of the Taxation of Capital Gains Act 1992, the Institution qualifies for exemption from liability to taxation on charitable income and gains.

Pensions

Contributions are made to individual personal pension plans which are defined contribution schemes.

The pension costs charged to the Statement of Financial Activities in the year are those actually paid or due to be paid into the pension plans.

Translation of Overseas Currencies to Sterling

The financial statements are presented in pounds sterling as this is the functional currency of the organisation. The accounts of non sterling branches are translated into sterling. Income and expenditure items are translated at appropriate average rates and monetary assets and liabilities at the rates at the balance sheet date. The currency gains and losses are taken to the unrestricted funds.

Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Unrestricted and Restricted Funds

Unrestricted funds are expendable at the discretion of Trustee Board and in furtherance of the Institution's charitable objectives.

The restricted funds held by the Group relate to the income and expenditure of CIWEM branches.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1. Accounting Policies (continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of balances to/from HMRC, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 12 and 13 for the debtor and creditor notes.

The year end carrying value of financial assets and financial liabilities, measured at amortised cost, was as follows:

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Financial assets	250,515	277,950	72,752	121,927
Financial liabilities	2,403,691	437,039	196,768	187,055

The year end carrying value of financial assets that are equity instruments, measured at cost less impairment and relating to the Charity only were £100 (2019: £100). This balance relates to the investment in the subsidiary company, CIWEM Services Limited.

Accounting judgements and estimates

The key judgements and estimates used in the preparation of these Financial Statements are as follows:

- The depreciation rate of tangible fixed assets and amortisation rate of intangible fixed assets (as detailed above)
- The provision for bad debts included at the year end
- Support costs are apportioned to direct activities based on the direct staff costs allocated to those activities (see Note 5)

There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements (continued)

For the year ended 31 December 2020

2. Subsidiary Undertakings

CIWEM has a wholly-owned trading subsidiary undertaking, CIWEM Services Limited, a company incorporated and registered in England and Wales (registered no 03166701). The principal activities of this company are conferences, events and publications. All its profits are paid to the charity by gift aid. The charity owns the entire issued share capital of 100 ordinary shares of £1 each.

CIWEM controls a second trading subsidiary undertaking, 106-109 Saffron Hill Management Limited (SHML), a company limited by guarantee and incorporated and registered in England and Wales (registered no 08822614). SHML own the leasehold rights of the four privately owned residential flats on the top two floors of 106-109 Saffron Hill. The charity has charged 106-109 Saffron Hill Management Limited for the running and maintenance costs of the flats and these costs have been recharged to the flat owners.

A summary of the results of the subsidiaries is shown below:

CIWEM Services Limited

	2020	2019
	£	£
Profit and Loss Account		
Turnover	934,453	1,109,245
Other income	26,997	-
Cost of sales	929,529	810,037
Gross profit	31,921	299,208
Administration expenses	24,234	286,781
Profit on ordinary activities	7,687	12,427

Changes in equity:

	2020	2019
	£	£
Total equity brought forward	12,527	6,867
Total comprehensive income for the year	7,687	12,427
Gift aid distribution to parent charity	(12,427)	(6,767)
Total equity carried forward	7,787	12,527

	2020	2019
	£	£
Balance Sheet		
Intangible fixed assets	75,000	100,000
Current assets	440,623	334,947
Creditors: amounts falling due within one year		
Amounts owed to group undertakings	-	(3,456)
Other creditors	(253,129)	(378,964)
Creditors: Amounts falling due in after one year	(254,707)	(40,000)
Total assets less current liabilities	7,787	12,527

Called up share capital	100	100
Retained profit and loss account	7,687	12,427
Shareholders' funds	7,787	12,527

Notes to the financial statements (continued)

For the year ended 31 December 2020

2. Subsidiary Undertakings (continued)

106 - 109 Saffron Hill Management

	2020	2019
	£	£
Profit and Loss Account		
Turnover	13,471	17,917
Cost of sales	13,471	17,917
Gross profit	-	-
Interest	-	-
Retained profit and loss account	-	-

	2020	2019
	£	£
Balance Sheet		
Current assets	24,143	(12,706)
Cash at bank and in hand	5,037	36,004
Creditors: amounts falling due within one year		
Amounts owed to group undertakings	(17,366)	-
Other creditors	(11,814)	(23,298)
Total assets less current liabilities	-	-

3. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Government Grant: furlough scheme	58,352	-	58,352	-
Other donations	318	-	318	-
Total Donations and legacies	58,670	-	58,670	-

4. Investment Income

	2020	2019
	£	£
Bank and Money Market Interest receivable	67	189
Total Investment Income	67	189

Notes to the financial statements (continued)

For the year ended 31 December 2020

5. Expenditure

Current year

	Key management / Staff costs £	Activities undertaken directly £	Support costs £	Impairment £	Total 2020 £
Lettings	60,412	14,304	125,179	-	199,895
Membership services	300,097	203,999	396,818	-	900,914
Conferences and events	128,900	93,233	267,093	-	489,226
Education and training	115,265	248,860	-	-	364,125
Policy and partnerships	158,256	16,565	209,261	-	384,082
Prizes, awards, & scholarships	-	4,162	-	-	4,162
Support costs	315,518	682,833	(998,351)	-	-
	1,078,448	1,263,956	-	-	2,342,404

Prior year

	Key management / Staff costs £	Activities undertaken directly £	Support costs £	Impairment £	Total 2019 £
Lettings	47,478	56,271	194,305	-	298,054
Membership services	279,477	346,547	382,193	-	1,008,217
Conferences and events	57,654	201,536	235,950	-	495,140
Education and training	132,443	49,004	-	-	181,447
Policy and partnerships	188,162	14,526	323,270	-	525,958
Prizes, awards, & scholarships	-	9,091	-	-	9,091
Support costs	331,272	804,446	(1,135,718)	-	-
Impairment of freehold property	-	-	-	1,760,954	1,760,954
	1,036,486	1,481,421	-	1,760,954	4,278,861

Notes to the financial statements (continued)

For the year ended 31 December 2020

5. Expenditure (continued)

Expenditure includes:

	Total 2020 £	Total 2019 £
Operating lease payments (excluding VAT)	4,168	6,756
Interest costs	41,698	76,407
Depreciation	101,760	181,610
Impairment of freehold property (see Note 9)	-	1,760,954
(Loss) on foreign exchange	(1,567)	(4,537)

6. Direct Support costs

	Total 2020 £	Total 2019 £
Governance costs		
Auditors' remuneration:		
For Audit: Current year	25,450	16,500
For Audit: In respect of the previous year	7,661	(1,570)
Non-audit fees	1,045	3,270
Trustee Board costs	4,661	28,016
AGM/EGM costs	364	300
Company Secretary	12,346	20,280
Legal and professional fees	15,028	4,525
	<u>66,555</u>	<u>71,321</u>
Other support costs:		
Management costs (including outsourced accounting)	106,683	107,043
Human Resources	35,356	29,299
Legal, professional & bank / finance costs	96,294	143,039
Premises	255,966	311,289
Office Services	20,609	34,299
ICT	101,370	108,156
	682,833	804,446

Notes to the financial statements (continued)

For the year ended 31 December 2020

7. Employees and Key Management Personnel

The key management personnel of the Charity comprise the trustees, the Chief Executive Officer and Senior Management team. The total amounts paid for salaries, fees and expenses in respect of the key management personnel of the Charity, inclusive of employer pensions and employer National Insurance contributions, were £422,453 (2019 - £508,779).

The average monthly number of employees during the period was 25 (2019 - 23). Staff costs during the period consisted of:

	Total 2020 £	Total 2019 £
Salaries	888,869	840,851
Temporary agency staff	10,825	21,610
Social security costs	93,635	87,302
Pension and life assurance costs	85,099	76,821
Compensation for loss of office	-	2,500
Recruitment costs	20	7,402
	1,078,448	1,036,486

The number of employees earning £60,000 in the year or more (exclusive of employer pensions and employer National Insurance contributions) was:

	Total 2020 Number	Total 2019 Number
£60,000- £70,000	-	1
£100,000 - £110,000	1	1

The pension payments for staff earning £60,000 or more in the year amounted to £19,800 (2019 - £31,667). These contributions were paid into defined contribution schemes.

8. Trustees

The members of the Trustee Board received no remuneration in relation to fulfilling their role as Trustees (2019: £nil). Expenses for travel and subsistence reimbursed to 2 Trustees amounted to £1,215 (2019 - 13 Trustees reimbursed, amounting to £14,074).

Notes to the financial statements (continued)

For the year ended 31 December 2020

9. Tangible Fixed Assets - Group and Charity

	Furniture and Fittings £	Office Equipment £	Freehold Property £	Computer Systems £	Total £
Cost					
At 1st January 2020	10,228	51,133	6,273,773	83,321	6,418,455
Additions	-	-	-	14,448	14,448
Disposals	-	-	-	-	-
At 31st December 2020	10,228	51,133	6,273,773	97,769	6,432,903
Depreciation					
At 1st January 2020	10,228	21,766	2,333,773	54,504	2,420,271
Charge in year	-	9,183	71,901	20,676	101,760
Disposals	-	-	-	-	-
At 31st December 2020	10,228	30,949	2,405,674	75,180	2,522,031
Net Book Value					
At 31st December 2020	-	20,184	3,868,099	22,589	3,910,872
At 31st December 2019	-	29,367	3,940,000	28,817	3,998,184

A valuation of the freehold property at 106-109 Saffron Hill EC1N 8QS was carried out by Allsop LLP of 33 Wigmore Street W1U 1BZ. The market value of the freehold property was £3,940,000 as at 31 December 2019. As detailed further in the Report of the Trustee Board, the Trustees do not consider the value of the property to have materially changed between that 31 December 2019 valuation and the financial year end 31 December 2020.

10. Intangible Fixed Assets - Group

	Computer Systems £	Flood & Coast Event £	Total £
Cost			
At 1st January 2020	332,910	100,000	432,910
Additions	-	-	-
At 31st December 2020	332,910	100,000	432,910
Amortisation			
At 1st January 2020	319,275	-	319,275
Charge in year	8,909	25,000	33,909
At 31st December 2020	328,184	25,000	353,184
Net Book Value			
At 31st December 2020	4,726	75,000	79,726
At 31st December 2019	13,635	100,000	113,635

Notes to the financial statements (continued)

For the year ended 31 December 2020

11. Fixed Asset Investments

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Investments held in subsidiary				
CIWEM Services Limited (Note 2)	-	-	100	100
Total Investments	-	-	100	100

12. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	161,751	192,915	-	572
Other debtors	88,764	85,035	55,386	80,846
Prepayments (under 1 year)	65,180	43,935	52,128	53,528
Prepayments (over 1 year)	73,316	73,316	-	-
Amounts owed from subsidiary undertakings	-	-	17,366	40,509
VAT recoverable	22,226	19,501	22,226	19,501
	411,237	414,702	147,106	194,956

Trade debtors above are net of provisions made against specific bad debts within the subsidiaries totalling £27,621 (2019: £22,484).

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	127,890	265,630	71,545	101,327
Taxation and social security	72,665	63,284	23,364	35,049
Other creditors	93,314	49,142	84,314	43,219
Accruals	142,891	122,267	40,909	42,509
Deferred income	655,331	816,925	618,830	710,257
Amounts due to subsidiary undertakings	-	-	132,476	-
Bank overdraft	58,315	248,027	58,315	248,027
Bank loan (see Note 14)	79,147	73,994	79,147	73,994
	1,229,553	1,639,269	1,108,900	1,254,382

The bank overdraft facility is secured on the Saffron Hill property. The interest rate charged is Bank of England Base Rate plus 3% fixed for five years from September 2019. The Facility can be cancelled by the bank at any time.

At the year end, there was no balance outstanding to the pension fund (2019: £7,003).

Notes to the financial statements (continued)

For the year ended 31 December 2020

13. Creditors: Amounts falling due within one year (continued)

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Deferred income:				
Balance brought forward	816,925	778,942	710,257	741,684
Amount released to income	(816,925)	(778,942)	(710,257)	(741,684)
Amount deferred in the year:				
Membership receipts	618,830	710,257	618,830	710,257
Invoices relating to events	36,501	87,993	-	-
Invoices relating to room rentals	-	18,675	-	-
Balance carried forward	655,331	816,925	618,830	710,257

14. Creditors: Amounts falling due after one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Deferred income:				
Invoices relating to events	234,707	-	-	-
Accruals	20,000	40,000	-	-
Bank loan	1,784,889	1,814,391	1,784,889	1,814,391
	2,039,596	1,854,391	1,784,889	1,814,391

Payments of accruals and the bank loan are as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
One to Two Years	79,147	93,994	79,147	73,994
Two to Five Years	1,725,742	1,760,397	1,705,742	1,740,397
	1,804,889	1,854,391	1,784,889	1,814,391

The bank loan is secured on the Saffron Hill property. The interest rate charged is Bank of England Base Rate plus 1.95% fixed for five years from September 2019.

The carrying net book value of the property on which the loan is secured is £3,868,099 (2019: £3,940,000).

Notes to the financial statements (continued)

For the year ended 31 December 2020

15. Operating Lease Commitments

At the reporting end date the company had the following future minimum lease payments under non-cancellable operating leases (all for equipment) which fall due as follows:

	2020 £	2019 £
Less than one year	3,596	3,596
Two - five years	1,498	5,094

16. Movement on Funds

Group Current Year

	Balance at 31/12/2019 £	Income £	Expenditure £	Balance at 31/12/2020 £
Restricted Funds				
Branch Funds	88,408	6,965	(19,450)	75,923
Unrestricted Funds				
General charitable funds	1,141,495	2,345,246	(2,322,954)	1,163,787
Total Funds	1,229,903	2,352,211	(2,342,404)	1,239,710

The restricted branch funds relate to the income and expenditure of CIWEM branches.

Group Prior Year

	Balance at 31/12/2018 £	Income £	Expenditure £	Balance at 31/12/2019 £
Restricted Funds				
Branch Funds	95,208	34,323	(41,123)	88,408
Unrestricted Funds				
General charitable funds	2,956,912	2,422,321	(4,237,738)	1,141,495
Total Funds	3,052,120	2,456,644	(4,278,861)	1,229,903

Group restricted income in the prior year consisted of branch conference and event income of £32,735 (included within charitable activities) and £1,588 of other income. Restricted expenditure consisted of branch conference and event expenditure of £40,113 (included within charitable activities) and donations, prizes and awards expenditure of £1,010 (included within charitable activities).

Notes to the financial statements (continued)

For the year ended 31 December 2020

16. Movement on Funds (continued)

Charity Current Year

	Balance at 31/12/2019 £	Income £	Expenditure £	Balance at 31/12/2020 £
Restricted Funds				
Branch Funds	88,408	6,965	(19,450)	75,923
Unrestricted Funds				
General charitable funds	1,129,068	1,655,750	(1,628,718)	1,156,100
Total Funds	1,217,476	1,662,715	(1,648,168)	1,232,023

Charity Prior Year

	Balance at 31/12/2018 £	Income £	Expenditure £	Balance at 31/12/2019 £
Restricted Funds				
Branch Funds	95,208	34,323	(41,123)	88,408
Unrestricted Funds				
General charitable funds	2,950,141	1,635,398	(3,456,471)	1,129,068
Total Funds	3,045,349	1,669,721	(3,497,594)	1,217,476

Charity restricted income in the prior year consisted of branch conference and event income of £32,735 (included within charitable activities) and £1,588 of other income. Restricted expenditure consisted of branch conference and event expenditure of £40,113 (included within charitable activities) and donations, prizes and awards expenditure of £1,010 (included within charitable activities).

Notes to the financial statements (continued)

For the year ended 31 December 2020

17. Analysis of Group Net Assets between Funds

Current Year

	Fixed Assets £	Net Current Assets /(Liabilities) £	Creditors due after more than 1 year £	Total £
Restricted Funds	-	75,923	-	75,923
Unrestricted Funds	3,990,598	(787,215)	(2,039,596)	1,163,787
Total Funds	3,990,598	(711,292)	(2,039,596)	1,239,710

Prior Year

	Fixed Assets £	Net Current Assets /(Liabilities) £	Creditors due after more than 1 year £	Total £
Restricted Funds	-	88,408	-	88,408
Unrestricted Funds	4,111,819	(1,115,933)	(1,854,391)	1,141,495
Total Funds	4,111,819	(1,027,525)	(1,854,391)	1,229,903

18. Related Party Transactions

Most of the trustees are also members of or employed by other organisations which may undertake transactions with CIWEM and CSL in the normal course of business and all such transactions are on an arm's length basis.

Notes to the financial statements (continued)

For the year ended 31 December 2020

19. Charity Statement of Financial Activities

The below Charity Statement of Financial Activities relates to the activities of the Charity only and so excludes the activities of subsidiary undertakings.

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME				
DONATIONS AND LEGACIES	44,100	-	44,100	6,767
INCOME FROM CHARITABLE ACTIVITIES:				
Membership subscription and fees	1,587,991	-	1,587,991	1,602,959
Conferences and events	3,500	6,791	10,291	35,735
OTHER TRADING ACTIVITIES				
Investment income	67	-	67	189
Books and publications	1,653	-	1,653	3,608
OTHER INCOME	18,439	174	18,613	20,463
TOTAL INCOME	1,655,750	6,965	1,662,715	1,669,721
EXPENDITURE				
EXPENDITURE ON RAISING FUNDS:				
Other trading activities	368,038	-	368,038	143,474
EXPENDITURE ON CHARITABLE ACTIVITIES:				
Membership services	873,531	-	873,531	1,022,085
Conferences and events	-	19,232	19,232	40,113
Policy and partnerships	384,082	-	384,082	525,958
Donations, prizes and awards	3,067	218	3,285	5,010
IMPAIRMENT OF FREEHOLD PROPERTY	-	-	-	1,760,954
TOTAL EXPENDITURE	1,628,718	19,450	1,648,168	3,497,594
NET INCOME / (EXPENDITURE) & MOVEMENT IN FUNDS	27,032	(12,485)	14,547	(1,827,873)
TOTAL FUNDS BROUGHT FORWARD	1,129,068	88,408	1,217,476	3,045,349
TOTAL FUNDS CARRIED FORWARD	1,156,100	75,923	1,232,023	1,217,476



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