

Charity registration number 1080319

Company registration number 03343965 (England and Wales)

THE WYE AND USK FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

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 Foundation 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 2021 the activities of the Foundation centred on:

- Ensuring free migration for fish and restoration of natural geomorphological processes.
- Naturalising riparian habitat.
- Naturalising river flows.
- Improving water quality.
- Mitigating the effects of climate change on the rivers.
- Educating wider society and decision-makers in the conservation of rivers.
- Developing long term funding streams to support the above.

This involved using existing knowledge and techniques and also developing and delivering new methods and partnerships to restore the rivers and their catchments. This has seen WUF grow from 27 staff on 1st January 2021 to 31 staff on 31st December 2021

Key objectives for 2022/23 include correcting the lack of recovery of salmon populations in the lower and middle Usk catchment and the severe algal blooms, loss of ranunculus in the Wye and high water temperatures in both rivers.

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 2021

Achievements and performance

Summary of the main achievements during the year

- WUF's turnover (including passport sales) has increased from £1.736m in 2020 to £2.144m in 2021 (24% growth)
- WUF secured a record £3.979m of project funding and contracted work in 2021 (2020 £976k) and is forecast to grow by 40-65% in 2022.
- WUF secured a record £428K of contract work during 2021 (2020 £74k)
- Half of the secured funding is multi-year with £2.228m secured for 2022, £1.155m for 2023 and £1.024k for 2024.
- 2022 will see a major expansion of our plans in the Usk with £1.954m already secured and funding in place to establish an Usk catchment partnership with NRW and other stakeholders which will allow us to understand and solve the complex 'wicked' problems now affecting this catchment.

THE WYE AND USK FOUNDATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

- The work with the supply chain (Courtauld 2025) and farmers has reaped rewards this year with agri businesses and supermarkets now 'owning' the problems they are creating. WUF will be integral to the delivery of the solutions in 2022 and beyond.
- During 2021 the politics and politicians aligned with our objectives. We now have a real chance to take on and deal with problems we have not been able to solve before.
- Natural capital developed in 2021 and is offering us the opportunity to circumvent the effects of ineffective statutory regulation on land use choices by providing a financially viable alternative for land managers.
- Funders are seeing us as an effective delivery organisation. We are now the 2nd largest rivers trust in the UK and the national bodies of Afonydd Cymru and the Rivers Trust are working closely with us. 53% of the funding secured for 2022 has come through our partnerships with them.
- WUF has an excellent, but increasingly stretched work force. We are governed by a strong group of trustees with expertise that covers all our operations.

The Passport scheme, now in its 18th year is benefiting from the easing of CV19 travel restrictions and saw another year of record sales achieved which resulted in £23,267 surplus, which was used to support our activities with increase fish numbers.

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 a 2nd year of Covid restrictions better than the first. Staff absences were minimal and operations were not affected although increased home working and the rapid growth in the quantum of work without the requisite recruitment tested internal communication at times.

Performance achieved against objectives

Achievements during 2021 include:

1) Habitat and fish access

- 9.1km double bank of stream restored. 440km of 610km of degraded habitat has been repaired to date.
- 135 of 173 known upstream fish access requirements past man-made structures have been completed by end of 2021 (the surveys during last winter found no new weirs but a number of large debris dams and problematic pipe ford bridges). The former are now being cleared, and this is an annual cost. The rest require a cost benefit of action exercise to be undertaken.
- 4 blocking accumulations of woody debris on key spawning streams were eased.
- 318t of lime was introduced to the upper Wye and upper Irfon to mitigate acid waters.

2) Landuse

- A further 192 whole farm plans were completed on newly engaged farms. c.1,800 of the c.5,200 farmers in our catchment areas have been engaged by either the farm or habitat teams by December 2021.
- Further support and education for 442 farmers previously engaged was provided to manage the increasing risks resulting from the change in rainfall patterns, rainfall intensity and the build-up of phosphate in the catchment soils
- 41 mid-tier applications were completed bringing in £1.558m of funding for diffuse pollution control and soil health and function restoration.

THE WYE AND USK FOUNDATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

- Our Wye Ithon and Severn Ecosystems project finished in 2021. This ground-breaking project creates the potential for cross border flood markets to develop in 2022.

3) Natural capital

Natural capital expanded to deliver integrated wetlands to offset housing development with net gain for the rivers, tree planting opportunities, natural flood management and biodiversity offsetting. The DIME project is delivering the legal and evidential certainty required for investors to invest and farmers to change practices. The Natural capital team had grown to 5 by year end and this has provided a new income stream to deliver the change in the rivers we need.

4) Science

- The findings of the RePhokus project, which WUF played a pivotal role in supporting, was shared within the farming community, statutory bodies and the supply chain. This has created a more complete understanding of the issue of the catchment being out of phosphorus balance. 17kg/ha of excess P is being applied every year to agricultural soils in the Wye catchment. This is over 3,000t per year in the Wye. This knowledge has catalysed the Wye Catchment partnership and Wye Nutrient management board through which new initiatives and better ways of working are being developed.
- Working across the farm and natural capital teams we identified and mapped the soils at risk of leaching P, developed the solutions and secured the funding from Defra to engage the landowners. This work will continue in 2022.

5) Supply chain

- In addition the work with the agricultural supply chain has helped create an environment in which the farmer and agri-business make better decisions that take the effect of food production on water and soils into account. This culminated in the commitment by Avara that no phosphorus generated by its activities (c. 90% of the excess P) would be spread in the catchments that was surplus to crop need by the end of 2024.

6) Data and monitoring

- During 2021 we added a new staff member expanding our monitoring and data function. This allowed us to survey 488km of the Welsh Wye tributary network for opportunities and issues, install multi parameter sondes on the Ithon and Frome that proved that the problem is outside the existing statutory monitoring parameters.
- We also completed the assessment of the efficacy of the gravel introduction and liming programmes, assessed macro invertebrates at 10 sites, electro-fished 112 sites, monitored the sewage outfalls of 7 rural sewage works and worked with Cardiff University to understand the genesis and speciation of the Wye algal bloom.
- We also worked with Cardiff University and EA to support, train and equip 212 citizen scientists to build the knowledge base and allow for better informed decisions by us and others. This also helped us to engage the public.
- We monitored the outfall of 6 rural sewage treatment works to inform opportunities for offsetting.
- During 2021 we were awarded £1.099m through the Ofwat innovation fund, to use citizen science and NGO monitoring to quantify the issues affecting the Usk and assess efficacy of interventions. This will be another large step forward in capability and understanding.
- Data generates solutions and informs effective delivery. This is integral to WUF's objectives.

7) Education

While schools were closed due to Covid, education was delivered through a series of videos and online activities that covered the life and struggles of 'Sioni the Salmon' and the science behind natural flood management. Sadly, at the end of the year our education officer left the Foundation for another position, but we continue to deliver education throughout our wider work.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Risks and Opportunities

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.

New risks and opportunities have arisen during 2021 and existing ones have been exacerbated, the changes are summarised below:

Politics

- The Wye and Usk are now national priorities. WUF is at the centre of river restoration efforts.
- This is an opportunity for fundamental change, but restoring catchments is a long game and we need to manage people's expectations.

Core reserves

- In 2021 our plan was to rebuild our working reserves by over £100k to reduce cash flow pressures, but the increasing number of people looking to WUF for information, data and solutions plus the unfunded costs of managing canoeing and wild swimming, and delays in funding due to NRW's new procurement rules and electrofishing overspend have all reduced the forecast recovery. Our commitments need to be managed and expectations reigned in.
- Lack of core reserves limits our ability to be proactive and take risks, and exposes WUF to cashflow pressures if major funding is delayed.

Loss of key staff/staff productivity

- The last two years have been tough on all and growth has widened the gaps in the current management structure creating undue stress. Covid has not gone away, and it has been 22 months since we had an office environment with free exchange of ideas and news. Home-working and a move to online meetings have tested internal communication, most notably between the executive and the CEO and the CEO and the trustees.
- Steps have been taken to improve information flow and understanding within the organisation.

Partnering with other less functional and secure rivers trusts has exposed WUF to risks resulting from their non-delivery.

Algal blooms/soil loss/reduced rod catch

- The loss of the ranunculus has led to trophic change. The rivers natural filter that used to check algal blooms is no longer there.
- This year saw the lower Wye switch from soil laden to algal bloom to too hot, which limited the salmon catch creating the impression the Wyes salmon stock was in a more parlous state than it is.
- Barbel catches are down and other coarse species will follow unless we can recover the ranunculus.
- Lower Usk trout fishing was below average and this was supported by a third year of reduced catch of juvenile trout in the electro fishing survey.
- WUF arose from the fishery and has built its support base from the fishery. This support is imperilled by the increasing algal blooms and reduced fishing opportunities.

Nutrient/Phosphate

- NRW's review has triggered planning moratoriums in the Usk and Wye. This has created opportunities for WUF and the rivers through the phosphate offsetting with net gain for the river.
- A Nutrient management board is being established for the Usk and WUF hopes to play a key role.
- Over 3,000t too much phosphate is still coming into the catchments. We have to work with our partners to reduce this and then wind down the reserves of P that have accumulated in the soil.

THE WYE AND USK FOUNDATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Natural capital

- WUF's efforts to increase activity in this area have curtailed by resource and risk appetite due to low reserves, regulations and lack of data. We are still ahead of governmental schemes and are setting the agenda; Wales is leading in biodiversity offsetting and we are nationally leading in nutrient offsetting.
- The opportunities are varied and exciting. WUF needs to keep up with all environmental regulating services delivery (flows, biodiversity, water quality, carbon, trees and soil) as the pace of development of each is uneven.
- Innovation comes with risks, which are ever changing, for example the enforced change to a consulting role with nutrient offsetting reduces the risk of legislative change affecting WUF.
- Defra and Welsh Government are expected to release the new soil carbon metrics which will provide further incentive to improve soil health so by improve water quality, moderate winter water temperatures and naturalise flows.

Climate change

- This is imperilling the ecology of the catchments which the foundation is based on.
- The weather is getting more extreme, increasing the risk for land managers. Helping farmers to manage this change is a key part of future activities.
- Increases in severity and frequency of major flooding and droughts is increasing necessity and funding for whole catchment restoration. In 2021 we developed our understanding of the causes and solutions and are now well placed to continue to work with businesses and statutory bodies to reduce flood risk.
- As our soils warm, microbial activity increases, reducing their phosphate buffering capacity. As mentioned, the catchment P balance is already out of sync. Once the buffering capacity is exceeded in their soils the problem will get worse exponentially. We have to get ahead of this.
- There is an increasing focus on the Usk and Wye's water as a national asset. The Usk and Wye Abstraction Group's work has shown that there is very little spare if the ecology of the rivers is to be taken into account.

Brexit

- The review of the Habitats Directive announced by George Eustice is an unwelcome risk for England. There are currently no indications WG are going to follow.

Alignment with Welsh Water (Dwr Cymru)

- AMP 7 has moved the company towards catchment working and nature-based solutions.
- The company is looking to WUF for assistance.
- We can take this opportunity to work together, to deliver shared aims, with a reliable and consistent funding stream, but need to be aware that the public perception of the water industry is currently poor.

Financial review

Brief review of the financial position

2021 saw another expansion in the foundation's funding and capacity with the growth of Natural Capital and monitoring particularly pronounced. 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 fell back to more normal levels of £75,678 after the record high of £101,019 in 2021.

WUF working reserves (unrestricted and river funds) would have increased by £117,621, but we made a decision to write off £63,127 of wetland development costs which limited recovery to £54,494. There remains a moderate chance that we will recover part or all of the wetland development costs in 2022.

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.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal funding sources

Since 2015, the Foundation has been diversifying its funding streams to increase resilience and reduce risk. In 2021 we received 30% of our income from Welsh government and NRW, 16% from Defra, EA and Natural England, 13% from Hereford council, 13% from donations, 6% from National Heritage, 4% from the World Wildlife Fund, 1% from EU Funding. The donations came from individuals, riparian owners and charitable trusts such as the Scott Eredine Trust, D'Oly Carte, the Morley Family Trust, the CT Thomas Trust, the Charles King-Farlow Charitable Trust, the Rowlands Trust, and the Jordan Charitable Trust, Gibbs Charitable Trust, the Morel Trust.

We would like to thank everyone who supported us in 2021 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 affected negatively by Covid with a run of the Usk that was expected to raise £10,000-£15,000 being postponed to 2022.

WUF raises core funds internally through specific appeals to the owners raising £50,790 (£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 reviewed this in 2021 and decided no change was required.

WUF did not receive any complaints about its fundraising activity.

In 2021 we engaged Buffalo fundraising to try and be more proactive to engage previous donors and people who use the passport regularly to see if they would increase their support to the foundation. This campaign started in November 2021 and will run to April 2022.

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 fundraising 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 and donations grew the fund by 21.45% in 2021 to £309,227 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 2021 amounted to £660,338 (2020: £501,659) with £377,906 (2020: £333,128) relating to restricted funds, £309,227 (2020: £249,820) relating to endowment fund and a deficit of £26,795 (2020: £81,289 deficit) relating to the general fund.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

WUF finished the year with unrestricted reserves of £282,432, restricted funds of £377,906.

During 2021 we increased our general unrestrictive reserves by £54,494.

WUF has a portfolio of secured funding through projects and other work-streams that will see a further expansion in delivery during 2022. The forecast cash flow is positive for the whole of 2022. We have taken steps to rebuild unrestricted reserves during 2022 by:

This is forecast to increase our unrestricted reserves by £31k

Plans for 2022

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.

The change in the relationship between rainfall and flood events and the excess phosphorus imperils the ecology of the rivers and the maintenance of our previous riparian work. It is WUF priority to reduce the flood risk and bring the catchments back into phosphate balance.

WUF will continue delivering and monitor the efficacy of its current projects, maintaining existing funding streams and expanding new ones within Natural Capital and Agri supply chain. We also will continue to strive to increase the endowment fund and working reserves.

WUF will expand during 2022 and will require careful management to ensure efficient and effective delivery.

In 2022, we will reinstate the partnership working within other stakeholder's that was impacted by Covid and partner with initiatives where they align with our objects, with WUF acting as the competent delivery partner were required.

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.

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Organisational Structure

Officers

At 31 December 2021 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 2021, 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 note 27.

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.

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

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 Edwards - appointed 19/3/21
H Harrison
F Hillman - appointed 19/3/21
P Horsburgh
A Johnson
A Lavers - appointed 19/3/21
C Morley
R Norman - appointed 19/3/21
E Passey
M Timmis
Major P Darling - resigned 1/11/21
P Lloyd - resigned 19/7/21
R Murray- resigned 1/11/21

Key management personnel S Evans - CEO
K Adams - Head of Land Management (England)
L Davies - Head of Land Management (Wales)
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
Llandrindod Wells
Powys
LD3 7LF

THE WYE AND USK FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Investment managers

Brewin Dolphin
5 Callaghan Square
Cardiff
CF10 5BT

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

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

C. Newington-Bridges

C Newington-Bridges- Trustee

Dated: 31.8.2022.....

THE WYE AND USK FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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;
- state whether applicable UK 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 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 2021 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 charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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:

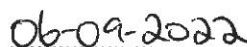
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to 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


06-09-2022

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
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 section 1212 of the Companies Act 2006.

THE WYE AND USK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	141,520	120,903	262,423	169,396
Charitable activities	4	286,400	1,232,226	1,518,626	1,290,394
Other trading activities	5	393	-	393	393
Investments	6	4,668	-	4,668	3,954
Total income		432,981	1,353,129	1,786,110	1,464,137
<u>Expenditure on:</u>					
Raising funds	7	42,135	-	42,135	23,107
Charitable activities	8	371,847	1,243,095	1,614,942	1,346,314
Total expenditure		413,982	1,243,095	1,657,077	1,369,421
Net gains/(losses) on investments	13	29,646	-	29,646	5,304
Net incoming resources before transfers		48,645	110,034	158,679	100,020
Gross transfers between funds		65,256	(65,256)	-	-
Net movement in funds		113,901	44,778	158,679	100,020
Fund balances at 1 January 2021		168,531	333,128	501,659	401,639
Fund balances at 31 December 2021		282,432	377,906	660,338	501,659

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WYE AND USK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	86,271	83,125	169,396
Charitable activities	4	236,850	1,053,544	1,290,394
Other trading activities	5	388	5	393
Investments	6	3,954	-	3,954
Total income		327,463	1,136,674	1,464,137
<u>Expenditure on:</u>				
Raising funds	7	23,107	-	23,107
Charitable activities	8	346,666	999,648	1,346,314
Total expenditure		369,773	999,648	1,369,421
Net gains/(losses) on investments	13	5,304	-	5,304
Net incoming resources before transfers		(37,006)	137,026	100,020
Gross transfers between funds		14,257	(14,257)	-
Net movement in funds		(22,749)	122,769	100,020
Fund balances at 1 January 2020		191,280	210,359	401,639
Fund balances at 31 December 2020		168,531	333,128	501,659

THE WYE AND USK FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		6,616		16,895
Investments	15		290,067		238,819
			<u>296,683</u>		<u>255,714</u>
Current assets					
Debtors	17	273,342		291,983	
Cash at bank and in hand		408,205		398,341	
		<u>681,547</u>		<u>690,324</u>	
Creditors: amounts falling due within one year	19	(283,090)		(400,247)	
Net current assets			<u>398,457</u>		<u>290,077</u>
Total assets less current liabilities			695,140		545,791
Creditors: amounts falling due after more than one year	20		(34,802)		(44,132)
Net assets			<u>660,338</u>		<u>501,659</u>
Income funds					
Restricted funds	23		377,906		333,128
<u>Unrestricted funds</u>					
Designated funds	24	309,227		249,820	
General unrestricted funds		<u>(26,795)</u>		<u>(81,289)</u>	
			<u>282,432</u>		<u>168,531</u>
			<u>660,338</u>		<u>501,659</u>

THE WYE AND USK FOUNDATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 on 31.8.2022.....

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 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	28		133,553		161,089
Investing activities					
Purchase of tangible fixed assets		(1,194)		-	
Purchase of investments		(67,477)		(59,692)	
Proceeds on disposal of investments		45,875		49,622	
Investment income received		4,668		3,954	
Net cash used in investing activities			(18,128)		(6,116)
Financing activities					
Repayment of borrowings		(105,561)		50,000	
Net cash (used in)/generated from financing activities			(105,561)		50,000
Net increase in cash and cash equivalents			9,864		204,973
Cash and cash equivalents at beginning of year			398,341		193,368
Cash and cash equivalents at end of year			408,205		398,341

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 Going concern

The Wye and Usk Foundation (WUF) finished the year with unrestricted reserves of (£26,793), restricted funds of £377,906 and £309,227 in designated reserves. The charity had negative free reserves of £33,409 (2020: negative: £98,184).

During 2021 we had increased our unrestricted reserves by £54,496.

WUF has a full order book and a positive cash flow for the whole of 2022. We have taken steps to rebuild unrestricted reserves during 2022 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.

1.3 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.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 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.

1.5 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.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.6 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 the statement of financial activities.

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

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 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).

1.9 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.

1.10 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.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 Retirement benefits

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

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 2021

2 Critical accounting estimates and judgements (Continued)

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	45,520	120,903	166,423	73,312	83,125	156,437
Donated goods and services	96,000	-	96,000	12,959	-	12,959
	<u>141,520</u>	<u>120,903</u>	<u>262,423</u>	<u>86,271</u>	<u>83,125</u>	<u>169,396</u>

4 Charitable activities

	2021 £	2020 £
Passport scheme	95,457	91,829
Miscellaneous	-	2,288
Grants and contract income	1,423,169	1,196,277
	<u>1,518,626</u>	<u>1,290,394</u>
Analysis by fund		
Unrestricted funds	286,400	236,850
Restricted funds	1,232,226	1,053,544
	<u>1,518,626</u>	<u>1,290,394</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
ENTER LINE DESCRIPTION VIA DATABASE	<u>393</u>	<u>388</u>	<u>5</u>	<u>393</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	4,668	3,954

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	11,619	1,912
Staff costs	28,639	19,690
	<u>40,258</u>	<u>21,602</u>
<u>Fundraising and publicity</u>		
	1,877	1,505
	<u>42,135</u>	<u>23,107</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	794,357	623,922
Costs of donated services	96,000	12,959
Direct expenses	519,319	369,214
Marketing	2,435	489
	<u>1,412,111</u>	<u>1,006,584</u>
Share of support costs (see note 10)	195,831	332,730
Share of governance costs (see note 10)	7,000	7,000
	<u>1,614,942</u>	<u>1,346,314</u>
Analysis by fund		
Unrestricted funds	371,847	346,666
Restricted funds	1,243,095	999,648
	<u>1,614,942</u>	<u>1,346,314</u>

9 Grants payable

	2021 £	2020 £
Grants to institutions:		
Herefordshire Wildlife Trust	20,000	72,600
Severn Rivers Trust	114,817	45,365
Cardiff University	5,000	-
	<u>139,817</u>	<u>117,965</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	110,288	-	110,288	172,203	-	172,203
Depreciation	11,473	-	11,473	12,392	-	12,392
Motor and travel	594	-	594	825	-	825
Premises and office costs	38,517	-	38,517	42,331	-	42,331
Financing	9,882	-	9,882	64,006	-	64,006
Marketing	12,806	-	12,806	17,483	-	17,483
Consultancy	11,479	-	11,479	21,295	-	21,295
Legal	792	-	792	2,195	-	2,195
Audit fees	-	7,000	7,000	-	7,000	7,000
	<u>195,831</u>	<u>7,000</u>	<u>202,831</u>	<u>332,730</u>	<u>7,000</u>	<u>339,730</u>
Analysed between						
Charitable activities	<u>195,831</u>	<u>7,000</u>	<u>202,831</u>	<u>332,730</u>	<u>7,000</u>	<u>339,730</u>

Governance costs includes payments to the auditors of £6,250 (2020: £6,250) for audit services and £750 (2020: £750) for non audit services.

11 Trustees

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

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

15 trustees and individuals related to them made donations totalling £15,984 during the year (2020: 19 trustees and individuals made donations totalling £38,413).

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Staff deployed in projects	24	23
Staff deployed in central administration	4	3
Total	28	26

Employment costs	2021 £	2020 £
Wages and salaries	773,598	678,160
Social security costs	63,891	59,588
Other pension costs	83,222	78,067
	920,711	815,815

Key management personnel

The key management personnel of the charity received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £331,337 (2020: £249,771).

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

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Revaluation of investments	29,646	5,304

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Office equipment £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2021	1,543	7,270	54,905	63,718
Additions	665	529	-	1,194
At 31 December 2021	2,208	7,799	54,905	64,912
Depreciation and impairment				
At 1 January 2021	836	7,208	38,779	46,823
Depreciation charged in the year	386	106	10,981	11,473
At 31 December 2021	1,222	7,314	49,760	58,296
Carrying amount				
At 31 December 2021	986	485	5,145	6,616
At 31 December 2020	707	62	16,126	16,895

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2021	237,757	1,062	238,819
Additions	67,477	-	67,477
Valuation changes	29,646	-	29,646
Cash movement	-	2,858	2,858
Disposals	(48,733)	-	(48,733)
At 31 December 2021	286,147	3,920	290,067
Carrying amount			
At 31 December 2021	286,147	3,920	290,067
At 31 December 2020	237,757	1,062	238,819

16 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	286,147	237,757

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors		2021	2020
		£	£
Amounts falling due within one year:			
Trade debtors		28,814	102,468
Other debtors		232,406	173,381
Prepayments and accrued income		12,122	16,134
		<u>273,342</u>	<u>291,983</u>
18 Loans and overdrafts		2021	2020
		£	£
Other loans		44,439	150,000
		<u>44,439</u>	<u>150,000</u>
Payable within one year		9,637	105,868
Payable after one year		34,802	44,132
		<u>44,439</u>	<u>150,000</u>
Amounts included above which fall due after five years:			
Payable by instalments		-	4,098
		<u>-</u>	<u>4,098</u>
19 Creditors: amounts falling due within one year		2021	2020
	Notes	£	£
Borrowings		9,637	105,868
Other taxation and social security		55,649	17,125
Deferred income	21	11,097	11,575
Trade creditors		32,820	21,455
Other creditors		149,130	211,010
Accruals		24,757	33,214
		<u>283,090</u>	<u>400,247</u>
20 Creditors: amounts falling due after more than one year		2021	2020
		£	£
Borrowings		34,802	44,132
		<u>34,802</u>	<u>44,132</u>

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Deferred income

	2021 £	2020 £
Other deferred income	11,097	11,575

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Balance brought forward	11,575	81,492
Income received	94,057	21,912
Income released	(94,535)	(91,829)
Balance carried forward	11,097	11,575

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

22 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 £83,222 (2020: £78,067).

At the year end amounts outstanding totalled £8,280 (2020: £8,543).

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 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:

	Restated Balance at 1 January 2020 £	Movement in funds			Movement in funds			Transfers 1 January 2021 £	Balance at 1 January 2021 £	Movement in funds			Transfers £	Balance at 31 December 2021 £
		Incoming resources restated £	Resources expended restated £	£	Incoming resources £	Resources expended £	£			Incoming resources £	Resources expended £	£		
Wye	17,603	33,408	-	(27,633)	23,378	43,236	-	(55,088)	11,526					
Lugg & Arrow	2,410	769	-	-	3,179	619	-	(4,301)	(503)					
Monnow	286	44	-	-	330	44	-	(840)	(466)					
Usk	17,062	12,282	-	(15,782)	13,562	13,780	-	(22,037)	5,305					
Habitat	4,099	329,691	(345,834)	11,966	(78)	265,662	(256,989)	(2,431)	6,164					
Farm	139,168	632,228	(574,978)	10,955	207,373	711,046	(737,263)	12,731	193,887					
Education	19,275	42,453	(31,748)	689	30,669	7,211	(22,864)	505	15,521					
Other	10,456	25,799	(32,536)	5,548	9,267	-	(9,733)	1,612	1,146					
Monitoring	-	60,000	(14,552)	-	45,448	201,922	(112,724)	2,777	137,423					
Natural Capital	-	-	-	-	-	109,609	(103,522)	1,816	7,903					
	210,359	1,136,674	(999,648)	(14,257)	333,128	1,353,129	(1,243,095)	(65,256)	377,906					

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

23 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 2019 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.

Natural Capital

The fund receives project funds and commercial income that are spent on setting up and developing Natural Capital Markets which are specifically targeted at improving the water quality and habitats of the rivers. The balance on the commercially funded projects are transferred to Unrestricted Reserves on completion of the projects.

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 2021

24 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:

	Balance at 1 January 2020 £	Movement in funds			Balance at 31 January 2021 £	Movement in funds			Balance at 31 December 2021 £
		Incoming resources £	Resources expended £	Revaluations, gains and losses £		Incoming resources £	Resources expended £	Revaluations, gains and losses £	
Endowment fund	217,681	22,580	(1,505)	5,304	244,060	31,638	(1,877)	29,646	303,467
Endowment fund Usk	5,760	-	-	-	5,760	-	-	-	5,760
	<u>223,441</u>	<u>22,580</u>	<u>(1,505)</u>	<u>5,304</u>	<u>249,820</u>	<u>31,638</u>	<u>(1,877)</u>	<u>29,646</u>	<u>309,227</u>

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 2021

25 Analysis of net assets between funds

Fund balances at 31 December 2021 are

represented by:

Tangible assets

Investments

Current assets/(liabilities)

Long term liabilities

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Tangible assets	6,616	-	-	6,616	16,895	-	-	16,895
Investments	-	290,067	-	290,067	-	238,819	-	238,819
Current assets/(liabilities)	1,391	19,160	377,906	398,457	(54,052)	11,001	333,128	290,077
Long term liabilities	(34,802)	-	-	(34,802)	(44,132)	-	-	(44,132)
	(26,795)	309,227	377,906	660,338	(81,289)	249,820	333,128	501,659

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

26 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:

	2021 £	2020 £
Within one year	12,060	12,060
Between two and five years	1,767	13,650
	<u>13,827</u>	<u>25,710</u>

27 Related party transactions

As part of the Passport scheme amounts of £59,722 (2020: £56,031) 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 £5,899 (2020: £3,386) were collected by WUF as agent for, and were paid to, Major P A Darling.

As part of the Passport scheme amounts of £3,258 (2020: £2,025) 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 £nil (2020: £70) was received from T Norman for work done.

Income of £480 (2020: £nil) was received from R Edwards for work done.

Income of £120 (2020: £nil) was received from L Lewis for work done.

Income of £1,220 (2020: £nil) was received from R Murray for work done.

Income of £1,935 (2020: £nil) was received from C Morley for work done.

Income of £180 (2020: £nil) was received from R Norman for work done.

During the year six trustees paid WUF £171 (2020: six trustees paid £824) in respect of miscellaneous purchases. Two trustees made auction purchases of £4,525 (2020: five trustees made purchases of £4,525) during the year.

THE WYE AND USK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

28	Cash generated from operations	2021	2020
		£	£
	Surplus for the year	158,679	100,020
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4,668)	(3,954)
	Fair value gains and losses on investments	(29,646)	(5,304)
	Depreciation and impairment of tangible fixed assets	11,473	12,392
	Movements in working capital:		
	(Increase)/decrease in stocks	-	55
	Decrease/(increase) in debtors	18,641	(33,148)
	(Decrease)/increase in creditors	(20,448)	160,945
	(Decrease) in deferred income	(478)	(69,917)
	Cash generated from operations	133,553	161,089
29	Analysis of changes in net funds		
		At 1 January	Cash flows
		2021	At 31 December
		£	£
	Cash at bank and in hand	398,341	9,864
	Loans falling due within one year	(105,868)	96,231
	Loans falling due after more than one year	(44,132)	9,330
		248,341	115,425
			363,766

