

Charity registration number: 1001347

Welsh Water Elan Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2021

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**Welsh Water Elan Trust
Reference and Administrative Details**

Trustees	Elan Valley Limited
Land Agent	C P M Harley
Principal Office	Elan Estate office Elan Village Rhayader Powys LD6 5HP
Charity Registration Number	1001347
Auditor	Morgan Griffiths LLP Chartered Accountants and Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
Bankers	HSBC Bank PLC Middleton Street Llandrindod Wells Powys LD1 5EU Unity Trust Bank PO Box 793 Planetary Road Willenhall WV1 9DG

Welsh Water Elan Trust Trustees' Report

The Directors of Elan Valley Limited - the sole corporate trustee of Welsh Water Elan Trust (colloquially known as the Elan Valley Trust) - presents the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2021.

Objectives and activities

Objects and aims

The Objects of the Trust as written into the Trust Deed are:

1. The preservation maintenance and enhancement for the benefit of the public of the area of great natural beauty comprising of the Elan Valley and its natural aspect and features (and its animal and plant life);
2. The facilitation and encouragement of access to and the study of the Elan Valley (and its animal and plant life) by the general public;
3. The provision at the Elan Valley or such part of it as should be appropriate in the interests of social welfare and for the purpose of improving the conditions of life for the persons for whom the same are intended of facilities for physical recreation which shall be available to members of the public at large;
4. The facilitation and encouragement of the use of the whole or part of the Elan Valley for charitable purposes.

Aims of the Trust:

The aim of the Trust is to achieve the ambition of Directors that the Elan Valley Estate be internationally recognised for the sustainable benefits it provides to the public as set out in our Strategic Plan 2019-30, through:

1. being an exemplar of sustainable natural resource management for an upland water catchment;
2. the values and benefits that result from its heritage, the richness of its nature, and its thriving community life; and,
3. managing a place where people's health, wellbeing and understanding are improved by experiencing the Estate.

COVID-19

Like many other organisations the Trust has been impacted by the COVID-19 pandemic during 2020-21. Our response was a balanced one, ensuring that we met our obligations to protect our employees, contractors and members of the public, while maintaining essential operations and seeking to support the strategies of the authorities in relation to access to the valley.

In response to the pandemic and the subsequent national lockdowns the Trust quickly implemented systems whereby some staff were able to work from home, others were furloughed, and we implemented a range of measures to protect those staff who were essential workers and needed to continue to work throughout the year.

Some of the key activities planned for the year have been severely impacted; notably all of our hospitality function had to close for large parts of the year (or operate under restrictions), construction projects were delayed and much of the Elan Links programme of work was delayed.

Welsh Water Elan Trust Trustees' Report

The Trust benefitted from being able to access support from the Job Retention Scheme and some small grants, we are also in negotiations with our funders to allow us to extend our grant period to enable works to be completed in future.

Some restrictions remain as we move into 2021-22 but we are hopeful of returning to a greater level of activity over the course of the year – restrictions have been significantly relaxed during Summer 2021 so activity is returning to something approaching normal for most of the organisation.

Objectives, strategies and activities

The Elan Valley Trust's 2019 to 2030 strategic plan can be found at <https://www.elanvalley.org.uk/sites/default/files/assets/EVT%20Strategic%20Plan%20Feb%2019%20English.pdf>

Strategies and activities to manage for nature conservation and landscape:

For centuries the uplands of the Cambrian Mountains including the Elan Valley Estate lands have been open, unenclosed and grazed by hefted flocks of sheep and cattle. Maintaining this system of traditional high nature value farming is therefore a key part of Directors' strategy for managing for nature conservation and landscape. At the same time, Directors are aware of the need to take and promote more targeted actions where there is an identified need for nature conservation and landscape purposes. Since large areas of the Estate are designated under European and national nature conservation legislation and the landscape is of considerable significance the support and advice of NRW is highly valued in this regard.

As part of this strategy, the Trust manage around 2800 hectares of land in-hand including some of the key sites such as the National Nature Reserve at Claerwen. In so doing the Trust is not only able to ensure appropriate management but can also ensure it has a full understanding of the opportunities and problems associated with managing land on the Estate. All of this land is managed under a Glastir Advanced agri-environment agreement.

The rest of the land is let out to some 28 agricultural tenants. Through the terms of the tenancy agreements and through entry into Glastir tenants are encouraged to use traditional high nature value farming systems. During the 2020-21 year, we understand that all of the Elan Valley Estate tenanted holdings and Cwmduddwr Common are subject to Glastir agreements.

1. developed with the support of RSPB and NRW an outcomes-based approach to upland bird conservation with 15ha in agreement for curlew actions, 20ha in agreement for golden plover actions and 21 ha in agreement for ring ouzel and merlin;

2. worked with farmers to ensure cattle grazing for conservation benefit with agreements in place for 25 new cattle and 35 existing cattle for four years;

3. undertaken peat restoration works;

4. developed management plans and actions for key areas of dry heath and ffridd on the Estate;

In recent years, the Elan Links Heritage Lottery Fund programme, with the Elan Valley Trust as lead partner, has been used as an important vehicle for undertaking targeted action for nature conservation in partnership with farming tenants as well as on in-hand land. Since its inception the Elan Links programme has:

Welsh Water Elan Trust Trustees' Report

5. commissioned a woodland management plan for Elan's woodlands and undertaken a range of management activities to improve the nature conservation status of our important ancient woodlands;
6. worked to secure a number of traditional farming practices on the Estate that benefit nature, eg production of rhos hay on the open hill; application of appropriate levels of lime and farmyard manure to hay meadows to secure their botanical interest; as well as the native breeding of the Elan Valley Type Welsh Mountain sheep breed.
7. undertaken monitoring work for a range of different species of conservation interest so that we can better understand their needs and the impact of our actions.

Strategies and activities to promote the use of the Estate for access, recreation, education and other charitable purposes:

The Elan Valley Estate is highly valued for recreational, educational and other uses. It is the aim of the Trust to provide benefits and facilities for local people and also to increase the use of the Estate by visitors from further afield including those who benefit from provision of water from the catchment across parts of Wales and the West Midlands. This 'audience' has an intimate link with the Estate already and there is a real opportunity to use this link to develop educational, recreation, wellbeing and health provision / benefits.

The Elan Links programme takes account of these aims. To date, Elan Links has:

1. opened up public access to five previously under visited sites at the Elan Valley: Dol y Mynach Dam, Nant y Gro, World War Two Pillboxes and Cwm Elan Mines. Work has included new paths, way-marking and interpretation where appropriate;
2. developed three family-friendly hubs, each with four way-marked walks of varying lengths and level of challenge;
3. construction of a woodland mountain bike trail, 3km in length, with two descents, a blue 1000m descent and a red, 500m descent;
4. installed 25 interpretative panels around the Estate and new directional brown signage for the Elan Valley;
5. produced six public exhibitions about various strands of the Elan Valley's Heritage, as well as 42 different events to engage people with the different strands of heritage and an interactive stream of social media content and web presence;
6. hosted six 1 month long artist residencies, including one from the Netherlands as well as continuing with the prestigious Arts Council Wales Fellowship awarded to artist Meltem Arıkan;

Welsh Water Elan Trust Trustees' Report

7. developed an archiving strategy for critical components of Elan's heritage and begun the process of archiving materials and loading them onto the new online MODES system;
8. recorded 65 oral histories from people in the area / or and with connections to the Elan Valley;
9. developed several volunteer groups to engage people in the cultural heritage of the Elan Valley and surrounding area: including a local history group, a YFC year on the farm group, and a town trail group;
10. undertaken five 12-week courses - generating volunteer 5282 hours largely in nature conservation activities; four 5-day courses - generating 824 volunteer hours; forty one bespoke activity days generating 3084 hours of activities for people who might otherwise struggle to access the Elan Valley; and nineteen weekend retreats - principally for people from along the aqueduct and Birmingham - with 303 participants and 3244 hours of activities.

A key strategy of the Trust to promote access to the Estate is to develop affordable accommodation facilities suited to a range of different users. To this end, the Trust maintains three cottages on a 'self-catering accommodation' basis and two mountain bothies. The mountain bothies are freely available to users. For people who work and / or wish to live locally the Trust maintains residential properties on longer term lets on the Estate.

Following a significant upgrade the tearoom and bed and breakfast facilities at Penbont House were reopened Easter 2019 and are now managed in-hand by the Elan Valley Trust.

Work to develop Cwm Clyd farmstead as a suite of buildings able to accommodate small groups (up to 16 people) of educational and other users started on site during 2020-21 and is now scheduled for completion in 2021-22.

To promote access and recreation more generally the Trust maintains Estate infrastructure such as bridges, roads and paths in good repair for users and provides in association with DCWW and with the help of a range of volunteers an annual programme of events and walks.

Other Initiatives for 2020/21:

Dark Skies. The Elan Valley Estate has for a number of years held the status of International Dark Sky Park. During 2020-21 the Tynllidiart Stargazing Shelter, funded by TAIS2 (Tourism Amenity Investment Fund), was completed and is ready for use, this will enable the public to access this facility for events or via a permit scheme which we hope to implement in 2021-22.

Claerwen hydroelectric power (HEP) scheme. A long-held ambition of the Trust has been to develop a HEP scheme on the River Claerwen. Development work continued during 2020-21, however it has been concluded that the scheme is unlikely to progress. Alternative options for moving away from diesel-based electricity generation for outlying properties will now be explored.

As part of the Trusts obligation to maintain its properties in good repair and fit-for-purpose, works were completed at two properties, a major scheme of renovation is in development for two further properties and a range of more minor renovations and upgrades have been made elsewhere.

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Public benefit

The Trust benefits the public by implementing the objects of the Trust Deed: promoting nature and landscape conservation on the Elan Valley Estate; while encouraging public access and recreation and use of the Estate for educational and charitable purposes.

During the 2020-2021 period the Trust managed and encouraged management that benefited nature on the Estate; undertook works to secure the historic landscape; maintained paths and other infrastructure to enable enjoyment of the Estate by the public; promoted the use of the Estate by the public through a variety of means including an events programme and provision of accommodation; and supported the use of the Estate for educational and charitable purposes.

The long-term provision of public benefit from the Estate has been further secured during 2020-2021 by the allocation of additional funds to reserves, while investment in the Elan Links partnership programme amongst other activities will result in significant public benefit over the coming period.

The trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

The total incoming resources from charitable activities in 2020-21 was in the order of £1.9M. Of this income, some £1,496k was spent on charitable activities, the remaining allocated to reserves. Investment into the NLHF scheme was in the order of £64k during 2020-21.

The Trust has a very long-term responsibility (now some 969 years) and considerable future liabilities in terms of maintaining the Estate and associated infrastructure over this period. At the same time, Directors are acutely aware that the majority of incoming resources to the Trust are dependent upon the twin vagaries of upland farming and Welsh agricultural and environmental policy that is currently evolving from the European Union Common Agricultural Policy post-Brexit.

In light of the issues noted above, and with an eye to ensuring that the Trust is able to invest with confidence in its charitable objectives over the medium-term Directors continue to believe that in line with its Reserves Policy the strategy of maintaining significant reserves is essential to secure the functions of the charity during its period of responsibility. At the same time, Directors welcome the expansion in the activity of the charity which has occurred in recent years and believe that this is affordable and appropriate in the current context.

At year-end 2020-21 the Trust had unrestricted funds in the order of £13m. Approximately 28% of these reserves are held as tangible assets (principally in residential properties held locally), while the majority of the remainder is held in a diversified portfolio of pooled charitable funds through COIF. A small portion of funds is held in a current account to meet short term needs.

Directors regularly review the investment strategy and portfolio.

Welsh Water Elan Trust Trustees' Report

Plans for future periods

During 2020-21 charitable delivery by the Trust was significantly impacted by the COVID-19 pandemic, this is certain to continue into 2021-22 and at the time of writing (August 2021) restrictions have continued to impact the hospitality part of the Trust during the first quarter of the year, although restrictions have now eased significantly.

Initiatives for 2021-22 and beyond will include:

1. continuing to act as Lead Partner for Elan Links and implementing a range of Elan Links projects;
2. implementation of the Elan Links Access and Recreation Plan and Interpretation Plan;
3. pursuing the conservation of flora and fauna through the Natural Heritage projects in Elan Links and other opportunities such as peatland restoration funded through NRW / WG;
4. completion of the conversion of Cwmclyd Farmstead into a facility for group accommodation;
5. fostering and encouraging appropriate access, recreational, educational and scientific use of the Estate;
6. pursuing opportunities to carry out appropriate works of restoration in respect of the built and natural environment in line with the Elan Links Heritage-at-Risk survey;
7. promoting and developing the Elan Valley Dark Sky Park;
8. Implementing a new management structure

The Elan Links programme will continue to have a significant role to play over the course of the next few years and it is likely that monies saved during 2020-21 as a result of furlough and budgetary restraint will enable the programme to continue beyond the original timeframe. The emphasis within the programme of ensuring a legacy for the future will mean the impact is felt well beyond the delivery period.

Structure, governance and management

Nature of governing document and organisational structure

Welsh Water Elan Trust was established by a Trust Deed dated 13th October 1989 as part of the water privatisation process. The deed stipulated that Dwr Cymru Welsh Water (DCWW) intended to establish 'a Foundation to preserve for public benefit land in the Elan Valley and has for that purpose vested in the Trustees a leasehold interest in the property for a term of 999 years.' The deed goes on to describe the charitable objects, role of Trustees and various powers of the Trustees to further the objects. The accompanying lease included all the agricultural land and buildings on the Estate. Excluded from the lease were the dams, the surfaces of the reservoirs, their operating paraphernalia, most of the forestry, the Visitor Centre, houses and land in Elan Village, and certain houses on the Elan Estate. The Trust is thus responsible for some 43,000 acres out of a total of 45,000 in accordance with the terms of the lease. Since 1989, a number of properties on the Estate and in Elan Village have been added to the lease or acquired as has the freehold of neighbouring Cwmduddwr Common.

Welsh Water Elan Trust Trustees' Report

More recently, to resolve complexities around the recruitment of new Trustees in the face of liability issues with the original arrangement, the company Elan Valley Limited was established and registered with Companies House (No. 09001046) and on 2nd November 2018 the transfer to Elan Valley Limited as the sole corporate trustee took effect, at which point the six trustees of the legacy body retired and were appointed as Directors of Elan Valley Limited. As sole corporate trustee, Elan Valley Limited now has responsibility for fulfilling the charitable objectives of the Trust in accordance with the Trust Deed.

Directors of Elan Valley Limited are (in accordance with the objects and powers of the charity) responsible for setting the strategic direction and policies of Elan Valley Trust and for major operational and investment decisions. Using a system of delegations to staff that are formalised in respect of financial accountability and general governance, these and routine operational matters are then implemented by the senior staff.

Decisions in fulfilment of their role are principally taken by Directors at Elan Valley Limited board meetings held at least five times a year.

Executive / management functions of the charity are the responsibility of the Land Agent. They are supported in this role by the Deputy Land Agent.

Elan Valley Limited does not in itself hold any assets or trade. The Charity Commission has therefore authorised that the charity's funds may be used to purchase insurance for the trustee and its Directors (including a "Directors and Officer liability insurance policy").

Recruitment and appointment of trustees

A number of organisations have the ability to nominate Directors to the Board of Elan Valley Limited. These are Dwr Cymru Welsh Water; Powys County Council; Ceredigion County Council; Natural Resources Wales (two Directors) and Welsh Government / National Assembly for Wales.

In addition, as a consequence of the appointment of a sole corporate trustee there is provision for an 'open' recruitment process to ensure a wider and appropriate balance of skills is available to the Board. Directors appointed through this process sit for a five-year term in the first instance with provision to extend this for a further five years. A recruitment process was followed during 2019-20 to seek to supplement and strengthen the Board with the final stages interrupted by the Covid lockdown late in the period. The process was completed late Summer 2020 with three new Directors joining the Board.

Induction and training of trustees

Directors bring with them a wealth of professional expertise in matters relating to the operation and function of the charity and receive ongoing training and information provision in matters pertaining to the charity through a system of regular updates from relevant professional organisations, verbal updates and papers for information prepared by staff as well as site visits both on and off the Estate.

Welsh Water Elan Trust Trustees' Report

Relationships with related parties

Dwy Cymru Welsh Water

While the terms of the lease clearly delineate the responsibilities of the charity in terms of management of the leasehold there are inevitably many areas of mutual policy, management and operational interest with DCWW. The charity therefore works closely with DCWW in matters relating to the operation of the Estate. This is facilitated by regular day-to-day contact between staff members of the two organisations and is further strengthened by attendance of a local DCWW representative at Trust Board meetings and the DCWW-appointed trustee Dr. Norman Lowe. The national and European importance of the Estate for nature conservation and a range of ecosystem services means that another key relationship is that with Natural Resources Wales (NRW). Again, this relationship is maintained by regular contact between staff members of the two organisations, by attendance of an NRW officer at Trust Board meetings and by the two Directors appointed by legacy bodies of NRW, Robert Vaughan and Dr. Ieuan Joyce.

The charity as part of a wider network: Elan Links Partnership

Since December 2017, the charity has been Lead Partner in the 5-year Elan Links Landscape Partnership Scheme awarded by the Heritage Lottery Fund and based principally within the Elan Valley Estate boundary. Apart from the Trust, the Elan Links partnership includes DCWW, NRW, Community Arts Rhayader and District (CARAD) and Tir Coed. Stakeholder organisations include Royal Commission for Ancient and Historic Monuments Wales, Arts Council Wales, Elan Valley Tenants Association, Cwmndauddwr Commoners Association and a range of recreational user groups.

Major risks and management of those risks

During the 2020-21 period, Directors continued to identify and manage risks using a RAG (Red-Amber-Green) risk register system. Reviewing the risk register is a standing item at Trust Board meetings.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 charity and of the incoming resources and application of resources of the charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

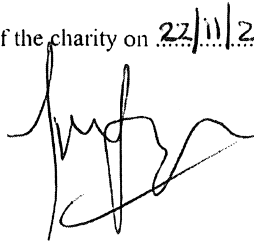
Welsh Water Elan Trust Trustees' Report

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 22/11/21 and signed on its behalf by:

Dr I Joyce, Director Elan Valley Limited

A handwritten signature in black ink, appearing to be 'Dr I Joyce', written over a dotted line.

Welsh Water Elan Trust

Independent Auditor's Report to the Trustees of Welsh Water Elan Trust

Opinion

We have audited the financial statements of Welsh Water Elan Trust (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources 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 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 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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Welsh Water Elan Trust

Independent Auditor's Report to the Trustees of Welsh Water Elan Trust

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the trustees are responsible for the preparation of the financial statements which 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 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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including relevant legislation such as the Charities Act 2011, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

Welsh Water Elan Trust
Independent Auditor's Report to the Trustees of Welsh Water Elan Trust

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed nominal ledgers and tested journal entries reports to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Morgan Griffiths LLP
Chartered Accountants
Statutory Auditor
Cross Chambers
9 High Street
Newtown
Powys
SY16 2NY

Date: 22/11/21

Welsh Water Elan Trust
Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted £	Restricted £	Total 2021 £	Total 2020 £
Income and Endowments from:					
Donations and legacies		20,000	-	20,000	3
Charitable activities	3	1,484,388	431,447	1,915,835	1,826,167
Other trading activities	5	10,971	-	10,971	15,836
Investment income	6	40	-	40	1,579
Other income	7	125	-	125	1,558
Total Income		<u>1,515,524</u>	<u>431,447</u>	<u>1,946,971</u>	<u>1,845,143</u>
Expenditure on:					
Charitable activities	8	(1,085,890)	(410,435)	(1,496,325)	(1,345,265)
Total Expenditure		<u>(1,085,890)</u>	<u>(410,435)</u>	<u>(1,496,325)</u>	<u>(1,345,265)</u>
Gains/losses on investment assets		1,710,240	-	1,710,240	(26,677)
Net income		<u>2,139,874</u>	<u>21,012</u>	<u>2,160,886</u>	<u>473,201</u>
Gross transfers between funds		<u>20,687</u>	<u>(20,687)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>2,160,561</u>	<u>325</u>	<u>2,160,886</u>	<u>473,201</u>
Reconciliation of funds					
Total funds brought forward		<u>10,879,170</u>	<u>383,783</u>	<u>11,262,953</u>	<u>10,789,751</u>
Total funds carried forward	21	<u><u>13,039,731</u></u>	<u><u>384,108</u></u>	<u><u>13,423,839</u></u>	<u><u>11,262,952</u></u>

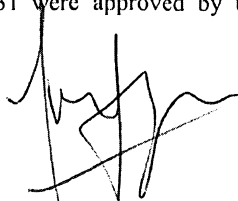
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2020 is shown in note 21.

Welsh Water Elan Trust
(Registration number: 1001347)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,790,384	3,688,730
Investments	15	8,859,392	6,999,152
		<u>12,649,776</u>	<u>10,687,882</u>
Current assets			
Stocks	16	33,787	39,390
Debtors	17	536,319	494,083
Cash at bank and in hand	18	399,229	241,424
		<u>969,335</u>	<u>774,897</u>
Creditors: Amounts falling due within one year	19	<u>(195,272)</u>	<u>(199,827)</u>
Net current assets		<u>774,063</u>	<u>575,070</u>
Net assets		<u>13,423,839</u>	<u>11,262,952</u>
Funds of the charity:			
Restricted		384,108	383,782
Unrestricted income funds			
Unrestricted		<u>13,039,731</u>	<u>10,879,170</u>
Total funds	21	<u>13,423,839</u>	<u>11,262,952</u>

The financial statements on pages 14 to 31 were approved by the trustees, and authorised for issue on ~~22/11/20~~ 22/11/21 and signed on their behalf by:

Dr I Joyce, Director Elan Valley Limited



Welsh Water Elan Trust
Cash Flow Statement for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash income		2,160,886	473,201
Adjustments to cash flows from non-cash items			
Depreciation		160,498	156,935
Investment income	6	(40)	(1,579)
Revaluation of investments		(1,675,296)	52,535
(Profit)/ Loss on disposal of fixed assets held for the charity's own use	10	(2,296)	1,730
		<hr/> 643,752	<hr/> 682,822
Working capital adjustments			
Decrease/(increase) in stocks	16	5,603	(4,600)
(Increase)/decrease in debtors	17	(42,236)	272,059
(Decrease)/increase in creditors	19	(9,354)	62,132
Increase/(decrease) in deferred income		4,799	(5,350)
Net cash flows from operating activities		<hr/> 602,564	<hr/> 1,007,063
Cash flows from investing activities			
Interest receivable and similar income	6	40	1,579
Purchase of tangible fixed assets	14	(262,847)	(677,675)
Sale of tangible fixed assets		2,990	1,250
Purchase of investments	15	(350,000)	(650,000)
Sale of investments		165,058	274,142
Net cash flows from investing activities		<hr/> (444,759)	<hr/> (1,050,704)
Net increase/(decrease) in cash and cash equivalents		157,805	(43,641)
Cash and cash equivalents at 1 April		<hr/> 241,424	<hr/> 285,065
Cash and cash equivalents at 31 March		<hr/> <hr/> 399,229	<hr/> <hr/> 241,424

All of the cash flows are derived from continuing operations during the above two periods.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received.

Investment income

Investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate	
	Plant and machinery	25% on reducing balance
	Fixtures and fittings	25% on reducing balance
	Property	3% on cost

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Gains and losses on investments are reflected in the Statement of Financial Activities.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

Stock

Sheep in stock which form part of the sheep farming operation are valued at £10 each.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the trust will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the trust does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme. The charity contribution is restricted to the contributions disclosed in note 12.

Financial instruments

Recognition and measurement

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

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations	-	-	3
Government grants	20,000	20,000	-
	<u>20,000</u>	<u>20,000</u>	<u>3</u>

3 Income from charitable activities

	Unrestricted General £	Restricted £	Total 2021 £	Total 2020 £
Tenanted Farm	483,733	-	483,733	486,644
Residential Rent	95,738	-	95,738	102,856
Farming Operations	725,026	-	725,026	671,552
Holiday Let	179,775	-	179,775	149,725
Estate Management	116	320,217	320,333	415,390
Job Retention Scheme	-	111,230	111,230	-
	<u>1,484,388</u>	<u>431,447</u>	<u>1,915,835</u>	<u>1,826,167</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

4 Estate Management - restricted income

	Restricted	Total	Total
		2021	2020
	£	£	£
Heritage Lottery Fund	114,210	114,210	241,683
Welsh Government (TAIS)	18,458	18,458	128,991
Arts Council of Wales	10,800	10,800	10,000
Dwr Cymru Welsh Water	-	-	11,229
Brecon Beacons National Park (RTEF)	5,722	5,722	22,602
Farmers Cash Match	460	460	885
Claerwen Peat	170,567	170,567	-
	<u>320,217</u>	<u>320,217</u>	<u>415,390</u>

5 Income from other trading activities

	Unrestricted		Total	Total
	Designated	General	2021	2020
	£	£	£	£
Estate management - fund raising activity	5,322	5,649	10,971	15,836
	<u>5,322</u>	<u>5,649</u>	<u>10,971</u>	<u>15,836</u>

6 Investment income

	Unrestricted	Total	Total
	General	2021	2020
	£	£	£
Interest on cash deposits	<u>40</u>	<u>40</u>	<u>1,579</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

7 Other income

	Unrestricted General £	Total 2021 £	Total 2020 £
Fees and supplies	125	125	1,558

8 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2021 £	Total 2020 £
Tenanted farm	77,058	-	29,537	106,595	119,746
Residential rent	99,638	-	28,852	128,490	148,422
Farming operations	201,081	-	64,854	265,935	259,959
Holiday let	303,624	-	27,595	331,219	288,731
Estate management	77,267	2,650	35,389	115,306	81,732
Development projects including Elan Links	381,039	-	11,797	392,836	408,171
Job Retention Scheme	111,230	-	-	111,230	-
Governance	34,893	-	9,821	44,714	38,504
	<u>1,285,830</u>	<u>2,650</u>	<u>207,845</u>	<u>1,496,325</u>	<u>1,345,265</u>

£1,085,890 (2020 - £949,295) of the above expenditure was attributable to unrestricted funds and £410,435 (2020 - £395,970) to restricted funds.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

9 Analysis of governance and support costs

Support costs allocation

	Staff Costs £	Office costs £	Subscriptions £	Motor Costs £	Total 2021 £	Total 2020 £
Tenanted farm	14,267	13,070	1,292	908	29,537	61,951
Residential rent	13,587	13,065	1,292	908	28,852	38,117
Farming operations	57,197	6,318	431	908	64,854	77,069
Holiday let	20,219	6,037	431	908	27,595	23,177
Estate Management	29,747	4,639	322	681	35,389	18,556
Development projects	9,916	1,546	108	227	11,797	6,186
Governance	2,958	5,571	1,292	-	9,821	10,203
	<u>147,891</u>	<u>50,246</u>	<u>5,168</u>	<u>4,540</u>	<u>207,845</u>	<u>235,259</u>

Basis of allocation

Reference Method of allocation

Staff costs	Time
Office	Cover
Subscriptions	Cover
Secretary	Time
Motor costs	Usage
Other	Cover
Bank charges	Usage

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

Governance costs

	Unrestricted General £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	4,500	4,500	5,500
Other fees paid to auditors	-	-	4,325
Legal and professional fees	9,050	9,050	3,343
Accountancy Fees	10,239	10,239	-
Other governance costs	11,125	11,125	15,133
Allocated support costs	9,798	9,798	10,203
	<u>44,712</u>	<u>44,712</u>	<u>38,504</u>

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2021 £	2020 £
Audit fees	4,500	5,500
Other non-audit services	-	4,325
(Profit) / Loss on disposal of fixed assets held for the charity's own use	(2,297)	1,730
Depreciation of fixed assets	<u>160,591</u>	<u>157,508</u>

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

During the year 2 (2020 - 4) trustees were reimbursed expenses incurred totalling £5,575 (2020 - £7,578)

No trustees have received any other benefits from the charity during the year.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

12 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Wages and Salaries	463,861	395,886
Social Security	28,921	27,637
Other Pension Costs	20,668	18,979
	<u>513,450</u>	<u>343,930</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Farming	4	4
General maintenance	2	2
Heritage Lottery Fund Project	5	8
Administration	2	2
Management	1	1
Visitor Accommodation	18	8
	<u>32</u>	<u>25</u>

25 (2020 - 19) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year

The total employee benefits of the key management personnel of the charity were £109,490 (2020 - £97,349).

The Land Agent, as the highest paid member of staff, received benefits totalling £58,881 (2020 - £56,522).

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 April 2020	4,758,060	372,925	97,770	5,228,755
Additions	207,011	55,836	-	262,847
Disposals	-	(9,215)	-	(9,215)
At 31 March 2021	<u>4,965,071</u>	<u>419,546</u>	<u>97,770</u>	<u>5,482,387</u>
Depreciation				
At 1 April 2020	1,349,379	190,647	-	1,540,026
Charge for the year	125,656	34,842	-	160,498
Eliminated on disposals	-	(8,521)	-	(8,521)
At 31 March 2021	<u>1,475,035</u>	<u>216,968</u>	<u>-</u>	<u>1,692,003</u>
Net book value				
At 31 March 2021	<u>3,490,036</u>	<u>202,578</u>	<u>97,770</u>	<u>3,790,384</u>
At 31 March 2020	<u>3,408,681</u>	<u>182,278</u>	<u>97,770</u>	<u>3,688,729</u>

15 Fixed asset investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2020	6,999,152	6,999,152
Revaluation	1,675,298	1,675,298
Additions	350,000	350,000
Disposals	(165,058)	(165,058)
At 31 March 2021	<u>8,859,392</u>	<u>8,859,392</u>
Net book value		
At 31 March 2021	<u>8,859,392</u>	<u>8,859,392</u>
At 31 March 2020	<u>6,999,152</u>	<u>6,999,152</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

Investment funds are now held in accumulation units, where no dividend or interest is paid, instead any return on the investment is reflected in the value of the units. The increase in the value of the investments are included as a revaluation gain, as shown above.

16 Stock

	2021	2020
	£	£
Stocks	33,787	39,390
	<u>33,787</u>	<u>39,390</u>

17 Debtors

	2021	2020
	£	£
Trade debtors	508,219	467,409
Prepayments	28,100	26,674
	<u>536,319</u>	<u>494,083</u>

18 Cash and cash equivalents

	2021	2020
	£	£
Cash at bank	399,229	241,424
	<u>399,229</u>	<u>241,424</u>

19 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	113,725	93,414
Other taxation and social security	8,583	1,962
VAT	22,662	33,556
Pension scheme creditor	12,372	12,450
Accruals	15,791	41,105
Income in advance	22,139	17,340
	<u>195,272</u>	<u>199,827</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

20 Commitments

Capital commitments

Contract for the improvement of a residential property (2020 tenanted farm)

The total amount contracted for but not provided in the financial statements was £107,946 (2020 - £145,909).

21 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2021 £
Unrestricted						
<i>General</i>						
Unrestricted income fund	10,869,852	1,510,202	(1,083,240)	20,687	1,710,240	13,027,741
<i>Designated</i>						
Designated fund	9,318	5,322	(2,650)	-	-	11,990
Total unrestricted	<u>10,879,170</u>	<u>1,515,524</u>	<u>(1,085,890)</u>	<u>20,687</u>	<u>1,710,240</u>	<u>13,039,731</u>
Restricted						
Capital grants	132,582	-	(10,944)	-	-	121,638
Nature Fund	31,638	-	(2,901)	-	-	28,737
CADW	106,354	-	(3,570)	-	-	102,784
Elan Links	113,209	320,217	(281,790)	(20,687)	-	130,949
Job Retention Scheme	-	111,230	(111,230)	-	-	-
Total restricted	<u>383,783</u>	<u>431,447</u>	<u>(410,435)</u>	<u>(20,687)</u>	<u>-</u>	<u>384,108</u>
Total funds	<u>11,262,953</u>	<u>1,946,971</u>	<u>(1,496,325)</u>	<u>-</u>	<u>1,710,240</u>	<u>13,423,839</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted						
<i>General</i>						
Unrestricted income fund	10,491,046	1,424,515	(943,345)	(75,687)	(26,677)	10,869,852
<i>Designated</i>						
Designated fund	<u>10,030</u>	<u>5,238</u>	<u>(5,950)</u>	<u>-</u>	<u>-</u>	<u>9,318</u>
Total unrestricted	<u>10,501,076</u>	<u>1,429,753</u>	<u>(949,295)</u>	<u>(75,687)</u>	<u>(26,677)</u>	<u>10,879,170</u>
Restricted						
Capital grants	143,526	-	(10,944)	-	-	132,582
Nature Fund	35,225	-	(3,587)	-	-	31,638
CADW	109,924	-	(3,570)	-	-	106,354
Elan Links	<u>-</u>	<u>415,390</u>	<u>(377,868)</u>	<u>75,687</u>	<u>-</u>	<u>113,209</u>
Total restricted	<u>288,675</u>	<u>415,390</u>	<u>(395,969)</u>	<u>75,687</u>	<u>-</u>	<u>383,783</u>
Total funds	<u>10,789,751</u>	<u>1,845,143</u>	<u>(1,345,264)</u>	<u>-</u>	<u>(26,677)</u>	<u>11,262,953</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

Comprise those funds that the trustees are free to use in accordance with the charitable objects.

Designated Funds

The trustees have allocated the income received from the Ministry of Defence for the use of the estate to a fund controlled by a joint committee of Trustees and tenants. This fund is used in the support of local charities having appropriate charitable or relevant public purposes.

Restricted funds

Capital Grants represent funds received in respect of the restoration of properties.

Nature Fund represents funds received from the Welsh Assembly Government in respect of this project.

CADW Grant represents funds received in respect of the work being carried out at Cwm Elan Mines.

Elan Links is a partnership project which brings together a range of local and strategic partners to secure the heritage of the Elan Valley and create future opportunities under four key themes:

- Celebrating heritage; restoration and archiving
- Enjoying Elan; increasing access and recreational opportunities
- Experience and education; providing educational course and volunteering opportunities
- Enhancing nature and wildlife; restoration and enhancement of natural environments

The managing partners are Elan Valley Trust (Lead)

Dwr Cymru Welsh Water

CARAD – Rhayader Museum & Gallery

Tir Coed

Natural Resources Wales

Rhayader & District Community Support

Powys County Council

Job Retention Scheme represents funds received from the UK Government to support jobs during the Covid pandemic.

22 Analysis of net assets between funds

	Unrestricted			
	General	Designated	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	3,420,583	-	369,801	3,790,384
Fixed asset investments	8,859,392	-	-	8,859,392
Current assets	943,039	11,990	14,306	969,335
Current liabilities	(195,272)	-	-	(195,272)
Total net assets	<u>13,027,742</u>	<u>11,990</u>	<u>384,107</u>	<u>13,423,839</u>

Welsh Water Elan Trust
Notes to the Financial Statements for the Year Ended 31 March 2021

	Unrestricted funds General £	Designated £	Restricted funds £	Total funds 2020 £
Tangible fixed assets	3,265,069	-	423,661	3,688,730
Fixed asset investments	6,999,152	-	-	6,999,152
Current assets	747,215	9,318	18,364	774,897
Current liabilities	(199,827)	-	-	(199,827)
Total net assets	<u>10,811,609</u>	<u>9,318</u>	<u>442,025</u>	<u>11,262,952</u>

23 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	241,424	157,805	399,229
Net debt	<u>241,424</u>	<u>157,805</u>	<u>399,229</u>

	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	285,065	(43,641)	241,424
Net debt	<u>285,065</u>	<u>(43,641)</u>	<u>241,424</u>