

WELSH WATER ELAN TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



WELSH WATER ELAN TRUST

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WELSH WATER ELAN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustee	Elan Valley Limited
Directors of Elan Valley Limited	R Davies D Evans W Evans I Joyce A Leonard R Morgan H Scrase R Vaughan
Land Agent	C P M Harley
Charity number	1001347
Principal address	Elan Estate Office Elan Village Rhayader Powys LD6 5HP
Auditor	RCH Accountants Limited The Exchange Temple Street Llandrindod Wells Powys LD1 5HG
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

FOR THE YEAR ENDED 31 MARCH 2023

The Directors of Elan Valley Limited - the sole corporate trustee of Welsh Water Elan Trust (colloquially known as the Elan Valley Trust) - present the annual report together with the financial statements of the charity for the year ended 31 March 2023.

Objectives and activities of the Elan Valley Trust

Charitable Objects

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.

Strategic Objectives:

The Trust has revised its strategic plan during the year 2022-23 and summarised its strategic objectives:

Natural Resources; To manage our natural resources in ways that:

1. Contribute positively to the quality (and quantity) of the water from the catchment.
2. Foster a landscape rich in nature with:
 - Habitats in good condition
 - Flourishing native wildlife
 - Designated sites in favourable condition.
3. Are ambitious in mitigating the impacts of climate change.
4. Value our historic landscape but allow change where this brings overall benefits.
5. Foster opportunities to maintain a vibrant local community.
6. Provide the charity with a viable income over the long term.

People & Community; Our objectives are to:

1. Foster opportunities to maintain a vibrant local community.
2. Enable people to access recreational opportunities that enhance health and wellbeing.
3. Enable people to study, engage with, and value Elan's heritage and nature.
4. Foster the use of the estate for social welfare purposes.
5. Manage access to the estate in ways that conserve its special qualities and support people to access the estate in a way that is safe and responsible.

Climate and sustainability; Our objectives are to:

1. Be ambitious in setting targets for and delivering measures for mitigation and adaptation such as:
 - reduction in fossil fuel use from our activities;
 - carbon sequestration and storage from the land we manage;
 - production of renewable energy where opportunities arise;
 - measures to manage increased risks brought about by climate change.
2. Have regard to the impact on our heritage and nature when evaluating climate mitigation & adaptation proposals.
3. Foster opportunities and work with tenants and other partners to support climate goals and sustainability.

WELSH WATER ELAN TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Activities

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 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 until 31st December 2023.

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 2022-23 year, we understand that all of the Elan Valley Estate tenanted holdings and Cwmdauddwr 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 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. tested new approaches to managing cattle grazing including the trial of "no fence collars".
4. undertaken peat restoration works extending to 108ha;
5. developed management plans and actions for key areas of dry heath, ffridd and management of in-bye land on the Estate.
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, e.g. 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.

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.

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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 continued the process of archiving materials and loading them onto the 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 launched in 2022 providing an interactive and informative guide to the Elan estate.
10. undertaken a series of 12-week courses - providing volunteer opportunities largely in nature conservation activities; four 5-day courses - generating 824 volunteer hours; forty-six bespoke activity days providing a range of activities for people who might otherwise struggle to access the Elan Valley; and 40 overnight stays - principally for people from along the aqueduct and Birmingham.

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 to let on the Estate.

Penbont House is a tea room and bed & breakfast which has provide a popular destination for visitors to the estate, and a venue for hosting a number of events - including some Dark Sky themed events.

Following an extensive development of Cwm Clyd farmstead, the new bunkhouse opened in April 2022 and has welcomed over 280 guests to stay during the year.

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.

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FOR THE YEAR ENDED 31 MARCH 2023

Other Initiatives for 2022-23:

Dark Skies. The Elan Valley Estate has for a number of years held the status of International Dark Sky Park. During 2022-23 the Tynllidiart Stargazing Shelter hosted 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 - in particular these have proved popular with schools across the region.

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. Discussions with key partners and stakeholders have opened up a number of avenues to further explore a wider agenda of electrification which are being progressed.

To maintain its properties in good repair and fit-for-purpose, major works were completed at one property, and a scheme of renovation is underway for a further residential property. There are 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 2022-23 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 Directors 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 2022-23 was in the order of £1,878k. Of this income, some £1,891k was spent on charitable activities, the remaining allocated from reserves. Investment into the NLHF scheme was in the order of £21k during 2022-23.

The Trust has a very long-term responsibility (now some 965 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 2022-23 the Trust had unrestricted funds in the order of £14.2m. Approximately 30% 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 CCLA. A small portion of funds is held in a current account to meet short term needs.

Directors regularly review the investment strategy and portfolio. Directors have also reviewed and updated the reserves policy.

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Plans for future periods

Initiatives for 2023-24 and beyond will include:

1. continuing to act as Lead Partner for Elan Links and implementing a range of Elan Links projects and, as the project draws to a conclusion, beginning the process of final monitoring and evaluation work.
2. developing a legacy plan following the conclusion of the Elan Links project, building upon the positive works undertaken and employing relevant staff to support our goals for nature.
3. pursuing the conservation of flora and fauna through the Natural Heritage projects in Elan Links and other works.
4. developing and delivering opportunities for peatland restoration in partnership with key stakeholders;
5. developing Cwm Clyd bunkhouse as a facility for group accommodation and promoting this for specific retreats and wider public access;
6. fostering and encouraging appropriate access, recreational, educational and scientific use of the Estate;
7. 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;
8. promoting and developing the Elan Valley Dark Sky Park through a range of targeted events;
9. better understanding our environmental impact from the perspective of carbon emissions;
10. investigating and evaluating the options for providing electric to properties on the Estate including options for producing renewable energy.
11. concluding a review of the strategic plan and priorities of the Trust
12. seeking to engage with and influence consultations relating to Welsh Government Policy and forthcoming agri-environmental schemes.
13. completing a carbon audit and planning for a stronger focus on climate issues.

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 Dŵr 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 Cwmdaiddwr 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

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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 trustees

A number of organisations have the ability to nominate Directors to the Board of Elan Valley Limited. These are Dŵr Cymru Welsh Water; Powys County Council; Ceredigion County Council; Natural Resources Wales (two Directors) and Welsh Government / National Assembly for Wales. Following a vacancy Dŵr Cymru Welsh Water have appointed a director 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, one of whom resigned, however the other two remain and are in their first five-year term.

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.

Relationships with related parties

Dŵr Cymru Welsh Water (DCWW):

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 director Roger Morgan. 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 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 (now extended) 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. In future the Trust will seek to continue to develop and enable future networks and partnerships to further its objectives.

Major risks and management of those risks

During the 2022-23 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.

The Directors 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.

WELSH WATER ELAN TRUST

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The law applicable to charities requires the Directors 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 Directors 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 Directors 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 directors 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.

The annual report was approved by the Directors of the charity on 23 January 2024 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 'trust') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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 trust 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 trust'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

Matters on which we are required to report by exception

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

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

WELSH WATER ELAN TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF WELSH WATER ELAN TRUST

Responsibilities of trustee

As explained more fully in the statement of trustee responsibilities, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 is responsible for assessing the trust'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.

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.

WELSH WATER ELAN TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEE OF WELSH WATER ELAN TRUST

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

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 auditor's 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.

RCH Accountants Limited

Chartered Accountants

Statutory Auditor

The Exchange

Temple Street

Llandrindod Wells

Powys

LD1 5HG

23 January 2024

RCH Accountants Limited is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WELSH WATER ELAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income and endowments from:</u>						
Donations and legacies	3	-	-	7,000	7,000	114,092
Charitable activities	4	1,574,120	-	306,188	1,880,308	2,092,765
Other trading activities	5	-	5,399	-	5,399	5,858
Investments	6	10,843	-	-	10,843	3,412
Other income	7	15,401	-	-	15,401	130
Total income		1,600,364	5,399	313,188	1,918,951	2,216,257
<u>Expenditure on:</u>						
Charitable activities	8	1,517,974	7,050	366,487	1,891,511	1,680,959
Net gains/(losses) on investments	13	(200,292)	-	-	(200,292)	1,048,645
Net movement in funds		(117,902)	(1,651)	(53,299)	(172,852)	1,583,943
Net movement in funds		(117,902)	(1,651)	(53,299)	(172,852)	1,583,943
Fund balances at 1 April 2022		14,327,833	9,190	670,759	15,007,782	13,423,839
Fund balances at 31 March 2023		14,209,931	7,539	617,460	14,834,930	15,007,782

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

All income and expenditure derive from continuing activities.

WELSH WATER ELAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	17,500	-	96,592	114,092
Charitable activities	4	1,612,794	-	479,971	2,092,765
Other trading activities	5	5,858	-	-	5,858
Investments	6	3,412	-	-	3,412
Other income	7	130	-	-	130
Total income		1,639,694	-	576,563	2,216,257
<u>Expenditure on:</u>					
Charitable activities	8	1,388,248	2,800	289,911	1,680,959
Net gains/(losses) on investments	13	1,048,645	-	-	1,048,645
Net movement in funds		1,300,091	(2,800)	286,652	1,583,943
Fund balances at 1 April 2021		13,027,741	11,990	384,108	13,423,839
Fund balances at 31 March 2022		14,327,832	9,190	670,760	15,007,782

WELSH WATER ELAN TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15	4,279,608		4,214,186	
Investments	16	10,021,131		10,261,444	
			14,300,739		14,475,630
Current assets					
Stocks	17	77,587		74,340	
Debtors	18	274,548		470,454	
Cash at bank and in hand		501,106		311,916	
			853,241		856,710
Creditors: amounts falling due within one year	19	(319,050)		(324,558)	
Net current assets			534,191		532,152
Total assets less current liabilities			14,834,930		15,007,782
Income funds					
Restricted funds	21	617,460		670,760	
Unrestricted funds - designated	22	7,539		9,190	
Unrestricted funds - general		14,209,931		14,327,832	
			14,834,930		15,007,782

The notes on pages 15 to 32 form part of these financial statements.

The financial statements were approved by the Trustee, and authorised for issue on 23 January 2024 and signed on their behalf by:

Dr I Joyce, Director, Elan Valley Limited

WELSH WATER ELAN TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	26		398,020		869,004
Investing activities					
Purchase of tangible fixed assets		(293,091)		(606,321)	
Proceeds from disposal of tangible fixed assets		33,400		-	
Purchase of investments		(159,978)		(553,407)	
Proceeds from disposal of investments		199,996		199,999	
Investment income received		10,843		3,412	
Net cash used in investing activities			(208,830)		(956,317)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			189,190		(87,313)
Cash and cash equivalents at beginning of year			311,916		399,229
Cash and cash equivalents at end of year			501,106		311,916

The notes on pages 15 to 32 form part of these financial statements.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustee has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustee in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets that individually cost £500.00 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	3% on cost
Furniture and equipment	25% on reducing balance
Leased Sheep	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Restricted funds	Unrestricted funds general	Restricted funds	Total
	2023 £	2022 £	2022 £	2022 £
Government grants	<u>7,000</u>	<u>17,500</u>	<u>96,592</u>	<u>114,092</u>

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Tenanted Farms 2023 £	Residential Rent 2023 £	Farming 2023 £	Tourism 2023 £	Estate Management 2023 £	Development Projects 2023 £	Total 2023 £	Total 2022 £
Income	-	-	73,788	368,058	2,586	272	444,704	497,937
Job Retention Scheme	-	-	-	-	-	-	-	5,733
Grant funding	-	-	522,967	-	-	306,188	829,155	998,714
Rental receipts	491,734	114,715	-	-	-	-	606,449	590,381
	<u>491,734</u>	<u>114,715</u>	<u>596,755</u>	<u>368,058</u>	<u>2,586</u>	<u>306,460</u>	<u>1,880,308</u>	<u>2,092,765</u>
Analysis by fund								
Unrestricted funds - general	491,734	114,715	596,755	368,058	2,586	272	1,574,120	1,612,794
Restricted funds	-	-	-	-	-	306,188	306,188	479,971
	<u>491,734</u>	<u>114,715</u>	<u>596,755</u>	<u>368,058</u>	<u>2,586</u>	<u>306,460</u>	<u>1,880,308</u>	<u>2,092,765</u>
Grant funding								
Heritage Lottery Fund	-	-	-	-	-	245,736	245,736	356,377
Arwain	-	-	-	-	-	1,274	1,274	53,627
Natur	-	-	-	-	-	35,000	35,000	43,750
Natural Resources Wales	-	-	-	-	-	21,778	21,778	935
Arts Council of Wales	-	-	-	-	-	2,400	2,400	10,800
Other	-	-	522,967	-	-	-	522,967	533,225
	<u>-</u>	<u>-</u>	<u>522,967</u>	<u>-</u>	<u>-</u>	<u>306,188</u>	<u>829,155</u>	<u>998,714</u>

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

For the year ended 31 March 2022

	Tenanted Farms £	Residential Rent £	Farming £	Tourism £	Estate Management £	Development Projects £	Total 2022 £
Income	-	-	99,915	370,207	24,992	2,823	497,937
Job Retention Scheme	-	-	-	4,768	76	889	5,733
Grant funding	-	-	533,225	-	-	465,489	998,714
Rental receipts	484,984	103,997	-	1,400	-	-	590,381
	<u>484,984</u>	<u>103,997</u>	<u>633,140</u>	<u>376,375</u>	<u>25,068</u>	<u>469,201</u>	<u>2,092,765</u>
Analysis by fund							
Unrestricted funds - general	484,984	103,997	624,391	371,607	24,992	2,823	1,612,794
Restricted funds	-	-	8,749	4,768	76	466,378	479,971
	<u>484,984</u>	<u>103,997</u>	<u>633,140</u>	<u>376,375</u>	<u>25,068</u>	<u>469,201</u>	<u>2,092,765</u>
Grant funding							
Heritage Lottery Fund	-	-	-	-	-	356,377	356,377
Arwain	-	-	-	-	-	53,627	53,627
Natur	-	-	-	-	-	43,750	43,750
Natural Resources Wales	-	-	-	-	-	935	935
Arts Council of Wales	-	-	-	-	-	10,800	10,800
Other	-	-	533,225	-	-	-	533,225
	<u>-</u>	<u>-</u>	<u>533,225</u>	<u>-</u>	<u>-</u>	<u>465,489</u>	<u>998,714</u>

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds designated 2023 £	Unrestricted funds general 2022 £
Estate management - fund raising activity	5,399	5,858

6 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	10,843	3,412

7 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Net gain on disposal of tangible fixed assets	15,401	-
Fees and supplies	-	130
	15,401	130

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

	Tenanted farm	Residential rent	Farming operations	Tourism	Estate Development management projects	Total 2023	Total 2022
	2023 £	2023 £	2023 £	2023 £	2023 £	£	£
Staff costs	220	607	83,411	242,465	15,494	133,687	444,609
Depreciation and impairment	33,808	44,157	18,169	61,995	26,283	24,751	182,388
Direct costs	55,913	25,556	145,237	203,039	85,733	356,224	758,817
	89,941	70,320	246,817	507,499	127,510	514,662	1,385,814
Grant funding of activities (see note)	-	-	-	-	7,050	-	2,800
Share of support costs (see note 9)	59,598	44,172	89,141	39,061	34,354	11,452	243,900
Share of governance costs (see note 9)	11,813	8,317	15,784	6,545	5,603	1,872	48,445
	161,352	122,809	351,742	553,105	174,517	527,986	1,680,959
Analysis by fund							
Unrestricted funds - general	159,948	122,809	350,529	536,450	164,413	183,825	1,388,248
Unrestricted funds - designated	-	-	-	-	7,050	-	2,800
Restricted funds	1,404	-	1,213	16,655	3,054	344,161	289,911
	161,352	122,809	351,742	553,105	174,517	527,986	1,680,959

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Charitable activities

For the year ended 31 March 2022

	Tenanted farm	Residential rent	Farming operations	Tourism	Estate Development management projects	Total 2022
	£	£	£	£	£	£
Staff costs	-	142	77,531	233,660	12,832	444,609
Depreciation and impairment	32,631	39,294	15,469	52,555	15,637	182,388
Direct costs	48,603	59,297	180,033	174,810	67,068	758,817
	81,234	98,733	273,033	461,025	95,537	1,385,814
Grant funding of activities (see note)	-	-	-	-	2,800	2,800
Share of support costs (see note 9)	57,019	40,781	77,351	32,103	27,466	243,900
Share of governance costs (see note 9)	11,325	8,101	15,364	6,377	5,455	48,445
	149,578	147,615	365,748	499,505	131,258	1,680,959
Analysis by fund						
Unrestricted funds - general	148,174	147,615	355,786	484,769	128,075	1,388,248
Unrestricted funds - designated	-	-	-	-	2,800	2,800
Restricted funds	1,404	-	9,962	14,736	383	289,911
	149,578	147,615	365,748	499,505	131,258	1,680,959

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Depreciation	510	-	510	132	132
Staff costs	183,005	12,817	195,822	169,581	179,609
Office costs	85,449	8,707	94,156	63,231	72,568
Subscriptions	3,876	1,292	5,168	3,981	5,308
Motor costs	4,938	-	4,938	6,975	6,975
Audit fees	-	9,000	9,000	-	4,500
Legal & professional fees	-	4,761	4,761	-	5,615
Accountancy fees	-	2,724	2,724	-	10,146
Other governance costs	-	10,633	10,633	-	7,492
	<u>277,778</u>	<u>49,934</u>	<u>327,712</u>	<u>243,900</u>	<u>292,345</u>
Analysed between					
Charitable activities	<u>277,778</u>	<u>49,934</u>	<u>327,712</u>	<u>243,900</u>	<u>292,345</u>

Governance costs includes payments to the auditors of £9,000 (2022- £4,500) for audit fees.

10 Net movement in funds

	2023 £	2022 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	4,500
Depreciation of owned tangible fixed assets	209,673	182,519
Profit on disposal of tangible fixed assets	<u>(15,401)</u>	<u>-</u>

11 Trustee

None of the trustee (or any persons connected with them) received any remuneration during the year, but six of them were reimbursed a total of £6,439 in expenses (2022- two were reimbursed a total of £4,780).

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Farming	4	4
General maintenance	3	3
Heritage Lottery Fund project	8	8
Administration	4	4
Management	2	2
Visitor accommodation	16	16
Total	37	37

Employment costs	2023 £	2022 £
Wages and salaries	597,797	551,891
Social security costs	42,928	36,261
Other pension costs	30,981	21,994
	671,706	610,146

The total employee benefits of the key management personnel of the charity were £101,898 (2022 - £99,823).

There were no employees whose annual remuneration was more than £60,000.

13 Net gains/(losses) on investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Unrealised gain/(loss) on revaluation of investments	(195,031)	991,764
Gain/(loss) on sale of investments	(5,261)	56,881
	(200,292)	1,048,645

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Leased Sheep £	Total £
Cost				
At 1 April 2022	5,512,645	478,296	97,770	6,088,711
Additions	218,483	74,608	-	293,091
Disposals	-	(39,619)	-	(39,619)
At 31 March 2023	5,731,128	513,285	97,770	6,342,183
Depreciation and impairment				
At 1 April 2022	1,604,921	269,601	-	1,874,522
Depreciation charged in the year	149,798	59,875	-	209,673
Eliminated in respect of disposals	-	(21,620)	-	(21,620)
At 31 March 2023	1,754,719	307,856	-	2,062,575
Carrying amount				
At 31 March 2023	3,976,409	205,429	97,770	4,279,608
At 31 March 2022	3,907,721	208,695	97,770	4,214,186

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	10,261,444
Additions	159,978
Valuation changes	(200,291)
Disposals	(200,000)
	<hr/>
At 31 March 2023	10,021,131
	<hr/>
Carrying amount	
At 31 March 2023	10,021,131
	<hr/>
At 31 March 2022	10,261,444
	<hr/>

17 Stocks

	2023 £	2022 £
Stocks	77,587	74,340
	<hr/>	<hr/>

18 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	238,320	428,146
Other debtors	-	10,922
Prepayments and accrued income	36,228	31,386
	<hr/>	<hr/>
	274,548	470,454
	<hr/>	<hr/>

19 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	59,772	2,336
Deferred income	32,337	37,304
Trade creditors	171,970	238,912
Accruals	54,971	46,006
	<hr/>	<hr/>
	319,050	324,558
	<hr/>	<hr/>

Notes

20

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20 Deferred income

	2023 £	2022 £
Other deferred income	32,337	37,304
	<u>32,337</u>	<u>37,304</u>
Deferred income is included in the financial statements as follows:		
	2023 £	2022 £
Deferred income is included within:		
Current liabilities	32,337	37,304
	<u>32,337</u>	<u>37,304</u>
Movements in the year:		
Deferred income at 1 April 2022	37,304	22,139
Released from previous periods	(36,695)	(22,139)
Resources deferred in the year	31,728	37,304
	<u>31,728</u>	<u>37,304</u>
Deferred income at 31 March 2023	32,337	37,304
	<u>32,337</u>	<u>37,304</u>

All deferred income is in relation to deposits paid in advance in relation to holiday let accommodation.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Capital grants	121,638	96,592	(11,251)	206,979	7,000	(13,998)	199,981
Nature Fund	28,737	-	(2,386)	26,351	-	(2,000)	24,351
CADW	102,784	-	(3,570)	99,214	-	(3,570)	95,644
Natural Resources Wales	-	8,749	(8,749)	-	-	-	-
Elan Links	130,949	465,488	(258,222)	338,215	306,188	(346,919)	297,484
Job Retention Scheme	-	5,733	(5,733)	-	-	-	-
	<u>384,108</u>	<u>576,562</u>	<u>(289,911)</u>	<u>670,759</u>	<u>313,188</u>	<u>(366,487)</u>	<u>617,460</u>

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

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					Balance at 31 March 2023 £
	Balance at 1 April 2021 £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	
Designated funds	11,990	(2,800)	9,190	5,399	(7,050)	7,539
	<u>11,990</u>	<u>(2,800)</u>	<u>9,190</u>	<u>5,399</u>	<u>(7,050)</u>	<u>7,539</u>

The trustees have allocated the income received from the Ministry of Defence and airwaves rental 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 organisations having appropriate charitable or relevant public purposes.

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	3,684,838	-	594,770	4,279,608	3,594,149	-	620,037	4,214,186
Investments	10,021,131	-	-	10,021,131	10,261,444	-	-	10,261,444
Current assets/(liabilities)	509,361	2,140	22,690	534,191	472,239	9,190	50,723	532,152
	<u>14,215,330</u>	<u>2,140</u>	<u>617,460</u>	<u>14,834,930</u>	<u>14,327,832</u>	<u>9,190</u>	<u>670,760</u>	<u>15,007,782</u>

WELSH WATER ELAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24 Capital commitments	2023	2022
	£	£
At 31 March 2023 the trust had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	-	104,519
This relates to a contract for the improvement of residential property and tenanted farms.		
25 Related party transactions		
There were no disclosable related party transactions during the year (2022 - none).		
26 Cash generated from operations	2023	2022
	£	£
(Deficit)/surplus for the year	(172,852)	1,583,943
Adjustments for:		
Investment income recognised in statement of financial activities	(10,843)	(3,412)
Gain on disposal of tangible fixed assets	(15,401)	-
Loss/(gain) on disposal of investments	5,261	(56,881)
Fair value gains and losses on investments	195,031	(991,764)
Depreciation and impairment of tangible fixed assets	209,673	182,520
Movements in working capital:		
(Increase) in stocks	(3,247)	(40,553)
Decrease in debtors	195,906	65,865
(Decrease)/increase in creditors	(541)	114,121
(Decrease)/increase in deferred income	(4,967)	15,165
Cash generated from operations	398,020	869,004
27 Analysis of changes in net funds		
The trust had no debt during the year.		