

Charity registration number: 1001347

# Welsh Water Elan Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2022

## **Welsh Water Elan Trust**

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

<b>Trustee</b>	Elan Valley Limited
<b>Land Agent</b>	C P M Harley
<b>Principal Office</b>	Elan Estate office Elan Village Rhayader Powys LD6 5HP
<b>Charity Registration Number</b>	1001347
<b>Auditor</b>	Morgan Griffiths LLP Chartered Accountants and Statutory Auditor Cross Chambers 9 High Street Newtown Powys SY16 2NY
<b>Bankers</b>	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 Trustee's 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 of the charity for the year ended 31 March 2022.

### **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***

During the early part of 2021-22 national restrictions remained in place and the Trust continued to maintain a balance between 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.

As restrictions eased and guidance changed the Trust was able to move to a hybrid model of working with office-based staff returning part time to the office and re-opening our hospitality and visitor accommodation. Much of our work was able to return to normal as the year progressed. Some activities planned for the year have been impacted with hospitality functions closed or restricted, and some group events not able to be held.

The Trust benefitted from being able to access support from the Job Retention Scheme (for a short period at the beginning of the year) and some small grants. We were able to agree extensions to grant-funded programmes impacted by Covid-19 meaning that plans have been made to meet outputs over an extended period.

## Welsh Water Elan Trust Trustee's Report

### *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 2021-22 year, we understand that all of the Elan Valley Estate tenanted holdings and Cwmduddwr Common are subject to Glastir agreements.

In recent years, the Elan Links National Lottery Heritage 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:

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 21ha 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. tested new approaches to managing cattle grazing including the trial of "no fence collars".
4. undertaken peat restoration works;
5. developed management plans and actions for key areas of dry heath and ffridd on the Estate and have commissioned work to develop plans for in-by management;
6. 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;
7. 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.
8. 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.

## **Welsh Water Elan Trust Trustee's Report**

*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 artist residencies, and built partnerships with key stakeholders in Wales and Birmingham;
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 oral histories from people in the area / or and with connections to the Elan Valley;
9. developed the Elan Valley App which is in development and testing - and due to launch in 2022.
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 3190 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.

## **Welsh Water Elan Trust Trustee's Report**

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 - as Covid-19 restrictions eased in 2021-22 Penbont House has re-opened and proved a popular place to eat and stay.

An extensive development to Cwm Clyd farmstead into a suite of buildings able to accommodate small groups (up to 21 people) was completed in 2021-22 and due to launch for use by the public in early 2022 as a bunkhouse.

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 2021-22:

Dark Skies. The Elan Valley Estate has for a number of years held the status of International Dark Sky Park. During 2021-22 the Tynllidiart Stargazing Shelter, the development of which was funded by TAIS2 (Tourism Amenity Investment Fund), was used for a number of successful stargazing events. In addition, a number of planetarium shows took place to bring the dark sky experience to a wider audience.

Electrification. A long-held ambition of the Trust has been to develop an alternative to the diesel generators that primarily power the properties on the wider estate - to this end there is a focus on installing renewable energy sources where possible and exploring options for broader scheme to reduce or replace the dependence on fossil fuels.

To maintain its properties in good repair and fit-for-purpose, works were completed at two properties, a major scheme of renovation is underway for a further residential property and a range of more minor renovations and upgrades have been made elsewhere.

### ***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 2021-2022 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 2021-2022 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 trustee confirms 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.

## **Welsh Water Elan Trust Trustee's Report**

### **Financial review**

The total incoming resources from charitable activities in 2021-22 was in the order of £2.1M. Of this income, some £1,681k was spent on charitable activities, the remaining allocated to reserves. Investment into the NLHF scheme was in the order of £295k during 2021-22.

The Trust has a very long-term responsibility (now some 966 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 2021-22 the Trust had unrestricted funds in the order of £14m. Approximately 29% 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.

### **Plans for future periods**

Initiatives for 2022-23 and beyond will include:

1. continuing to act as Lead Partner for Elan Links and implementing a range of Elan Links projects;
2. pursuing the conservation of flora and fauna through the Natural Heritage projects in Elan Links;
3. developing and delivering opportunities for peatland restoration in partnership with key stakeholders;
4. launching Cwm Clyd bunkhouse as a facility for group accommodation and promoting this for specific retreats and wider public access;
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 through a range of targeted events;
8. developing a strategy for mitigating and adapting to climate change;
9. investigating and evaluating the options for providing electric to properties on the Estate including options for producing renewable energy;
10. reviewing the strategic plan and priorities of the Trust.



## **Welsh Water Elan Trust Trustee's Report**

### **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 Trustee a leasehold interest in the property for a term of 999 years.' The deed goes on to describe the charitable objects, role of the Trustee and various powers of the Trustee 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.

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 Estate Manager, who is supported in this role by the Business Manager.

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 trustee***

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. A vacancy arose during this period and Dwr Cymru Welsh Water have been approached to consider a new appointee in place of their incumbent appointee who retired.

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. Under this provision three directors joined the board and are in their first five-year term.

#### ***Induction and training of trustee***

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 Trustee's 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, Cwmduddwr Commoners Association and a range of recreational user groups.

### ***Major risks and management of those risks***

During the 2021-22 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 Trustee's Responsibilities**

The trustee are responsible for preparing the trustee' 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 trustee 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 trustee 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 trustee 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 trustee 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 Trustee's Report**

### **Disclosure of information to auditor**

Each member has taken steps that they ought to have taken as a member 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 trustee 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 trustee of the charity on 30 January 2023 and signed on its behalf by:

Dr I Joyce, Director Elan Valley Limited

## **Welsh Water Elan Trust**

### **Independent Auditor's Report to the Trustee 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 2022, 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 2022 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 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 trustee 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 original financial statements were authorised for issue.

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

#### **Other information**

The trustee 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 Trustee 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 Trustee's 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 trustee**

As explained more fully in the Statement of Trustee' Responsibilities (set out on page 8), the trustee are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustee 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 trustee 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 trustee 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.

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 Trustee 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 is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

This report is made solely to the charity's trustee, 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 trustee 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 trustee 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

30 January 2023

**Welsh Water Elan Trust**  
**Statement of Financial Activities for the Year Ended 31 March 2022**

	Note	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>					
Donations and legacies		17,500	96,592	114,092	20,000
Charitable activities	3	1,612,794	479,971	2,092,765	1,915,835
Other trading activities	5	5,858	-	5,858	10,971
Investment income	6	3,412	-	3,412	40
Other income	7	130	-	130	125
Total Income		<u>1,639,694</u>	<u>576,563</u>	<u>2,216,257</u>	<u>1,946,971</u>
<b>Expenditure on:</b>					
Charitable activities	8	(1,391,047)	(289,912)	(1,680,959)	(1,496,325)
Total Expenditure		<u>(1,391,047)</u>	<u>(289,912)</u>	<u>(1,680,959)</u>	<u>(1,496,325)</u>
Gains/losses on investment assets		1,048,645	-	1,048,645	1,710,240
Net movement in funds		<u>1,297,292</u>	<u>286,651</u>	<u>1,583,943</u>	<u>2,160,886</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>13,039,732</u>	<u>384,107</u>	<u>13,423,839</u>	<u>11,262,953</u>
Total funds carried forward	21	<u><u>14,337,024</u></u>	<u><u>670,758</u></u>	<u><u>15,007,782</u></u>	<u><u>13,423,839</u></u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2021 is shown in note 21.

**Welsh Water Elan Trust**  
**(Registration number: 1001347)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	4,214,186	3,790,384
Investments	15	10,261,444	8,859,392
		<u>14,475,630</u>	<u>12,649,776</u>
<b>Current assets</b>			
Stocks	16	74,340	33,787
Debtors	17	470,454	536,319
Cash at bank and in hand	18	311,916	399,229
		<u>856,710</u>	<u>969,335</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(324,558)</u>	<u>(195,272)</u>
<b>Net current assets</b>		<u>532,152</u>	<u>774,063</u>
<b>Net assets</b>		<u>15,007,782</u>	<u>13,423,839</u>
<b>Funds of the charity:</b>			
<b>Restricted</b>		670,759	384,108
<b>Unrestricted income funds</b>			
Unrestricted		14,337,023	13,039,731
<b>Total funds</b>	21	<u>15,007,782</u>	<u>13,423,839</u>

The financial statements on pages 13 to 30 were approved by the trustee, and authorised for issue on 30 January 2023 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 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash income		1,583,943	2,160,886
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		182,519	160,498
Investment income	6	(3,412)	(40)
Revaluation of investments		(991,763)	(1,675,296)
(Profit)/ Loss on disposal of fixed assets held for the charity's own use	10	-	(2,296)
		<hr/> 771,287	<hr/> 643,752
<b>Working capital adjustments</b>			
(Increase)/decrease in stocks	16	(40,553)	5,603
Decrease/(increase) in debtors	17	65,865	(42,236)
Increase/(decrease) in creditors	19	114,121	(9,354)
Increase in deferred income		15,165	4,799
Net cash flows from operating activities		<hr/> 925,885	<hr/> 602,564
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	3,412	40
Purchase of tangible fixed assets	14	(606,321)	(262,847)
Sale of tangible fixed assets		-	2,990
Purchase of investments	15	(553,407)	(350,000)
Sale of investments		143,118	165,058
Net cash flows from investing activities		<hr/> (1,013,198)	<hr/> (444,759)
Net (decrease)/increase in cash and cash equivalents		(87,313)	157,805
Cash and cash equivalents at 1 April		<hr/> 399,229	<hr/> 241,424
Cash and cash equivalents at 31 March		<hr/> <hr/> 311,916	<hr/> <hr/> 399,229

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

The notes on pages 16 to 30 form an integral part of these financial statements.

# **Welsh Water Elan Trust**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **1 Accounting policies**

#### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom 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. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

#### **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 2022**

#### ***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 trustee's meetings and reimbursed expenses.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>	
	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.

#### **Stock**

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

## **Welsh Water Elan Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **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 trustee'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 trustee.

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 2022**

**2 Income from donations and legacies**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Government grants	17,500	96,592	114,092	20,000
	<u>17,500</u>	<u>96,592</u>	<u>114,092</u>	<u>20,000</u>

**3 Income from charitable activities**

	<b>Unrestricted General £</b>	<b>Restricted £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Tenanted Farm	484,984	-	484,984	483,733
Residential Rent	103,997	-	103,997	95,738
Farming Operations	624,391	8,749	633,140	725,026
Holiday Let	371,607	-	371,607	179,775
Estate Management	27,815	465,489	493,304	320,333
Job Retention Scheme	-	5,733	5,733	111,230
	<u>1,612,794</u>	<u>479,971</u>	<u>2,092,765</u>	<u>1,915,835</u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

**4 Estate Management - restricted income**

	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Heritage Lottery Fund	356,377	356,377	114,210
Arwain	53,627	53,627	-
Natur	43,750	43,750	-
Natural Resources Wales (NRW)	935	935	-
Welsh Government (TAIS)	-	-	18,458
Arts Council of Wales	10,800	10,800	10,800
Dwr Cymru Welsh Water	-	-	-
Brecon Beacons National Park (RTEF)	-	-	5,722
Farmers Cash Match	-	-	460
Claerwen Peat	-	-	170,567
	<u>465,489</u>	<u>465,489</u>	<u>320,217</u>

**5 Income from other trading activities**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Estate management - fund raising activity	5,858	5,858	10,971
	<u>5,858</u>	<u>5,858</u>	<u>10,971</u>

**6 Investment income**

	<b>Unrestricted</b>		
	<b>General</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Interest on cash deposits	3,412	3,412	40
	<u>3,412</u>	<u>3,412</u>	<u>40</u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

**7 Other income**

	Unrestricted General £	Total 2022 £	Total 2021 £
Fees and supplies	130	130	125

**8 Expenditure on charitable activities**

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2022 £	Total 2021 £
Tenanted farm	81,228	-	57,020	138,248	106,595
Residential rent	98,733	-	40,782	139,515	128,490
Farming operations	273,035	-	77,351	350,386	265,935
Holiday let	456,257	-	32,103	488,360	331,219
Estate management	95,461	2,800	27,542	125,803	115,306
Development projects including Elan Links	375,365	-	9,180	384,545	392,836
Job Retention Scheme	5,733	-	-	5,733	111,230
Governance	27,660	-	20,709	48,369	44,714
	<u>1,413,472</u>	<u>2,800</u>	<u>264,687</u>	<u>1,680,959</u>	<u>1,496,325</u>

£1,391,047 (2021 - £1,085,890) of the above expenditure was attributable to unrestricted funds and £289,912 (2021 - £410,435) to restricted funds.

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

**9 Analysis of governance and support costs**

**Support costs allocation**

	<b>Staff Costs £</b>	<b>Office costs £</b>	<b>Subscriptions £</b>	<b>Motor Costs £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Tenanted farm	36,269	18,029	1,327	1,395	57,020	29,537
Residential rent	20,055	18,005	1,327	1,395	40,782	28,852
Farming operations	66,363	9,151	442	1,395	77,351	64,854
Holiday let	21,181	9,085	442	1,395	32,103	27,595
Estate Management	19,345	6,819	332	1,046	27,542	35,389
Development projects	6,448	2,273	110	349	9,180	11,797
Governance	10,028	9,354	1,327	-	20,709	9,821
	<u>179,689</u>	<u>72,716</u>	<u>5,307</u>	<u>6,975</u>	<u>264,687</u>	<u>207,845</u>

**Basis of allocation**

<b>Reference</b>	<b>Method of allocation</b>
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 2022**

**Governance costs**

	Unrestricted General £	Total 2022 £	Total 2021 £
Audit of the financial statements	4,500	4,500	4,500
Legal and professional fees	5,615	5,615	9,050
Accountancy Fees	10,146	10,146	10,239
Other governance costs	7,492	7,492	11,125
Allocated support costs	20,692	20,692	9,798
	<u>48,445</u>	<u>48,445</u>	<u>44,712</u>

**10 Net incoming/outgoing resources**

Net incoming resources for the year include:

	2022 £	2021 £
Audit fees	4,500	4,500
(Profit) / Loss on disposal of fixed assets held for the charity's own use	-	(2,297)
Depreciation of fixed assets	<u>182,519</u>	<u>160,591</u>

**11 Trustee remuneration and expenses**

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

During the year 2 (2021 - 2) trustees were reimbursed expenses incurred totalling £4,780 (2021 - £5,575).

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 2022**

**12 Staff costs**

The aggregate payroll costs were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	551,891	463,861
Social Security	36,261	28,921
Other Pension Costs	21,994	20,668
	<u>610,146</u>	<u>513,450</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:

	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Farming	4	4
General maintenance	3	2
Heritage Lottery Fund Project	8	5
Administration	4	2
Management	2	1
Visitor Accommodation	16	18
	<u>37</u>	<u>32</u>

19 (2021 - 25) 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 £99,823 (2021 - £109,490).

The Land Agent, as the highest paid member of staff, received benefits totalling £51,823 (2021 - £58,881).

**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 2022**

**14 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Furniture and equipment £</b>	<b>Other tangible fixed asset £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2021	4,965,071	419,546	97,770	5,482,387
Additions	547,571	58,750	-	606,321
At 31 March 2022	<u>5,512,642</u>	<u>478,296</u>	<u>97,770</u>	<u>6,088,708</u>
<b>Depreciation</b>				
At 1 April 2021	1,475,035	216,968	-	1,692,003
Charge for the year	129,886	52,633	-	182,519
At 31 March 2022	<u>1,604,921</u>	<u>269,601</u>	<u>-</u>	<u>1,874,522</u>
<b>Net book value</b>				
At 31 March 2022	<u>3,907,721</u>	<u>208,695</u>	<u>97,770</u>	<u>4,214,186</u>
At 31 March 2021	<u>3,490,036</u>	<u>202,578</u>	<u>97,770</u>	<u>3,790,384</u>

**15 Fixed asset investments**

	<b>Listed investments £</b>	<b>Total £</b>
<b>Cost or Valuation</b>		
At 1 April 2021	8,859,391	8,859,391
Revaluation	991,764	991,764
Additions	553,407	553,407
Disposals	(143,118)	(143,118)
At 31 March 2022	<u>10,261,444</u>	<u>10,261,444</u>
<b>Net book value</b>		
At 31 March 2022	<u>10,261,444</u>	<u>10,261,444</u>
At 31 March 2021	<u>8,859,391</u>	<u>8,859,391</u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

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**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Stocks	74,340	33,787

**17 Debtors**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Trade debtors	428,146	508,219
Prepayments	31,386	28,100
VAT recoverable	10,922	-
	<u>470,454</u>	<u>536,319</u>

**18 Cash and cash equivalents**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Cash at bank	311,916	399,229

**19 Creditors: amounts falling due within one year**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Trade creditors	238,912	113,725
Other taxation and social security	2,336	8,583
VAT	-	22,662
Pension scheme creditor	26,983	12,372
Accruals	19,023	15,791
Income in advance	37,304	22,139
	<u>324,558</u>	<u>195,272</u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

**20 Commitments**

**Capital commitments**

Contract for the improvement of residential property and tenanted farms (2021 residential property).

The total amount contracted for but not provided in the financial statements was £104,519 (2021 - £107,946).

**21 Funds**

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted income fund	13,027,741	1,639,694	(1,388,247)	1,048,645	14,327,833
<i>Designated</i>					
Designated fund	11,990	-	(2,800)	-	9,190
<b>Total unrestricted funds</b>	<u>13,039,731</u>	<u>1,639,694</u>	<u>(1,391,047)</u>	<u>1,048,645</u>	<u>14,337,023</u>
<b>Restricted funds</b>					
Capital grants	121,638	96,592	(11,251)	-	206,979
Nature Fund	28,737	-	(2,386)	-	26,351
CADW	102,784	-	(3,570)	-	99,214
Natural Resources Wales	-	8,749	(8,749)	-	-
Elan Links	130,949	465,488	(258,222)	-	338,215
Job Retention Scheme	-	5,733	(5,733)	-	-
<b>Total restricted funds</b>	<u>384,108</u>	<u>576,562</u>	<u>(289,911)</u>	<u>-</u>	<u>670,759</u>
<b>Total funds</b>	<u>13,423,839</u>	<u>2,216,256</u>	<u>(1,680,958)</u>	<u>1,048,645</u>	<u>15,007,782</u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

	<b>Balance at 1 April 2020 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Other recognised gains/(losses) £</b>	<b>Balance at 31 March 2021 £</b>
<b>Unrestricted funds</b>						
<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
<b>Total unrestricted funds</b>	<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>
<b>Restricted</b>						
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)	-	-	-
<b>Total restricted funds</b>	<u>383,783</u>	<u>431,447</u>	<u>(410,435)</u>	<u>(20,687)</u>	<u>-</u>	<u>384,108</u>
<b>Total funds</b>	<u><u>11,262,953</u></u>	<u><u>1,946,971</u></u>	<u><u>(1,496,325)</u></u>	<u><u>-</u></u>	<u><u>1,710,240</u></u>	<u><u>13,423,839</u></u>

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

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.

Natural Resources Wales represents funds received in respect of fencing work carried out.

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.

**Welsh Water Elan Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

**22 Analysis of net assets between funds**

	<b>Unrestricted</b>			
	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	3,594,149	-	620,037	4,214,186
Fixed asset investments	10,261,444	-	-	10,261,444
Current assets	796,799	9,190	50,721	856,710
Current liabilities	(324,558)	-	-	(324,558)
Total net assets	<u>14,327,834</u>	<u>9,190</u>	<u>670,758</u>	<u>15,007,782</u>

	<b>Unrestricted funds</b>		<b>Restricted</b>	<b>Total funds at</b>
	<b>General</b>	<b>Designated</b>	<b>funds</b>	<b>31 March</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2021</b>
				<b>£</b>
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>

**23 Analysis of net funds**

	<b>At 1 April</b>	<b>Financing cash</b>	<b>At 31 March</b>
	<b>2021</b>	<b>flows</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	399,229	(87,313)	311,916
Net debt	<u>399,229</u>	<u>(87,313)</u>	<u>311,916</u>

  

	<b>At 1 April</b>	<b>Financing cash</b>	<b>At 31 March</b>
	<b>2020</b>	<b>flows</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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>