

Charity Registration No. 1080319

Company Registration No. 03343965 (England and Wales)

**THE WYE AND USK FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE WYE AND USK FOUNDATION

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THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

The objects of the The Wye and Usk Foundation (WUF) are: -

- *To conserve, protect, rehabilitate and improve the salmon and other indigenous species of animal and plant life of the rivers Wye and Usk, their tributaries, streams and watercourses ("the rivers") and the banks, riparian lands and catchments of the rivers ("the river corridors"); and*
- *To advance the education of the public in the conservation of rivers, river corridors and their animal and plant life and the need for conservation, protection, rehabilitation and improvement of such environments.*

In 2020 the activities of the Foundation centred on bidding for new funds and delivering partnership projects to improve riparian habitats, biodiversity, water quality, and improve the status of the animal and plant life, and economies of the Usk and Wye catchments, which include a number of designated species. In Herefordshire we continue to shape the national agenda through our partnership and soils work. The Foundation has its own workforce to deliver these improvements, but is starting to build a volunteer network to help.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Summary of the main achievements during the year

This report needs to start with the news that our founder and guiding presence for the past 25 years, Dr. Stephen Marsh-Smith OBE sadly passed away in August after a short illness. He worked for WUF until the very end and his legacy lives on in the report below.

WUF delivers its objectives both directly and through partnership projects. 2020 saw the development of new funding streams with direct business support through the Courtald 2025 initiative and Natural Capital. Over the course of the year 23 project bids were successful; totalling £1,154,490. At year end we had letters of intent for 3 more projects; totalling £856k and were awaiting news on a further 14 project bids totalling £2,251,450.

After the bidding success in 2019 WUF ran a portfolio of 23 projects during 2020 which expanded our workforce and delivery capability.

During 2020 WUF developed the capacity and evidence base to deliver Natural Capital projects.

The Passport scheme, now in its 17th year, continued to expand the marketing of fishing to include fisheries of Welsh owners and Rivers Trusts outside the Wye and Usk catchments. Despite 12 weeks closure due to CV19 restrictions record sales of fishing were achieved which resulted in another small surplus in 2020.

The Wye Catchment Partnership which WUF is hosting includes 137 individuals and 46 organisations. It is progressing solutions and co-ordinating efforts to improve water quality, normalise flows and restore biodiversity and develop new partnerships and funding streams.

WUF weathered Covid fairly well. Our fundraising was not affected. After an initial impact on the farm, habitat and marketing teams and their support staff in the office, we developed Covid restriction compliant ways of working both in the field and at home. We used the governments furlough scheme to support 4% of our total annual work capacity.

There value of our endowment fund fell in line with the collapse in global markets in March and April, but it recovered well and showed net growth of 3.3% by the end of the year.

Only one staff member, the Chief Executive, was affected by symptomatic Covid and this was a relatively mild case with full recovery after 10 days. This did not affect WUF's operations.

Performance achieved against objectives

Achievements during 2020 include:

1. Fish Access

The stand out achievement of 2020 was the completion of the double larinier fish pass at Ballsgate weir on the Lugg. This had been on Stephen Marsh-Smith's to-do list for 10 years and he would have been pleased seeing salmon spawning upstream of the weir in good numbers last Autumn. With funding from the EA and European Regional Development Fund it was completed in August 2020. This was the most complex and costly fish pass WUF has ever built. It opens up 32km of excellent nursery habitat for salmon, trout and other fish species.

In addition 3 very large debris dams were removed in the Usk that were blocking access to important SAC designated tributaries, 3 weirs were lowered on the river Dore and access for fish over Lugg Green weir was improved. The annual pre spawning migration access checks of sites known to be problematic were completed. 14 barriers caused by debris build up on pipe ford bridges and within/above fish passes were found and cleared.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. Algal campaign

During 2020 it became apparent that our work with Tesco's and Noble eggs to reduce pollution was unable to arrest the impact of Welsh sheep farming diversifying into intensive poultry. More sheds were being approved through the planning process than we could retrofit. The resulting loading of the upper catchment with phosphorus when combined with 2020's record breaking spring sunshine, created an algal bloom of extreme proportions on the Wye, risking a fundamental change in the ecology of the SAC. In response WUF issued a press release and led a subsequent PR campaign. This was picked up by the national media. Over 30,000 letters and emails were sent to Powys Council and Natural Resources Wales and questions were raised in parliament. An online petition attracted over 80,000 signatures.

In response, Natural Resources Wales commissioned a review of soluble phosphorous levels in all Welsh SAC's. It found widespread failures in the upper and lower Wye with the Usk being the worst affected SAC in Wales. The result is that planning permission is being withheld across the whole of the Wye and Usk unless the development can prove it is nutrient neutral.

The condition of the SAC has been picked up by the public with numerous campaign groups emerging and the Wye being the focus for the 'River Action' campaign.

3. Natural capital and Net Gain

The policy of both governments is to assess natural capital and develop ecosystem markets to enhance it with net gain built in to every trade. Natural capital is the ability of the natural environment to provide 'services' such as biodiversity, carbon sequestration, flow regulation, clean air, clean water, food, timber and recreation.

In 2020 we developed the concept, and submitted planning permission applications, for the construction of integrated wetlands to allow for development to achieve nutrient neutrality. Within the design, we are using the requirement for certainty demanded by the Habitats Directive, to secure a substantial net reduction in phosphorous loadings downstream of the wetlands.

Also in 2020 we expanded this approach, working with EA and Defra to deliver catchment scale natural flood management in 7 catchments in Herefordshire and put together a proposal with the EA and Herefordshire council for whole catchment natural flood management.

During 2021 this area of work will expand further.

4. Restoring river channels and riparian corridors.

Our aim is to manage the shading of woody debris within, and stock access to, the riparian zone of the tributaries of both rivers to maximise fish stocks and biodiversity. This includes all the Special Area of Conservation species. This year another 19.186km of tributary was improved, taking the total to 404km since the inception of WUF.

In partnership with NRW a further 300t of gravel was taken from the upper Wye and introduced into the Elan below Caban Coch dam. This takes the total introduced to 3,732t. This is a ground breaking initiative with proven results. The catch of juvenile salmon in the annual survey (8 sites) has increased from 9 to 227 in 4 years, and the catch of trout from 27 to 66. In addition European eels were recorded in the Elan for the first time.

5. Water quality, quantity and soil health.

Soil is the interface between rainfall and the river. If water sinks into the soil it emerges from springs, clean and steadily at a cooler temperature. Overland flow, however, erodes and washes in soil and pollutants, causes flooding, and reduces subsequent flows. When combined with unusually warm autumn storms overland flow is disastrous for salmonid spawning and egg development.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Increasing soil health and its ecosystem regulatory functions such as soil infiltration, biodiversity and carbon sequestration has been the central theme of WUF's farm work for over a decade.

Phosphorus is fuelling the algal blooms. The proportion in the Wye coming from agriculture has increased from 30% to 70% in the past 6 years. Our work had been focussed on helping farmers to balance nutrient and manure use, reducing the sources of P and breaking the pathways by which it was getting into the river. The recent findings of the international RePhoKus study into how society uses and misuses phosphate, and had the Wye as one of its 2 UK study areas, has shown that we also need to consider the phosphorus that has built up in the soil as a result of 30 years of over application by agriculture. It has been shown by field trials in the Wye to now be leaching into the river at ever increasing rates as a result of a combination of continued over application and climate change.

Aligning our work with governmental and business objectives for clean water and naturalised flows secured funding from Welsh Government, Defra, Natural England, Tesco and Co-op during 2020. This allowed us to maintain our team of 10 staff who adapted to Covid and together delivered 369 whole farm risk management plans, 52 mid-tier schemes worth £4.5m which support farmers to change land-use, established peer to peer support and guidance within the agricultural community, ran 13 farm events (8 on farm, 5 online) and continued to support the >1,000 farmers we had previously engaged.

The annual application of limestone sand to correct the water quality in the upper Wye and Irfon in the acidified upper Wye and Irfon was completed in May 2020. 264 tonnes were introduced across 89 sites. This activity protects 58.5 km of important spawning stream from the worst effects of acidification which is exacerbated by commercial forestry. There is now an encouraging number of salmon and trout successfully spawning in these previously fishless areas with catches of 40+ juvenile salmon and trout in 5 mins of electrofishing being common place.

6. Surveys and monitoring

With funding from Welsh Government, the monitoring team completed the walkover of the Usk and were half-way through the Welsh Wye at year end. Numerous issues were found and this work will help to target the SAC restoration funds coming from Welsh government and NRW.

The electro-fishing survey was undertaken in late summer. Due to Covid restrictions NRW and EA were unable to conduct their surveys. Without WUF surveying 63 sites on the Usk and 274 on the Wye there would be no juvenile data for either river for 2020. This survey was funded by donations from owners.

The invertebrate monitoring on the Elan confirmed the relationship between gravel and macroinvertebrate diversity and abundance.

We moved our phosphate and turbidity sonde to the lower Ithon to allow us to understand the factors causing the algal bloom that is originating in that catchment better.

At year end received WUF an offer from the EA to install a new sonde in the Frome and co-ordinate and support the growing number of citizen scientists concerned about the health of our rivers during 2021.

7. Education

The education work was badly affected by Covid restrictions, but at the start of the year and at the end school visits were able to take place through our Freshwater Friends initiative. During the spring and summer work was focused on creating educational videos to support home learning and these were very popular.

8. Invasive weeds

The invasive weeds project "Giving up the Weed" continued with the spring/early summer spraying of the poisonous Giant Hogweed: 116 km of the Wye and 60 km of the Usk were sprayed. It was noted that only 16 Hogweed plants were found on the Wye meaning we are very close to complete eradication. On the Usk, whilst in the freshwater numbers of plants found is dropping to less than 2/km, a heavy infestation remains in the tidal reaches.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Spraying of Japanese Knotweed (autumn) continued in both catchments: 21 new sites were treated bringing the total to 1,170 of which eradication has been confirmed at 544 and treatment continues for the rest. The Monnow Rivers Association continues its ambitious project to eliminate Himalayan Balsam from that sub-catchment.

As part of our Water Environment Grant project the Himalayan Balsam of the Wye was genetically typed and an appropriate rust fungus that will control it was introduced to the Wye at Clifford common.

The Go Wild in the Curl Partnership of farmers was supported by WUF in its attempts to eradicate Balsam from the Curl.

9. Publicity

During 2020 we maintained our flow of enews updates to our members, sent owners updates to both rivers and kept the website and social media feeds regularly updated. The algae press release and enews generated 24 other articles in national and regional press, appearances on 7 TV programmes and 3 local radio programmes.

In addition other WUF activities led to 3 appearances on national TV and 1 appearance on radio 4.

WUF staff gave 15 presentations and ran 4 online events during 2020

10. Marketing

The Passport, our fisheries marketing scheme, was closed from mid-March to late May due to Covid restrictions. Once it re-opened sales surged and by the year end had reached record levels, in part due to foreign travel restrictions and furlough. 2020 saw the Passport continue to expand its fishing portfolio in the rest of Wales and wider in the UK for the benefit of other rivers trusts. A total of 12,588 angler visits resulted from the scheme (11,880 in 2019) which took the total of fishing sold to £345,987 (£314,983 in 2019) with WUF taking £96,232 in commission and booking fees to manage and develop the scheme. The real benefit to the rural economy comes from visitors staying in the area and their associated spend. This is estimated to increase the local economy by around £2.0m/pa meaning local business are invested in the health of the river. WUF takes a commission for each sale to run the scheme and £272,208 was returned to the riparian owners and clubs, many of whom make donations to support river restoration.

11. The Wye Catchment Partnership

This is a Defra and NRW funded programme established in 2015 which enables and encourages the formation of partnerships to deliver effective ways of improving water quality, water quantity and biodiversity. WUF and NRW are the joint host organisations and the partnership is the umbrella body for the Nutrient Management Plan. In 2020, three meetings were held, one in person and two on line. The real value of the partnership has been in agreeing problems, solutions, aligning the goals of multiple organisations and agreeing who will most effectively deliver each of the required actions. Most of the projects developed in the catchment since 2016 reflect this partnership approach. WUF is the principle fundraiser and lead partner.

This aspect of WUF's work; building external partnerships, was severely affected by the loss of face to face meetings with partners due to Covid.

12. Navigation and access:

WUF continues to run the upper Wye and Usk access arrangements at our own cost and is represented on the Wye Navigation Advisory Committee, a statutory function that manages the sections of the Wye and Lugg that have a public right of navigation. In the non-navigable sections of the Wye and Usk, we continued to maintain our access arrangements. In 2020 we reached an agreement with Powys County Council, the owners and the canoeists over navigation on the controversial Glasbury to Hay section of the Wye.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. Consultations and Interface:

WUF responds to governmental consultations when relevant to our objectives and works closely with Afonydd Cymru and The Rivers Trust on national issues. We made several appearances before the Environment and Sustainability Committee of the Welsh Government and presented to Welsh Government 3 times. We are represented on the Independent Environment Advisory Panel of DCWW (Welsh Water) and both the Wye and Usk local fishery groups and work closely with our MP's and SM's.

Issues and risks

The trustees regularly review the major risks which the charity faces. Commercial risk is managed on an overall basis as well as on a project by project basis. Risk assessments are properly undertaken and updated, with employees receiving the appropriate training. Our insurance cover is provided by a reputable company and reviewed annually to ensure that levels of cover are adequate for our changing needs. WUF keeps and regularly updates a risk register. The principal risks noted include:

1. Failure to adapt to Climate change:

The extreme weather we have been experiencing since 2015 continued. A record breaking warm autumn in 2015 prevented salmon recruitment in the Usk, extreme snowfall in 2018, followed by record breaking heat and drought. Since October 2019 there has been a succession of major floods. The frequency of 5m or more floods at Hereford was once every 8 years between 1945 and 2000, since October 2019 we have had 4 such events including the highest ever recorded flow on both rivers in February 2020 followed by record breaking sunshine in May which fuelled the algal bloom. .

The increasing intensity of rainfall as a result of our warmer climate, is being exacerbated by land use in our headwaters with the risk of overland flow, flooding and pollution.

On the Usk, salmon numbers remain very poor, with no evidence of successful spawning downstream of Brecon this year. They started to decline in 2014 and whilst numbers were OK in 2020 above Brecon, the loss of the 70% of the lower and middle catchment as a nursery area is a major concern for WUF.

This further re-enforced WUF's objectives of climate proofing our rivers, by restoring natural infiltration rates and ensuring our operations and activities are carbon neutral or better.

2. Political divergence and adverse government policy

The politics and approaches on each side of the border are diverging. This is creating difficulties for whole catchment restoration. Especially problematic is the divergence in agricultural regulation with polluting/high risk farmers moving their operations to Wales to avoid increasing regulation in England.

There is a real risk that the provisions of the habitats directive, on which much of WUF's delivery is predicated and funded will be weakened as we move from regulatory alignment with the EU.

3. Disaster recovery and computer virus's

As we move to more home working the number of risk points has increased. We are aware of this risk and are working to reduce it.

4. Taxation

The review of our VAT status by a specialist advisor at the request of the Trustees led to the adoption of partial exemption and a substantial payment of arrears to HMRC. The risk of a substantial fine that would impact severely on our efforts to rebuild unrestricted reserves remains.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

Brief review of the financial position

2020 saw an expansion in the foundation's funding and capacity with the development of Natural Capital as a new funding stream. There were a mix of projects that were funded both in arrears and in advance, keeping a stable cash flow for the year.

Donations to unrestricted funds and the restricted river funds reached a record high of £101,019 (up from £85,801 in 2019) in part due to an appeal following the passing of Dr. Stephen Marsh-Smith. The passport and contract work made surpluses of £10,024 and £18,988 respectively. This was transferred to WUF's unrestricted reserves.

WUF working reserves (unrestricted and river funds) would have increased by £10,023, but a review of our VAT status led to a recommendation that we should be partially rather than fully exempted. The liability incurred meant we finished the year with negative unrestricted reserves and river funds of £81,289.

The unrestricted deficit is due to the one-off cost of the VAT review and a culture within WUF. WUF has always protected the restricted river funds so they can match-fund projects, but as project match funding requirements reduce and unfunded delivery liabilities increase, we need to change to adapt. This has manifest as:

- Costs being attributed to un-restricted reserves that could have been attributed to restricted funds. For example the liming and habitat work that took place on the Wye with the reassurance that NRW funding was in place, but was excluded by the date on the offer letter from NRW when it finally arrived, and the annual electrofishing monitoring. The costs of both were taken from unrestricted reserves.
- A transfer in 2019 from unrestricted into the restricted Lugg and Arrow and Wye funds, which were in deficit at year end to bring them back to zero.

As the liability, due to the change in the foundation's VAT status, was a one-off cost, it was agreed by the trustees that due to the protection of the endowment fund there would be no change in the 2021 operational plan as a result of this cost being occurred

In 2020 WUF received support from the Welsh Government's Strategic Allocation Fund for the first time. This 5 year fund to help SAC restoration in Wales offers a more secure funding stream for our work in Wales than we have had for 6 years.

Principal funding sources

Since 2015, the Foundation has been diversifying its funding streams to increase resilience and reduce risk. In 2020 we received 28% of our income from Defra bodies (Environment Agency and Natural England), 3% from business, 9% from Welsh Government, 12% from Natural Resources Wales, 6% from local government, 10% from donations from individuals, riparian owners and charitable trusts such as the Scott Eredine Trust, D'Oly Carte, the Music Sales Charitable Trust, the Moondance Foundation and the Jordan Charitable Trust. 8% came from EU funds, 5% from water companies, 2% from HMRC's job retention scheme and 2% from surplus generated by consultancy and the Passport.

We would like to thank everyone who supported us in 2020 for their generosity. We have maintained our longstanding >1:10, donation to spend ratio by using donations to draw in additional funds.

Fundraising

Our ability to fundraise was not affected positively or negatively by Covid.

WUF raises core funds internally through specific appeals to the owners (raising £43,604 in 2020) and wider public appeals and encouraging people to donate through our website.

WUF adheres to GDPR and raises funds from a pool of known individuals who receive 1 request a year, with a follow up letter if they have not donated and specific appeals to the wider public. We investigated in 2019 if we needed to join a standards scheme and it was decided that our activity did not merit it. The trustees have agreed to review this annually.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

WUF did not receive any complaints about its fundraising activity.

WUF does not raise funds aggressively, or use external fundraisers. Any request for no further contact is recorded on our database through which we co-ordinate our fundraising.

Investment power and policy

The Memorandum and Articles of Association of the Foundation confers powers on the trustees to invest both the capital and income of the foundation in any manner as the trustees in their discretion think fit. The policy is to keep any surplus funds in short term deposits or securities, which can be accessed readily. The trustees have recognised that while providing a short term means of achieving our objectives, project funding has been very successful. However, our reliance on it could present limitations on future activities as the trust gets nearer to completion of its capital works programmes. Accordingly, they have instigated a broader fund raising strategy that seeks to address this. The endowment fund is operational and has received donations from generous donors.

Investments are managed by Brewin Dolphin (Cardiff). The Wye and Usk Endowment Committee aims to grow the value of its endowment funds over inflation using a balanced, medium risk investment strategy and a long term time horizon. Invested funds, net of new contributions, have generated a total return of 3.36% in 2020, which in combination with donations, grew the fund to £249,820 by year end.

Reserves Policy

It is the aim of the trustees to generate a level of reserves to allow activities delivering the objectives of the foundation to carry on through periods of uncertainty. The trustees are satisfied that adequate resources are available to meet all current obligations, but they will seek to continue with a level of reserves sufficient to meet cash flow requirements and continue without recourse to overdraft facilities. Total reserves at 31 December 2020 amounted to £501,659 (2019: £401,639) with £333,128 (2019: £210,359) relating to restricted funds, £249,820 (2019: £223,441) relating to endowment fund and a deficit of £81,289 relating to the general fund (2019: deficit of £32,161). Free reserves at the year end were a negative £98,184 (2019: negative £61,448).

Going concern

WUF finished the year with unrestricted reserves of (£81,289), restricted funds of £333,128 and £249,820 in our endowment fund.

During 2020 we had increased our unrestrictive reserves by £10,023 before the one-off cost of the change in VAT status of £56,291.

WUF has a portfolio of secured funding through projects and other work-streams that will see an expansion during 2021. The forecast cash flow is positive for the whole of 2021. We have taken steps to rebuild unrestricted reserves during 2021 by:

- Attributing costs to restricted funds where appropriate.
- Ensuring full cost recovery in projects we are applying for.
- Developing natural capital and net gain approaches
- Fundraising activities.

This is forecast to increase our unrestricted reserves by £86,285 to bring them back to positive by year end.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2020***

Plans for 2021

WUF plans to continue delivering its current Wye and Usk projects, maintaining existing funding streams and expanding new ones within Natural Capital and the Agri supply chain. We also will continue to strive to increase the endowment fund.

As noted last year, there has been a shift in the ecological focus: work to mitigate problems caused by poor land use are assuming a greater priority as in-stream works, such as fish passes and riparian habitat restoration near completion. 2020 saw further development of the delivery of our 2nd object by raising enough funds to support a full time position from grant giving trusts and private donations. In 2021 we will expand this.

WUF is looking to expand further during 2021. By May 2021, 13 additional projects totalling £1.606m had been won. With a further 3 totalling £1.287m submitted with reasonable expectation of success. We are also planning to expand our donor base to allow us to match fund these projects and rebuild reserves.

In 2021, we hope to expand further the partnership working within other stakeholder's initiatives where they align with our objects, with WUF acting as the competent delivery partner.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

Governing Document

The Wye and Usk Foundation is a company limited by guarantee, registered in England and Wales (company number 03343965), governed by its Memorandum and Articles of Association dated 15 October 1996 as updated on 5 October 1997, 12 February 2000, 19 October 2000, 4 January 2001, 31 July 2002, 22 July 2007, 25 October 2011 and 1st March 2019. It is registered as a charity with the Charity Commission, registered number 1080319.

Appointment of Trustees

The Articles provide –

Any trustee who shall desire to retire shall notify such desire in writing to the secretary and thereupon his/her name shall be removed from the list of trustees and he/she shall cease to be a member of the trust but only if there remain at least three other trustees.

At the conclusion of each annual meeting of trustees one quarter or if their number is not three or a multiple of three, the number nearest to one quarter shall retire from office and unless re-elected in accordance with these articles shall on such retirement cease to be members of the trust.

The trustees to retire by rotation shall be those who have been longest in office, but as between those who became or were elected trustee on the same day those to retire shall be chosen (unless they otherwise agree among themselves) by lot. A trustee who has served for ten years or more is not eligible for re-election and must retire but becomes eligible again after an interval of one year.

The re-election of a trustee for a second term of office shall require the approval of a simple majority of trustees but a third or further term of office shall require the approval of a three quarters majority, such majorities are to be calculated by reference to those trustees voting at the relevant meeting.

Trustee Recruitment

The recruitment of trustees is by advertising. A nominations committee comprising three trustees and the chief executive places the adverts, scrutinises applications, seek references and ensure a balance of trustee skills is in place.

Trustee Induction and Training

Newly appointed trustees receive a letter of appointment including appointment declaration and an induction pack which covers the working of the Trust and the rivers trust movement generally. In addition, trustees are given copies of the Charity Commission's – The Essential Trustee, what you need to know (CC3) and the Hallmarks of an effective charity.

For ongoing training purposes, the trustees have agreed that workshops and information from the auditors will maintain standards of governance on an ongoing and timely basis. New trustees will be given visits on site to explain the issues and solutions that the trust is currently managing.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Organisational Structure

Officers

At 31 December 2020 the principal officers of the Trust were:

Simon Evans	(Chief Executive)
Seth Johnson-Marshall	(Head of Marketing, fundraising and PR)
Sian Gray	(Head of Finance)
Louis Macdonald-Ames	(Head of Operations)
Kate Adams	(Head of Land Use)
Gail Davies-Walsh	(Head of Natural Capital)

Consultants:

WUF is fortunate to work with the following experts

John Lawson	(Water Resources)
Tony Norman	(Honorary Farming Consultant)
Adam Fisher	(Fisheries Marketing Consultant)

Related Parties

Throughout the year to 31 December 2020, the Foundation has continued working in partnership with the above representatives and their organisations and we take the opportunity to thank them all for their very considerable help and support.

Pay policy for senior staff

The trustees consider the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and received no remuneration in the year. Details of trustees' expenses and related party transactions are disclosed in notes 12 and 19.

The policy used for determining pay for all staff is in line with the guidelines set out each year by the Rivers Trust, the umbrella body for rivers trusts.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Reference and administrative details

Company number	03343965
Charity number	1080319
Registered office	The Right Bank The Square Talgarth Brecon Wales LD3 0BW

Trustees

C Newington-Bridges- Chair
R Murray- Vice Chair
Major P Darling
H Harrison
P Horsburgh
A Johnson
P Lloyd
C Morley
E Passey
M Timmis
R W Blears - resigned 30/11/20
A J R Sawyers - resigned 30/10/20
K Waters - resigned 13/07/20
R Edwards - appointed 19/3/21
F Hillman - appointed 19/3/21
R Norman - appointed 19/3/21

Key management personnel

S Evans - CEO
S Johnson- Marshall - Head of Marketing
K Adams - Head of Land Management (England)
S Gray - Head of Finance
L Macdonald Ames - Head of Operations
G Davies - Head of Natural Capital

Auditor

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

NatWest
27 High Street
Brecon
Powys
LD3 7LF

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Investment managers

Brewin Dolphin
5 Callaghan Square
Cardiff
CF10 5BT

The trustees' report was approved by the Board of Trustees.

C Newington-Bridges
.....

C Newington-Bridges- Trustee

Dated: .02/09/2021..

THE WYE AND USK FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of The Wye and Usk Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WYE AND USK FOUNDATION

Opinion

We have audited the financial statements of The Wye and Usk Foundation (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WYE AND USK FOUNDATION

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 trustees' 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WYE AND USK FOUNDATION

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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


Azets Audit Services 7-9-2021

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

THE WYE AND USK FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WYE AND USK FOUNDATION

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE WYE AND USK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year		Unrestricted funds	Restricted funds	Endowment funds	Total	Restated Total
	Notes	2020 £	2020 £	2020 £	2020 £	2019 £
Income and endowments from:						
Donations and legacies	3	67,476	83,125	18,795	169,396	129,727
Charitable activities	4	236,850	1,053,544	-	1,290,394	1,342,288
Other trading activities	5	388	5	-	393	1,486
Investments	6	169	-	3,785	3,954	4,799
Other income	7	-	-	-	-	778
Total income and endowments		304,883	1,136,674	22,580	1,464,137	1,479,078
Expenditure on:						
Raising funds	8	21,602	-	1,505	23,107	1,826
Charitable activities	9	346,666	999,648	-	1,346,314	1,353,416
Total resources expended		368,268	999,648	1,505	1,369,421	1,355,242
Net gains/(losses) on investments	14	-	-	5,304	5,304	24,450
Net (outgoing)/incoming resources before transfers		(63,385)	137,026	26,379	100,020	148,286
Gross transfers between funds		14,257	(14,257)	-	-	-
Net movement in funds		(49,128)	122,769	26,379	100,020	148,286
Fund balances at 1 January 2020		(32,161)	210,359	223,441	401,639	253,353
Fund balances at 31 December 2020		(81,289)	333,128	249,820	501,659	401,639

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

All income and expenditure derive from continuing activities.

THE WYE AND USK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year		Unrestricted funds	Restated Restricted funds	Endowment funds	Restated Total
	Notes	2019 £	2019 £	2019 £	2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	37,401	76,359	15,967	129,727
Charitable activities	4	204,850	1,137,438	-	1,342,288
Other trading activities	5	1,030	456	-	1,486
Investments	6	154	-	4,645	4,799
Other income	7	778	-	-	778
Total income and endowments		244,213	1,214,253	20,612	1,479,078
<u>Expenditure on:</u>					
Raising funds	8	360	68	1,398	1,826
Charitable activities	9	278,733	1,074,683	-	1,353,416
Total resources expended		279,093	1,074,751	1,398	1,355,242
Net gains/(losses) on investments	14	-	-	24,450	24,450
Net (outgoing)/incoming resources before transfers		(34,880)	139,502	43,664	148,286
Gross transfers between funds		(14,350)	14,350	-	-
Net movement in funds		(49,230)	153,852	43,664	148,286
Fund balances at 1 January 2019		17,067	56,509	179,777	253,353
Fund balances at 31 December 2019		(32,163)	210,361	223,441	401,639

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

All income and expenditure derive from continuing activities.

THE WYE AND USK FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	15		16,895		29,287
Investments	16		238,819		223,447
			<u>255,714</u>		<u>252,734</u>
Current assets					
Stocks	18	-		55	
Debtors	19	291,983		258,833	
Cash at bank and in hand		398,341		193,368	
		<u>690,324</u>		<u>452,256</u>	
Creditors: amounts falling due within one year	20	(400,247)		(303,351)	
Net current assets			<u>290,077</u>		<u>148,905</u>
Total assets less current liabilities			<u>545,791</u>		<u>401,639</u>
Creditors: amounts falling due after more than one year	21		(44,132)		-
Net assets			<u><u>501,659</u></u>		<u><u>401,639</u></u>
Capital funds					
Endowment funds - general	25		249,820		223,441
Income funds					
Restricted funds	26		333,128		210,361
Unrestricted funds			(81,289)		(32,163)
			<u><u>501,659</u></u>		<u><u>401,639</u></u>

THE WYE AND USK FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on02/09/2021

C Newington-Bridges
.....

C Newington-Bridges- Trustee

Company Registration No. 03343965

THE WYE AND USK FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	30		161,089		(12,724)
Investing activities					
Purchase of tangible fixed assets		-		(5,545)	
Proceeds on disposal of tangible fixed assets		-		778	
Purchase of investments		(59,692)		(51,487)	
Proceeds on disposal of investments		49,622		21,590	
Investment income received		3,954		4,799	
Net cash used in investing activities			(6,116)		(29,865)
Financing activities					
Repayment of borrowings		50,000		100,000	
Net cash generated from financing activities			50,000		100,000
Net increase in cash and cash equivalents			204,973		57,411
Cash and cash equivalents at beginning of year			193,368		135,957
Cash and cash equivalents at end of year			398,341		193,368

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Wye and Usk Foundation is a private company limited by guarantee incorporated in England and Wales whose registered office is The Right Bank, The Square, Talgarth, Brecon, Wales, LD3 0BW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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 charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Restatement

The financial statements for the year ended 31st December 2019 have been restated due to payments to grant partners being netted off grant income received. A total of £98,184 has been added to grant income and direct expenses expenditure. The net effect on the income and expenditure account is £nil. The restatement has effected the following notes:

- Statement of financial activities
- Charitable activities income note
- Charitable activities expenditure note
- Restricted funds note

1.3 Going concern

The Wye and Usk Foundation (WUF) finished the year with unrestricted reserves of (£81,289), restricted funds of £333,128 and £249,820 in our endowment fund. The charity had negative free reserves of £98,184 (2019: negative: £61,448).

During 2020 we had increased our unrestricted reserves by £10,023 before the one-off cost of the change in VAT status of £56,291.

WUF has a full order book and a positive cash flow for the whole of 2021. We have taken steps to rebuild unrestricted reserves during 2021 by:

- Attributing costs to restricted funds where appropriate.
- Ensuring full cost recovery in projects we are applying for.
- Developing natural capital and net gain approaches
- Fundraising activities.

This is forecast to increase our unrestricted reserves by £86,285 to bring them back to positive by year end.

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

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees 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 charity.

Further explanation of the nature and purpose of each fund are included within the notes to the accounts.

1.5 Income

Income is recognised when the charity 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 charity 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 charity 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.

Donated services are recognised in the period to which they relate and valued according to accepted project rates. Gifts in kind are included at market value and as resources expended at the same value when distributed.

Grants from the government and other agencies have been included as income from activities in furtherance of the charity's objects where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom use.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Capital grants are released to the Statement of Financial Activities in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

Income from the passport scheme is recognised in the period to which the service is provided with any amounts received in advance deferred.

Dividends income is recognised on the date the charity's right to receive payment is established.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs in relation to generating income and includes investment management fees.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report. This also includes all costs relating to compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs is on the basis of staff time spent on those activities, over and above a material de-minimis.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

1.7 Tangible fixed assets

Tangible fixed assets 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:

Office equipment	25% on cost
Computer equipment	50% on cost
Motor vehicles	20% on cost

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 net income/(expenditure) for the year.

The charity's capitalisation policy is to capitalise any assets with a value exceeding £500.

1.8 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.

1.9 Impairment of fixed assets

At each reporting end date, the charity 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).

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, using the first in first out basis.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 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.

1.12 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 charity's contractual obligations expire or are discharged or cancelled.

1.13 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are 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.

The charity does not have any key or significant accounting estimates.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2020 £	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £	2019 £
Donations and gifts	54,517	83,125	18,795	156,437	33,609	76,359	15,967	125,935
Donated goods and services	12,959	-	-	12,959	3,792	-	-	3,792
	<u>67,476</u>	<u>83,125</u>	<u>18,795</u>	<u>169,396</u>	<u>37,401</u>	<u>76,359</u>	<u>15,967</u>	<u>129,727</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	2020 £	Restated 2019 £
Passport scheme	91,829	84,940
Miscellaneous	2,288	2,237
Grants	1,196,277	1,255,111
	<u>1,290,394</u>	<u>1,342,288</u>
Analysis by fund		
Unrestricted funds	236,850	204,850
Restricted funds	1,053,544	1,137,438
	<u>1,290,394</u>	<u>1,342,288</u>

5 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Sale of merchandise	<u>388</u>	<u>5</u>	<u>393</u>	<u>1,030</u>	<u>456</u>	<u>1,486</u>

6 Investments

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds	Endowment funds general	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Interest and dividends	<u>169</u>	<u>3,785</u>	<u>3,954</u>	<u>154</u>	<u>4,645</u>	<u>4,799</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Other income

	Total	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	778
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Charitable activities

	2020 £	Restated 2019 £
Staff costs	104,235	91,260
Costs of donated services	12,959	3,792
Direct expenses	348,811	347,334
Marketing	18,387	45,783
	<u>484,392</u>	<u>488,169</u>
Share of support costs (see note 11)	854,922	853,392
Share of governance costs (see note 11)	7,000	11,855
	<u>1,346,314</u>	<u>1,353,416</u>
Analysis by fund		
Unrestricted funds	346,666	278,733
Restricted funds	999,648	1,074,683
	<u>1,346,314</u>	<u>1,353,416</u>

10 Grants payable

	2020 £	Restated 2019 £
Grants to institutions:		
Herefordshire Wildlife Trust	72,600	67,875
Severn Rivers Trust	45,365	68,979
	<u>117,965</u>	<u>136,854</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	711,580	-	711,580	690,046	-	690,046
Depreciation	12,392	-	12,392	14,334	-	14,334
Motor and travel	38,523	-	38,523	52,707	-	52,707
Premises and office costs	47,828	-	47,828	86,114	-	86,114
Financing	66,201	-	66,201	10,191	-	10,191
Audit fees	-	7,000	7,000	-	11,855	11,855
	<u>876,524</u>	<u>7,000</u>	<u>883,524</u>	<u>853,392</u>	<u>11,855</u>	<u>865,247</u>
Analysed between						
Fundraising	21,602	-	21,602	-	-	-
Charitable activities	<u>854,922</u>	<u>7,000</u>	<u>861,922</u>	<u>853,392</u>	<u>11,855</u>	<u>865,247</u>
	<u>876,524</u>	<u>7,000</u>	<u>883,524</u>	<u>853,392</u>	<u>11,855</u>	<u>865,247</u>

Governance costs includes payments to the auditors of £6,250 (2019: £7,250) for audit services and £750 (2019: £2,600) for non audit services.

12 Trustees

No trustees received any remuneration during the current or prior year.

No trustees were reimbursed expenses during the current or prior year.

19 trustees and individuals related to them made donations totalling £38,413 during the year (2019: Thirteen trustees made donations totalling £23,506).

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Staff deployed in projects	23	23
Staff deployed in central administration	3	3
Total	26	26

Employment costs	2020 £	2019 £
Wages and salaries	678,160	650,128
Social security costs	59,588	59,769
Other pension costs	78,067	71,409
	815,815	781,306

Key management personnel

The key management personnel of the charity received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £249,771 (2019: £265,100).

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

14 Net gains/(losses) on investments

	Endowment funds general 2020 £	Endowment funds general 2019 £
Revaluation of investments	5,304	24,450

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Tangible fixed assets

	Office equipment £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020	1,543	7,270	54,905	63,718
At 31 December 2020	1,543	7,270	54,905	63,718
Depreciation and impairment				
At 1 January 2020	450	6,183	27,798	34,431
Depreciation charged in the year	386	1,025	10,981	12,392
At 31 December 2020	836	7,208	38,779	46,823
Carrying amount				
At 31 December 2020	707	62	16,126	16,895
At 31 December 2019	1,093	1,087	27,107	29,287

16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2020	220,008	3,439	223,447
Additions	59,692	-	59,692
Valuation changes	5,302	-	5,302
Cash movement	-	(2,377)	(2,377)
Disposals	(47,245)	-	(47,245)
At 31 December 2020	237,757	1,062	238,819
Carrying amount			
At 31 December 2020	237,757	1,062	238,819
At 31 December 2019	220,008	3,439	223,447

17 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	237,757	220,008

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Stocks

	2020 £	2019 £
Finished goods and goods for resale	-	55

19 Debtors

Amounts falling due within one year:	2020 £	2019 £
Trade debtors	102,468	21,664
Other debtors	173,381	221,734
Prepayments and accrued income	16,134	15,435
	<u>291,983</u>	<u>258,833</u>

20 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Borrowings		105,868	100,000
Other taxation and social security		17,125	15,165
Deferred income	23	11,575	81,492
Trade creditors		21,455	11,642
Other creditors		211,010	49,150
Accruals		33,214	45,902
		<u>400,247</u>	<u>303,351</u>

21 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Borrowings	44,132	-

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Loans and overdrafts

	2020 £	2019 £
Other loans	150,000	100,000
Payable within one year	105,868	100,000
Payable after one year	44,132	-
Amounts included above which fall due after five years:		
Payable by instalments	4,098	-

23 Deferred income

	2020 £	2019 £
Other deferred income	11,575	81,492
Deferred income is included in the financial statements as follows:		
	2020 £	2019 £
Balance brought forward	81,492	81,754
Income received	21,912	84,678
Income released	(91,829)	(84,940)
Balance carried forward	11,575	81,492

Deferred income relates to prepaid season rods, fishing rod scheme and fishing sales.

24 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £78,215 (2019: £71,409).

At the year end amounts outstanding totalled £8,543 (2019: £6,150).

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

25 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 January 2019 £	Movement in funds				Balance at 1 January 2020 £	Movement in funds				Balance at 31 December 2020 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	
Permanent endowments											
Endowment fund	179,777	14,852	(1,398)	-	24,450	217,681	22,580	(1,505)	-	5,304	244,060
Endowment fund Usk	-	5,760	-	-	-	5,760	-	-	-	-	5,760
	179,777	20,612	(1,398)	-	24,450	223,441	22,580	(1,505)	-	5,304	249,820

Endowment fund & endowment fund Usk

The Wye and Usk Foundation Endowment Fund is a long term fund whose capital is invested to generate income to support the works and charitable objectives of the Wye and Usk Foundation. A sub-committee of 4 including at least one current Trustee and the WUF Director are responsible to the Board for selecting, appointing and monitoring the Fund manager. Donors to the fund are able to elect the income generated from their donations to be reserved for a specific catchment or for the general furtherance of the Foundation's charitable objectives.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 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:

	Balance at 1 January 2019	Movement in funds			Movement in funds			Transfers	Restated Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	Incoming resources restated	Resources expended restated	£	Incoming resources	Resources expended	£					£
Wye	-	41,698	-	(24,095)	17,603	-	-	(27,633)	33,408	33,408	-	23,378
Lugg & Arrow	-	2,410	-	-	2,410	-	-	-	769	769	-	3,179
Monnow	242	44	-	-	286	-	-	-	44	44	-	330
Usk	4,618	13,282	-	(838)	17,062	-	-	(15,782)	12,282	12,282	-	13,562
Habitat	(45,208)	339,589	(312,792)	22,510	4,099	(345,834)	-	11,966	329,691	329,691	(345,834)	(78)
Farm	87,308	759,451	(706,687)	(904)	139,168	(574,978)	-	10,955	632,228	632,228	(574,978)	207,373
Education	7,689	29,763	(32,342)	14,165	19,275	(31,748)	-	689	42,453	42,453	(31,748)	30,669
Other	1,860	28,016	(22,932)	3,512	10,456	(32,536)	-	5,548	25,799	25,799	(32,536)	9,267
Monitoring	-	-	-	-	-	(14,552)	-	-	60,000	60,000	(14,552)	45,448
	56,509	1,214,253	(1,074,753)	14,350	210,359	(999,648)	-	(14,257)	1,136,674	1,136,674	(999,648)	333,128

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Restricted funds

(Continued)

Wye River Fund & Projects, including Lugg & Arrow and Monnow

This fund receives donations to further the Foundation's objectives in respect of the River Wye and its tributaries. This includes donations from the Wye Catchment Conservators members, patrons and donors who specify restriction to Wye, Lugg and Arrow or Monnow (Funds to Monnow or Lugg and Arrow are separately restricted). Projects within this restriction remain subject to the individual funder's constraints as to how and where monies are spent and all are against a pre-set range of milestones and targets.

Usk River Fund and Projects

This restricted fund accounts for monies given in respect of the river Usk. In 20t9 these included contributions from the United Usk Fisherman's Association, patrons and donors. As above each project has its own pre-set set of restrictions

Usk and Wye River Projects and Funds

This fund receives project funds and general donations that are spent on activities that improve both river systems. Funders include: Invasive weed funding and the Passport.

Transfers

Funding transfers from Restricted Funds arise when either the pre-agreed budget for an item of expenditure is overestimated and thus a small surplus is generated, or when a fund closes whilst holding a balance, and with the assent of the funder, the balance is transferred to another Wye or Usk fund as appropriate.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

27 Analysis of net assets between funds

Fund balances at 31 December 2020 are represented by:

	Unrestricted funds	Restricted funds	Endowment funds	Total	Unrestricted funds	Restricted funds	Endowment funds	Total
	2020	2020	2020	2020	2019	2019	2019	2019
	£	£	£	£	£	£	£	£
Tangible assets	16,895	-	-	16,895	29,287	-	-	29,287
Investments	-	-	238,819	238,819	-	-	223,447	223,447
Current assets/(liabilities)	(54,052)	333,128	11,001	290,077	(61,448)	210,359	(6)	148,905
Long term liabilities	(44,132)	-	-	(44,132)	-	-	-	-
	(81,289)	333,128	249,820	501,659	(32,161)	210,359	223,441	401,639

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	12,060	12,060
Between two and five years	13,650	25,975
	<u>25,710</u>	<u>38,035</u>

29 Related party transactions

As part of the Passport scheme amounts of £645 (2019: £10,322) were collected by the Wye & Usk Foundation (WUF) as agent for, and were paid to, Dr S Marsh-Smith for the letting of a fishing beat owned by him. A credit note of £1,135 (2019: £946) was refunded to Dr S Marsh-Smith for work done. Rent for the main office of £7,000 was paid during the year (2019: £7,000) to Dr S Marsh-Smith.

As part of the Passport scheme amounts of £56,031 (2019: £58,190) were collected by WUF as agent for, and were paid to, Mr M Timmis for the letting of a fishing beat owned by him.

As part of the Passport scheme amounts of £3,386 (2019: £4,326) were collected by WUF as agent for, and were paid to, Major P A Darling.

As part of the Passport scheme amounts of £68 (2019: £137) were collected by WUF as agent for Mr A J R Sayer who subsequently donated the full amount to the foundation. Income of £1,005 (2019: £1,838) was received from Mr A J R Sayer for work done.

As part of the Passport scheme amounts of £2,025 (2019: £3,178) were collect by WUF as agent for, and were paid to, Ms E Passey for the letting of a fishing beat owned by her.

Income of £70 (2019: £2,147) was received from T Norman for work done. Income of £nil (2019: £2,576) was received from the Norman Partnership, a business belonging to T Norman.

During the year six trustees paid WUF £824 (2019: £336) in respect of miscellaneous purchases. Five trustees made auction purchases of £4,525 (2019: £1,330) during the year.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

30	Cash generated from operations	2020 £	2019 £
	Surplus for the year	100,020	148,286
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,954)	(4,799)
	Gain on disposal of tangible fixed assets	-	(778)
	Fair value gains and losses on investments	(5,304)	(24,450)
	Depreciation and impairment of tangible fixed assets	12,392	14,334
	Movements in working capital:		
	Decrease/(increase) in stocks	55	(22)
	(Increase) in debtors	(33,148)	(151,158)
	Increase/(decrease) in creditors	160,945	(75,629)
	(Decrease)/increase in deferred income	(69,917)	81,492
	Cash generated from/(absorbed by) operations	161,089	(12,724)

31	Analysis of changes in net funds	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
	Cash at bank and in hand	193,368	204,973	398,341
	Loans falling due within one year	(100,000)	(5,868)	(105,868)
	Loans falling due after more than one year	-	(44,132)	(44,132)
		93,368	154,973	248,341