SEVERN WYE ENERGY AGENCY

England & Wales · Charity number 1083812

Details

Other names	SWEA
Status	Registered
Legal form	Charitable company
Company number	03830608
Registered	2000-11-27
Register	View on the Charity Commission register

Contact

Address	3rd Floor Pillar and Lucy House Merchants Road Gloucester Gloucester GL2 5RG
Phone	01452835060
Email	enquiries@severnwye.org.uk
Website	www.severnwye.org.uk

Activities

Objects: TO PROMOTE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF THE PUBLIC BY:I. THE PRESERVATION, CONSERVATION AND THE PROTECTION OF THE ENVIRONMENT AND THE PRUDENT USE OF RESOURCES.II. THE RELIEF OF POVERTY AND THE IMPROVEMENT OF THE CONDITIONS OF LIFE FOR THOSE SOCIALLY AND ECONOMICALLY DISADVANTAGEDIII. THE PROMOTION OF SUSTAINABLE MEANS OF ACHIEVING ECONOMIC GROWTH AND REGENERATION THE RELIEF OF POVERTY AND THE PRESERVATION AND PROTECTION OF HEALTH BY PROMOTING THE EFFICIENT USE OF ENERGY (INCLUDING ENERGY FOR HEATING PURPOSES) AND UTILIZATION OF RENEWABLE SOURCES OF ENERGY ANDTHE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT BUT NOT EXCLUSIVELY IN RELATION TO ENERGY CONSERVATION, THE EFFICIENT USE OF ENERGY AND THE UTILIZATION OF RENEWABLE SOURCES OF ENERGY.

Activities: Education and promotion of sustainable resource use, energy efficiency and renewable energy to tackle the fuel poverty and to improve health, wellbeing and quality of life for all. Protection of the environment, relief of poverty and community regeneration through sustainable development solutions, training and delivery, to meet the needs of the present without compromising future generations.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED BUT IN PRACTICE GLOUCESTERSHIRE, WILTSHIRE AND MONMOUTHSHIRE
- Belgium
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,496,429	£10,316,477	£3,675,208	94
2024-03-31	£7,226,497	£5,683,150	£3,495,255	80
2023-03-31	£6,695,198	£6,330,097	£1,951,909	64
2022-03-31	£4,901,966	£4,513,106	£1,586,808	47
2021-03-31	£3,764,393	£3,385,346	£1,197,948	33

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Trustees

Name	Role	Appointed
Aimee Robinson		2025-05-02
Catherine Cheetham		2025-05-02
Christopher Mark Welby		2021-01-18
Emma Elizabeth Voss		2023-05-01
Jamie Abbott		2025-04-01
Mareika Katharina Schmidt		2021-01-18
Martin Paul Smith Lomas		2023-05-01
Rowena Louise Kay		2017-12-01
Vilislava Georgieva Ivanova		2021-01-18

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SEVERN WYE ENERGY AGENCY

England & Wales - Charity number 1083812

Accounts

Registered number: 03830608
Charity number: 1083812

SEVERN WYE ENERGY AGENCY LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	Mareike Schmidt, Chair Christopher Bierley (resigned 1 December 2024) Louise Cooke (resigned 21 May 2024) Vilislava Ivanova Rowena Kay Martin Smith Lomas (appointed 1 May 2023) Emma Voss (appointed 1 May 2023) Christopher Welby Jamie Abbott (appointed 1 May 2025) Catherine Cheetham (appointed 2 May 2025) Amie Robinson (appointed 2 May 2025) Dapo Fakorede (appointed 3 May 2025)
Company registered number	03830608
Charity registered number	1083812
Registered office	3rd Floor Pillar & Lucy House Merchants Road Gloucester England GL2 5RG
Chief Executive Officer	Sandy Ruthven
Independent auditors	Bishop Fleming Audit Limited Chartered Accountants Statutory Auditors 10 North Place Cheltenham GL50 4DW
Bankers	HSBC The Cross Gloucester GL1 2AP

CHAIRPERSON STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

As we celebrate our 26th year, I am pleased to report that Severn Wye Energy Agency goes from strength to strength. As our impact report shows, we have achieved record levels of impact in 2024 – 2025 whilst at the same time improving our financial and delivery performance. All of this will provide a strong foundation for our work going forward.

Against a backdrop of economic challenges and policy uncertainty, we were able to work with funders and partners to secure increased levels of grant funding to support vital services for the community. Our income increased by more than £3.2 million to £10,496,429. In part this is accounted for by the grant for our biochar project. However, projects and services in other areas also scaled up. Recent years also saw the move to a new office in the heart of Gloucester and several other changes to consolidate our operating systems. This helped invigorating staff and created a sense of excitement and renewed energy for the organisation.

Severn Wye Energy Agency's work is far reaching. During 2024/25 we have delivered a range of retrofitting measures to hundreds of homes, often in rural and difficult to reach communities. Plans are under way to consolidate our energy services offer and to move towards an area-based approach longer term. We are keen to deliver installations as part of the government's Energy Company Obligation Scheme and have been working on expanding our retrofit advice offer to new partners and clients. We were also able to expand our work with the business community and provide energy audits and advice to almost 500 businesses.

We continue to deliver innovative work. For example, we built one of the first biochar plants in the country on behalf of the Department for Energy Security and Net Zero. The plant uses pyrolysis to convert biomass into biochar, a stable form of carbon, while also producing heat that we might be able to use locally. This project is part of a larger effort to demonstrate the viability of biochar technology for carbon capture and negative emissions. As with all innovative projects, the opportunity is assessed and progressed ensuring an appropriate balance between commerciality and the charity's best interests.

And we maintained our reputation as a "trusted provider" of fuel poverty advice. Our advice line was as busy as ever and our community-based support to help individuals and families struggling with energy costs was in high demand. Severn Wye will continue to support the most vulnerable members of our society at a very practical level. With almost 12,000 fuel poverty cases handled this year, we remain one of the leading organisations in this field and provided evidence and insight to government on how more integrated and aligned support structures can be developed including the combination of funds at the local level.

Severn Wye Energy Agency plays a significant part in the life of our beneficiaries. I would like to thank Sandy, the senior team and all staff and trustees for their contributions and dedication during the last year – which has delivered remarkable impact and has enabled us to build a strong reputation locally and nationally. It is a privilege to be a trusted and valued part of the community.

Mareike Schmidt

Chair of Trustees

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Severn Wye Energy Agency Ltd (Severn Wye) for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2025. They confirm that the Trustees' report and financial statements comply with Charities Act 2011, Companies Act 2006 and Severn Wye's memorandum and articles of association. They also conform to the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the United Kingdom and Republic of Ireland.

Objectives and Activities

Severn Wye's objects are:-

"The advancement of education for the public benefit in particular but not exclusively in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy" and

"The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and the utilisation of renewable sources of energy"

"To promote sustainable development for the benefit of the public by:

1. The preservation, conservation and the protection of the environment and the prudent use of resources.
2. The relief of poverty and the improvement of the conditions of life for those socially and economically disadvantaged.
3. The promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.severnwye.org.uk.

Structure, Governance and Management

Governing Documents

Severn Wye is a company limited by guarantee, governed by its memorandum and articles of association, incorporated on the 24th August 1999 and registered with the Charity Commission on the 27th November 2000. If Severn Wye is wound up, its members are liable to pay the sum £1 each.

Method of Appointment or Election of Trustees

The directors of Severn Wye are also trustees of Severn Wye for the purposes of charity law and under the Article of Association are also members of the Council of Management.

New trustees are appointed either by the members of Severn Wye at a general meeting or by the Council of Management. One third of the members of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees

New trustees are provided with appropriate information, induction and training, taking into account the nature of Severn Wye and their previous experience in the charity sector.

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ce Code of Practice

resolved to comply with the Charity Commission's code of practice for good governance. rinciples which are considered to be necessary to qualify as a well governed charity. The essed the evidence for performance of the Board of Trustees (the Board) against each of

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essment, the trustees concluded that the Board was broadly compliant with the principles. ode of practice is to promote continual improvement and to that end the sub-committee for further improvement which have been addressed. The trustees have resolved to this cycle of review and improvement on an annual basis.

ructure and Decision Making

ters Severn Wye, meets quarterly and is responsible for the strategic direction and policy minimum of three trustees is required for a meeting to be quorate. At present there are ten riety of professional backgrounds. There are two sub-committees responsible for Finance are.

s the CEO who manages the day to day operations of Severn Wye.

a risk management strategy that comprises;
evern Wye's risk register at least once a year;
eneral risk report and register at each quarterly Council of Management meeting;
policies, systems and procedures to mitigate risks identified in the register; and
ocedures designed to minimise the potential impact should those risks materialise.

ve they have adequate procedures in place to mitigate the risks to which Severn Wye is

tified are;
Biochar project;
remains a significant issue for Severn Wye at all levels of the organisation.

ng managed by the following actions;
ecured the services of a consultant to provide additional development and construction This significantly reduces the risk to the project as Severn Wye now has overall control of ment.
ewing our existing recruitment processes as well as reviewing the reasons why staff leave e. We will be carrying out a staff survey in the summer that will hopefully identify areas taff experience can be improved.

t receive any remuneration from Severn Wye, but can claim reasonable costs for travel, ining (see Note 19).

remuneration policy to ensure fair pay and to retain suitably qualified staff to lead, nd deliver its aims. A revised pay structure was introduced from April 2023. The People & oversees the implementation of the policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Achievements and Performance

Energy prices are still rising, and the effects of climate change are becoming ever more apparent, with flooding and heatwaves becoming regular features in the UK. According to the Grantham Research Institute at the London School of Economics, we will all bear the cost of adapting to climate change, currently estimated at 1.1% of UK GDP—and projected to rise to over 3% by 2050 and 7% by 2100 if no stronger action is taken. However, it is often those who can least afford it who get stuck with higher energy bills and suffer most from cost-of-living increases.

We aim to tackle these twin problems of fuel poverty and climate change, helping those in immediate need at the same time as working for a more sustainable future through renewable and clean energy. We see more people than ever needing help and wanting to be more sustainable, and I am proud to say we are keeping pace with this change.

Our work starts with those in crisis. People who switch their heating off in winter because they cannot afford to pay their bills and whose health and livelihoods are deeply affected by the cold. Our energy advice team – whether responding to calls to our adviceline or home visits to those in need – has handled nearly 12,000 cases this year. Residents have saved money and energy as a result, but most importantly their lives have been improved.

Saving people money and energy now of course makes a difference but it does not guarantee they will not struggle again next winter. Our home retrofit programme tackles the problem at source. Installing insulation, solar panels, heat pumps and batteries saves people money every year and helps us towards the UK climate change target of cutting home energy use by 30%. This year we have enabled the retrofit of 519 inefficient homes, but there are still some 19 million on the UK waiting list.

I'm pleased to say too that we have expanded our business energy efficiency programme in England and Wales, supporting 461 businesses to reduce their energy use, with several of our successful projects having now been extended into next year.

Finally, through our innovation programme, we have commissioned our carbon-capturing power station in Warrington. The Severn Wye Biochar unit, previously known as Mersey Biochar, has the capability to produce carbon-capturing biochar from local wood waste and generate heat and electricity.

All of this is possible because of our caring and passionate colleagues. It has not always been an easy year, and I want to thank everyone at Severn Wye for their dedication and willingness to go the extra mile. Our partner organisations too are key to our success – it's a long list of companies, governments, local authorities, charities and community groups we thank also for their continuing support.

Sandy Ruthven MBE

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A year in review

This year, we leveraged £10 million in funding for home and business improvements and community support initiatives, resulting in potential lifetime savings of:

- 138 Million kWh of energy
- £15 Million of cost
- 34,000 tonnes of carbon

Advice & Support

We have reached out in particular this year to people in communities that typically fall through the net of usual sources of support.

Some struggle to understand English and are at a greater risk of falling into debt or are caught in a complicated tangle of expensive tariffs and payment demands from suppliers. Many do not have broadband or the digital skills to access bills and information online.

We have found the power of partnerships make the biggest difference to communities such as refugees and asylum seekers, travellers and those in isolated rural areas. The trust that residents already have in front-line partner organisations is proving crucial for linking our expertise, and our multi-lingual advisers and resources ensure comprehensive support for all our clients' needs.

Our work with Gloucestershire NHS is one such example: NHS Retrofit, our £500,000 partnership with Gloucestershire NHS, the county council, and Gloucestershire Housing Partnership, is piloting permanent energy efficiency solutions for people with chronic health issues to tackle cold, damp living conditions which are damaging their health. The scheme builds on the success of our ongoing 'Warmth on Prescription' initiative, which provides short-term measures like electric blankets together with energy bill subsidies.

In rural areas such as much of Wales, the absence of mains gas limits the heating choices for residents. This challenge is compounded by typically older, poorly insulated housing, creating vulnerability to either crippling energy debts or the serious health consequences of living in cold, damp conditions.

Home Energy Services

Severn Wye has been placed among the most effective delivery agents for Local Authority Delivery (LAD) and Home Upgrade Grant (HUG) schemes in the local area, responsible for approximately one third of all retrofits delivered across the West Midlands and South West regions.

In Gloucestershire and South Gloucestershire, we delivered exceptional results with 470 home retrofits through successive programmes, representing 35% of the South West's total HUG delivery and establishing one of the region's most successful schemes.

Our energy efficiency surveys and recommendations are impartial and bespoke to each home. Residents benefit from practical advice covering the spectrum of potential capital-cost measures together with an action plan to upgrade their home.

Our retrofit co-ordination services make sure all the conditions of any relevant grant funding are met, and we worked closely with funders and installers to ensure the right installations are made in every home.

Typically, Severn Wye manages the whole retrofit process, from assessing a customer's eligibility for funding through to managing their installation journey. Our energy services team oversee the installation of energy-efficient and low-carbon technologies and evaluate the performance of new measures.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Business Energy Services

Since 2017 we have supported more than 1,000 businesses and community organisations to help them achieve a step change in their energy consumption, become more resilient to fluctuations in energy prices and reduce their carbon impact.

We have been working with business owners across the region including Wiltshire, Worcestershire, Shropshire, Herefordshire, Gloucestershire, South Gloucestershire, Ceredigion and Powys. And we are showing that older buildings are just as capable of contributing to net zero as their newer counterparts, even those as old and individual as churches.

Energy & Communities

Food and fuel poverty in rural communities only adds to the challenges of living in such areas, which can lead to further physical and mental health issues.

At the heart of our work with disadvantaged communities is the goal to empower people to develop their own solutions to problems they want to address. This means listening well, identifying and leveraging existing local assets, and giving people the skills, confidence and support to take projects forward and reap long-term benefits.

Over the last 12 months, our Powys hub, The Hive, supported 4,230 families in Llandrindod Wells by providing school uniforms, clothes and equipment for under-2s, and a 'Library of Things' to local people, putting sustainability into action to support local people.

We were proud to celebrate the success of 14 Welsh communities at the conclusion of our seven-year Rural Futures project in June 2024. Groups were able to apply for up to £140,000 from The National Lottery Community Fund which in turn enabled an additional award of £1.35 million for capital improvements and other costs.

Energised Communities

Through our work on Rural Futures, we know that communities are interested in gaining equitable and reliable access to clean energy, and that's one of the issues we have started to work towards through Energised Communities.

Six of those Rural Futures participants are now taking part in this ambitious five-year programme funded by The National Lottery Community Fund which will support eight communities in Wales and two in England. We have increased our team of skilled place co-ordinators who will build community resources and keep up momentum, ensuring that these projects will be developed, delivered and owned by the groups we are working with.

The first four groups have mobilised this year, building relationships ahead of consultation events that will start their journey, with the remaining groups joining them over the next 12 months.

Innovation

Severn Wye Biochar is a carbon-capture and clean-energy project.

The initial development, at Lingley Mere business park in Warrington, was funded by the UK's Department for Energy Security and Net Zero (DESNZ) with a £5 million grant from the Direct Air Capture and Greenhouse Gas Removal innovation programme, which was finally commissioned in April 2025.

The plant has been designed to process around 4,000 tons of wood-chip feed stock per year to produce 1,000 tons of high-quality biochar.

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Financial Review

Results for the Year

The decrease in the unrestricted funds in the year of £180,552 (2024: increase of £317,817). Overall, income has increased to £10.5m, excluding the Mersey Biochar project (2024: £5.03m), the income excluding grants & Mersey Biochar has also increased to £3.94m (2024: £2.89m). On the expenditure side the grants allocated have increased along with the increased income, and expenditure elsewhere has increased to £3.99m, excluding Mersey Biochar £2.90m (2024: £3.79m).

Funding Sources

The main funding sources in the year are:

- Local Authorities (Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Gloucester County, Herefordshire, South Gloucestershire, Stroud District, Tewkesbury Borough, Wiltshire and Worcestershire) for Warm & Well and other programmes;
- National Lottery Community Fund for CREATE Your Space, Rural Futures, Working Together for Llandrindod Wells and Sustainable Steps Wales;
- Department for Energy Security and Net Zero (DESNZ) HUG 2,Mersey Biochar and SHDF funding, some via local authority;
- Clinical Commissioning Group for NHS Retrofit and Warmth on Prescription
- Energy Saving Trust for the Redress projects;
- UK SPF Funding for Boosting Ceredigion and Mid Wales BEEB projects
- Wiltshire Council for Wiltshire Business to Net Zero
- Private sector and small local bodies for one off services.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves policy and going concern

The purpose of the Reserves Policy is to ensure the stability of the ongoing operations of Severn Wye and to enable the ongoing future of Severn Wye.

Severn Wye's unrestricted funds on the 31st March 2025 amounted to £1,221,775 (2024: £1,041,223). Severn Wye's free reserves on the 31st March 2025 were £1,221,775 (2024: £995,960). The trustees expect to maintain or increase those reserves to try to achieve the target set in the Reserves Policy.

The Reserves Policy target is to have sufficient reserves to meet three months running costs, plus meet all the liabilities of the organisation and to provide sufficient cash to fund the organisation's activities. The level of resources required has been assessed at £780,000.

The charity is currently projected to increase the unrestricted funds in 2025/26 by a further £200k. The position will be under regular review by the trustees. The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and the current strategic plan, that Severn Wye is a going concern.

Investment Policy

Severn Wye is committed to maintaining sufficient funds in instant access or short notice period accounts to meet its ongoing expenditure and cashflow requirements. Any funds beyond this will be invested in low risk deposit accounts or fixed-term bonds, with notice periods not exceeding one year.

The Trustees are satisfied with the investment returns in the current year, the policy will be reviewed annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Future Developments

The new strategic plan was approved by the trustees at their meeting in February and has been implemented from the start of April 2025. The budget based on that plan was agreed at the trustee meeting in May and it anticipates an increase in Unrestricted Funds of £248k and we are currently in line with that budget.
This year we aim to have confirmed funding of over £5.5m of which £1.5m are grants to be allocated;

- Warm Homes Local Grants Gloucester to deliver energy performance and low carbon heating upgrades to low-income homes in England.;
- Warm and Well Advice line,
- NHS Retrofit, retrofitting homes to prevent health issues
- Energised Communities; this project will support vulnerable households across Ceredigion who are in or at risk of fuel poverty.

Provision of Information to the Auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are aware:

- there is no relevant audit information of which Severn Wye's auditor is unaware; and
- they have taken all the steps that they ought to have taken, as trustees, to make themselves aware of any relevant audit information and to establish that Severn Wye's auditor is aware of that information.

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

Auditor

The auditor, Bishop Fleming Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The trustees have prepared this report in accordance with the provisions applicable to companies subject to the small companies regime. This report was approved by the trustees on and signed on their behalf by.

Mareike Schmidt
Trustee

Date: 10/09/2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2025

The Trustees (who are also the directors of the Charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN WYE ENERGY AGENCY LTD

OPINION

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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 March 2025 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN WYE ENERGY AGENCY LTD (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN WYE ENERGY AGENCY LTD (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off;
- Performing walkthroughs to understand management's control environment; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
10 North Place
Cheltenham
GL50 4DW

Date:

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations		-	-	-	42,586
Charitable activities	3	**8,051,632**	**2,411,267**	**10,462,899**	7,156,046
Other Income		-	-	-	4,705
Investments	4	-	**33,530**	**33,530**	23,160
Total income		**8,051,632**	**2,444,797**	**10,496,429**	7,226,497
Expenditure on:					
Charitable activities	5	**8,013,642**	**2,302,835**	**10,316,477**	5,683,150
Total expenditure		**8,013,642**	**2,302,835**	**10,316,477**	5,683,150
Net income		**37,990**	**141,962**	**179,952**	1,543,347
Transfers between funds	14	**(38,590)**	**38,590**	-	-
Net movement in funds		**(600)**	**180,552**	**179,952**	1,543,347
Reconciliation of funds:					
Total funds brought forward		**2,454,033**	**1,041,223**	**3,495,256**	1,951,909
Total funds carried forward		**2,453,433**	**1,221,775**	**3,675,208**	3,495,256

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 37 form part of these financial statements.

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SEVERN WYE ENERGY AGENCY LTD
REGISTERED NUMBER:03830608

BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	11		**1,592,491**		2,064,002
Investments			**1**		1
			1,592,492		2,064,003
Current assets					
Debtors	12	**1,271,300**		1,207,876	
Cash at bank and in hand		**2,083,685**		2,087,947	
		3,354,985		3,295,823	
Creditors: amounts falling due within one year	13	**(1,272,269)**		(1,864,570)	
Net current assets			**2,082,716**		1,431,253
Total net assets			**3,675,208**		3,495,256
Charity funds					
Restricted funds	14		**2,453,433**		2,454,033
Unrestricted funds:					
Designated funds	14	-		45,263	
General funds	14	**1,221,775**		995,960	
Total unrestricted funds	14		**1,221,775**		1,041,223
Total funds			**3,675,208**		3,495,256

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mareike Schmidt
Trustee

Date:
The notes on pages 18 to 37 form part of these financial statements.

MS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	17	**1,105,579**	3,018,635
Cash flows from investing activities			
Dividends, interests and rents from investments		**33,530**	23,160
Purchase of tangible fixed assets		**(1,143,372)**	(2,060,932)
Net cash used in investing activities		**(1,109,842)**	**(2,037,772)**
Change in cash and cash equivalents in the year		**(4,263)**	**980,863**
Cash and cash equivalents at the beginning of the year		**2,087,948**	1,107,085
Cash and cash equivalents at the end of the year	18	**2,083,685**	2,087,948

The notes on pages 18 to 37 form part of these financial statements

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1. GENERAL INFORMATION

The company was formed on the 24th August 1999, is limited by guarantee (No 03830608) and is a registered charity (No 1083812). The company is registered in England and Wales and the registered office is 3rd Floor, Pillar & Lucy House, Merchants Road, Gloucester, GL2 5RG.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Severn Wye Energy Agency Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

The current budget for 2025/26 anticipates a reasonable unrestricted surplus.

Even if the unforeseen happens and a loss is incurred, Severn Wye has the reserves and cash to be able to cover a loss and have enough reserves and cash to go securely into 2025/26.

A draft budget has drawn up for the succeeding year. The position here is much less certain but with prudent assumptions it is hoped to achieve a breakeven position for the year. The financial position will be under regular review by the trustees along with the progress made against the strategic plan.

The trustees are of the opinion that, in the light of the level of reserves above, the new strategic plan, staff structure and budget put in place to meet the future challenges, there are no material uncertainties about the charity's ability to continue as a going concern.

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2. ACCOUNTING POLICIES (continued)

2.3 INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants Income
The charity receives two main types of grants:

Service Delivery Grants - Unrestricted grants received to enable the delivery specific services are recognised as income over the period in which the related services are delivered. Where grants are received in advance of service delivery, the income is deferred and recognised in creditors as deferred income or until the performance conditions are met. Restricted service delivery grants received are recognised at the point of receipt and held in restricted reserves until the completion of the project.

Capital Grants Grants - received for the purchase and installation of equipment at client premises are recognised as income when the funds have been received by the charity. This may occur either:
• As an upfront lump sum payment, or
• Upon submission and approval of drawdown requests
Income is recognised at the point of receipt regardless of whether the equipment has been purchased or installed.

Timing of Recognition
• Income is included in the Statement of Financial Activities when receivable, subject to meeting the recognition criteria above
• Where income is received in advance of entitlement, recognition is deferred and the amount is included in creditors as deferred income
• Where entitlement occurs before income is received, the income is accrued and included in debtors
• The balance of income received for specific purposes but not yet expended is shown in the relevant restricted funds on the Balance Sheet

Measurement
All grants are measured at the fair value of the consideration received or receivable.

Government Grant Income:
The company had the following grants from the Government which were obtained through a bid / tendering process:- the Big Lottery Fund, (Landrindod Wells, Rural Futures, Create, Sustainable Steps Wales, Energised Communities), South Gloucestershire CC (SGC Grants, Household Support Fund, Step Up S. Glos, GEEG SGC Grants, South Glos Boiler Scheme), Clinical Commissioning Group (CCG Grants), Stroud District Council (HUG2), DESNZ (HUG2, Mersey Biochar), Wiltshire Council (Wiltshire Towns).

Further details of these grants are given in the notes to the accounts.

2.4 EXPENDITURE

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT where VAT cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However the costs of the overall direction and administration of each activity is apportioned on the basis of the staff time directly attributable to that activity.

Grants paid are included in the Grant Making, in the period defined by the rules of the relevent scheme. Normally this is when the agreed work has been carried out, certified and paid for.

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2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE (CONTINUED)

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and statuatory requirements and are included within administration.

Administration include support and central functions and have been allocated to the activites on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 INTEREST RECEIVABLE

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 institution with whom the funds are deposited.

2.6 TAXATION

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

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33%	Straight line
Office & General Equipment	-	20%	Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to Plant and Machinery.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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2. ACCOUNTING POLICIES (continued)

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.13 PENSIONS

The Charity contributes to a group and individual stakeholder pension scheme for some of its employees. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the year.

2.14 FUND ACCOUNTING

Unrestricted funds are expendable at the discretion of trustees in furtherance of the objects or the administration of the charity.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund in included in the notes to the financial statements.

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3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2025 £	Unrestricted funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Energy Advice	10,840	390,500	**401,340**	356,304
Energy Services Domestic	1,037,867	264,223	**1,302,090**	726,624
Energy Advocacy	338,117	426,491	**764,608**	350,104
Energy Services Non Domestic	-	485,183	**485,183**	530,186
Grant Making	5,047,734	-	**5,047,734**	2,163,656
Wales	498,987	688,107	**1,187,094**	669,890
Energy Innovation	1,118,087	120,544	**1,238,631**	2,359,282
Administration and Governance	-	36,219	**36,219**	-
	8,051,632	2,411,267	**10,462,899**	7,156,046
TOTAL 2024	5,001,663	2,154,383	7,156,046	

4. INVESTMENT INCOME

	Unrestricted funds 2025 £	**Total funds 2025 £**	Total funds 2024 £
Bank interest receivable	33,530	**33,530**	23,160
TOTAL 2024	23,160	23,160	

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5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total 2025 £	Total 2024 £
Energy Advice	14,727	237,107	**251,834**	398,365
Energy Services Domestic	886,750	-	**886,750**	674,125
Energy Advocacy	351,931	276,411	**628,342**	440,547
Energy Services Non Domestic	-	452,541	**452,541**	600,208
Grant Making	4,556,892	-	**4,556,892**	2,604,557
Wales	441,180	434,927	**876,107**	649,730
Energy Innovation	1,762,162	-	**1,762,162**	290,932
Administration	-	901,849	**901,849**	24,686
	8,013,642	2,302,835	**10,316,477**	5,683,150
TOTAL 2024	3,574,472	2,108,678	5,683,150	

Expenditure is allocated to a particular project where the costs relate directly to that project. All other costs are allocated to each project on the basis of the staff time attributable to the project.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Energy Advice	154,388	97,446	**251,834**	398,365
Energy Services Domestic	676,107	210,643	**886,750**	674,125
Energy Advocacy	448,041	180,301	**628,342**	440,547
Energy Services Non Domestic	319,296	133,245	**452,541**	600,208
Grant Making	4,556,892	-	**4,556,892**	2,604,557
Wales	662,090	214,017	**876,107**	649,730
Energy Innovation	1,748,894	13,268	**1,762,162**	290,932
Administration	1,750,769	(848,920)	**901,849**	24,686
	10,316,477	-	**10,316,477**	5,683,150
TOTAL 2024	5,347,882	335,268	5,683,150	

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6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2025 £	Total funds 2024 £
Staff costs	**2,945,222**	2,245,934
Staff Development and Support	**476,767**	64,878
Grants & Contracts	**5,047,524**	2,856,661
Marketing	**133,468**	100,042
Travel and Accomodation	**80,746**	62,566
Insurance	**25,346**	17,801
Impairment of Mersey Biochar Project	**1,607,404**	-
TOTAL 2025	**10,316,477**	5,347,882

7. ANALYSIS OF GRANTS PAID

	Grants paid 2025 £	Total funds 2025 £	Total funds 2024 £
To institutions by projects:			
Target 2030 Wiltshire	-	-	2,052
Target 2030 Gloucestershire	-	-	56,197
TOTAL	-	-	58,249

	Grants paid 2025 £	Total funds 2025 £	Total funds 2024 £
To individuals by projects:			
CCG	81,211	**81,211**	71,258
Deloitte Digital Connect	-	**-**	1,290
GEEG SGC	19,268	**19,268**	10,884
Gloucestershire Household Support Fund	198,776	**198,776**	362,165
Herefordshire Winter Grants	39,222	**39,222**	22,945
HUG 2	3,262,829	**3,262,829**	461,807
Park Homes 202 Grants	-	**-**	317,143
Pay Warmth Forward National Grid	4,383	**4,383**	5,272
Retrofit West Voucher Scheme	263,051	**263,051**	697
South Gloucestershire Household Support Fund	74,462	**74,462**	92,139
SME support Grants	13,927	**13,927**	-
SWC HUG Grants	-	**-**	660,981
SWC LAD Grants	-	**-**	365,540
Warm Homes Fund 6	-	**-**	5,636
BEEB Grants	448,867	**448,867**	-
Warmth on Prescriptions Grants	2,916	**2,916**	168,551
Warmth on Prescriptions 2 Grants	47,218	**47,218**	-
HSF Boiler Scheme Grants	100,762	**100,762**	-
TOTAL	4,556,892	**4,556,892**	2,546,308

The grants are paid out in respect of work done for individuals and institutions, who qualify under the criteria of each project. The reimbursement of part of the cost of work are paid to the contractor once the work has been approved, completed, certified and the recipient's contribution paid by the recipient.

The support costs for the above are included in charitable activities expenditure. Please refer to the charity website for further details of grants awarded in the year. Examples of grant recipients can be found at https://target2030.co.uk/case-studies/. There were no material grants paid to any individual institution.

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8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2025 £	2024 £
Operating lease payments in respect of land & property	**45,650**	144,558
Operating lease payments in respect of equipment	**3,505**	30,227
Depreciation of tangible fixed assets	**7,479**	2,931
Fees paid to auditors	**17,500**	16,975
TOTAL	**74,134**	194,691

9. STAFF COSTS

	2025 £	2024 £
Wages and salaries	**2,563,684**	1,959,512
Social security costs	**232,600**	172,523
Contribution to defined contribution pension schemes	**148,938**	113,899
	2,945,222	2,245,934

Redundancy and settlement costs for the year were £37,585 (2024: £24,903).

The average number of persons employed by the Charity during the year was as follows:

	2025 No.	2024 No.
Average head count	**94**	80

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Average full time equivalent	**78.2**	68.8

HS

9. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	**1**	-
In the band £70,001 - £80,000	**-**	1
In the band £80,001 - £90,000	**1**	-

All Trustees and the Senior Management Team are considered to be key management personnel. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by key management personnel was £437,184 (2024: £245,013).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, expenses totalling £272 were reimbursed or paid directly to two Trustees for travel and accomodation costs incurred (2024 - £633 to one Trustee - for travel and accomodation costs incurred).

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11. TANGIBLE FIXED ASSETS

	Office & General Equipment £	Computer equipment £	Assets Under Construction £	Total £
COST OR VALUATION				
At 1 April 2024	**8,697**	**24,205**	**2,060,932**	**2,093,834**
Additions	**32,194**	**-**	**1,111,178**	**1,143,372**
Disposals	**-**	**(4,481)**	**-**	**(4,481)**
At 31 March 2025	**40,891**	**19,724**	**3,172,110**	**3,232,725**
DEPRECIATION				
At 1 April 2024	**6,176**	**23,656**	**-**	**29,832**
Charge for the year	**6,930**	**549**	**-**	**7,479**
On disposals	**-**	**(4,481)**	**-**	**(4,481)**
Impairment charge	**-**	**-**	**1,607,404**	**1,607,404**
At 31 March 2025	**13,106**	**19,724**	**1,607,404**	**1,640,234**
NET BOOK VALUE				
At 31 March 2025	**27,785**	**-**	**1,564,706**	**1,592,491**
At 31 March 2024	2,521	549	2,060,932	2,064,002

Assets Under Construction include all costs incurred that are directly attributable to prepare the Mersey Biochar Plant for its intended use.

The Mersey Biochar project is an innovative and new approach to carbon sequestration and energy generation. As such, the future of the plant is difficult to predict as the market in biochar, carbon credits and specialised feedstock supply are still in their infancy and unpredictable.

Whilst this does mean there is uncertainty in relation to the potential commercial viability of the project, the board considers that the asset has the potential to be financially viable in the long term. The executive team are seeking to secure suitable supply and offtake contracts that would ensure that the plant would be able to produce an operating surplus.

Based on the best information currently available, the board has reviewed the commercial viability of the asset and now believes that the fair value of the asset is significantly lower than the historic cost. As such, the asset has been impaired to reflect the expected future economic benefit of the asset.

The board will continue to assess the asset for impairment at each future financial reporting date and any further impairment will be reported in subsequent annual accounts.

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
Mersey Biochar Limited	14785142	Unit 15 Newent Road, Highnam, Gloucester, GL2 8DN	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Mersey Biochar Limited	1

12. DEBTORS

	2025 £	2024 £
DUE WITHIN ONE YEAR		
Trade debtors	**1,014,380**	862,756
Other debtors	**11,107**	3,640
Prepayments and accrued income	**245,813**	341,480
	1,271,300	1,207,876

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	**391,188**	1,488,929
Other taxation and social security	**160,442**	155,822
Other creditors	**32,551**	72,640
Accruals and deferred income	**688,088**	147,179
	1,272,269	1,864,570

	2025 £	2024 £
Balance at 1 April 2024	**59,239**	29,640
Amount deferred in the year	**672,691**	59,139
Amounts released in the year	**(59,239)**	(29,540)
Balance as at 31 March 2025	**672,691**	59,239

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14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
UNRESTRICTED FUNDS					
Designated Funds - all funds	45,263	30,621	(75,884)	-	-
General Funds - all funds	995,960	2,414,176	(2,226,951)	38,590	1,221,775
TOTAL UNRESTRICTED FUNDS	1,041,223	2,444,797	(2,302,835)	38,590	1,221,775
RESTRICTED FUNDS					
Energy Advice	14,001	10,840	(14,727)	(10,114)	-
Energy Services Domestic	1,218	1,037,867	(886,750)	(17,028)	135,307
Energy Advocacy	29,775	338,117	(351,931)	(8,461)	7,500
Grant Making	207,372	5,047,734	(4,556,892)	-	698,214
Wales	84,315	498,987	(441,180)	(2,987)	139,135
Energy Innovation	2,117,352	1,118,087	(1,762,162)	-	1,473,277
	2,454,033	8,051,632	(8,013,642)	(38,590)	2,453,433
TOTAL OF FUNDS	3,495,256	10,496,429	(10,316,477)	-	3,675,208

HS

14. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

The Hive - Whilst the running costs of the Hive are covered by the Llandrindod Wells BLF project, the income generated by the utilisation of the building is being set aside to meet the future costs of running the Hive once the BLF funding ceases.

Purpose of restricted Funds

Energy Advice
- Household Support Funds - see Grant Making section below.
- W&W Referral Fees - each year agreement is reached with the W&W funders as to how these fees are best utilised to help with our Affordable Warmth programme.
- W&W Support for Home Energy Advice - to provide additional adviceline support to households in Gloucestershire.

Energy Services Domestic
- SWC LAD & HUG Ancillary - funding to compliment the main project to fund small enabling works.
- Stonehouse Demonstrator - to make recommendations for the improvement of the Stonehouse Pavilion, it will also assist with funded energy efficiency support to 10 example homes in the area.
- Summerfield Trust - to provide winter care packages for people living in Gloucestershire.
- HUG 2 - see Grant Making section below.
- Revolving Retrofit Guarantee Fund - the fund was established by Stroud District Council for historic reasons, discussions are taking place to agree a future purpose.

Energy Advocacy
- Step up South Gloucestershire - Community advocate support service and an infrared camera project.
- Warmth on Prescription - see Grant Making section below.

Energy Services Non Domestic
- Target 2030 Gloucestershire - see Grant Making section below.
- Target 2030 Wiltshire - see Grant Making section below.
- Retrofit in the Marches - to work in partnership with MEA and others to provide mainly retrofit surveys in Herefordshire and Powys.

Grant Making
- GEEG SGC Grants - these are funds received from South Gloucestershire Council (SGC) and Stroud District Council (SDC) for households meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.
- CCG Grants - these are funds received from the CCG through SDC for households in Gloucestershire meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.
- Household Support Funds - to distribute grants to households in fuel poverty.
- Warm Home Funds Grants - are funded by SDC providing grants to private tenants, owner occupiers and social housing for central heating systems and insulation to improve energy efficiency.
- Rural Futures Grants - micro grants made to communities supported through the Rural Futures project.
- Target 2030 Gloucestershire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Gloucestershire and up to 35% financial assistance to help install energy saving measures.
- Target 2030 Wiltshire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Swindon & Wiltshire and up to 35% financial assistance to help- install energy saving measures.

HS

14. STATEMENT OF FUNDS (CONTINUED)

- Hereford Winter Grants - to support vulnerable residents affected by Covid-19 by making small cash payments to assist with food and essential items, such as fuel bills.
- SW LAD & HUG Fund - to provide energy efficient retrofit works to low income homes in Gloucestershire and South Gloucestershire.
- HUG 2 - to install clean heat and insulation to off gas homes.
- SGC & Glos Household Support Fund - to provide winter care bags, vouchers for Pre Paid Meters, energy debt write off and top up energy credits in the respective counties.
- Warmth on Prescription - to support vulnerable households with severe respiratory illness via grants to improve the dwelling or financial support with heating bills.
- Deloitte Digital Connect - This project explores how we can better connect with people in fuel poverty through digital communications.
- Pay Warmth Forward National Grid - to provide short-term warmth interventions for vulnerable people.
- Retrofit West Voucher Scheme - to help home owners with grants for home surveys.

Wales

- Rural Futures - Big Lottery Fund grant to support rural communities to co-produce sustainable local projects and help those communities harness their potential and build a lasting future.
- Llandrindod Wells - together for Wellbeing, working with families who are in employment, but struggling to make ends meet and balance the needs of their families. Through the project families will be enabled to co-design and co-deliver projects that can improve the quality of their lives.
- Energy Advocates Powys - Energy Advocacy work across Powys.

Innovation

- Three C - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks. The 3C project has been moved from Communities to the new Sustainable Technologies theme as it is a more appropriate classification.
- CapCall Re-Direct - to build a timber framed, green roof and living wall community structure.
- Mersey Biochar - to carry out a feasibility study into using a pyrolysis plant to develop a community-owned, carbon-negative energy solution. Now commissioned to build a prototype plant to demonstrate feasibility.

Transfer between Funds

- W&W Referral fees - the funders agreed that £89,457 could be used to fund our business support services.
- SWC LAD & HUG - the loss on these projects will be met from General Reserves.
- Three C - There is matched funding for this project from Welsh Water and Gwent Green Grids in Unrestricted Income that more than covers most of the costs, the rest is met from General Reserves.
- Target 2030 Wilts & Glos - the loss on these projects will be met from General Reserves.
- Wamth on Prescription - the loss on these projects will be met from General Reserves.
- Revolving Retrofit Guarantee Fund - the fund was set aside in previous periods

HS

14. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS					
Designated Funds	70,763	35,833	(439)	(60,894)	45,263
General Funds	652,643	2,189,001	(2,108,239)	262,555	995,960
TOTAL UNRESTRICTED FUNDS	723,406	2,224,834	(2,108,678)	201,661	1,041,223
RESTRICTED FUNDS					
Energy Advice	193,458	-	-	(179,457)	14,001
Energy Services Domestic	96,055	2,655	(9,172)	(88,320)	1,218
Energy Advocacy	125,412	77,500	(170,617)	(2,520)	29,775
Energy Services Non Domestic	-	199,362	(235,982)	36,620	-
Grant Making	643,535	2,163,656	(2,604,557)	4,738	207,372
Wales	153,593	393,472	(463,472)	722	84,315
Energy Innovation	16,450	2,165,018	(90,672)	26,556	2,117,352
	1,228,503	5,001,663	(3,574,472)	(201,661)	2,454,033
TOTAL OF FUNDS	1,951,909	7,226,497	(5,683,150)	-	3,495,256

15. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Designated funds	**45,263**	**30,621**	**(75,884)**	**-**	**-**
General funds	**995,960**	**2,414,176**	**(2,226,951)**	**38,590**	**1,221,775**
Restricted funds	**2,454,033**	**8,051,632**	**(8,013,642)**	**(38,590)**	**2,453,433**
	3,495,256	**10,496,429**	**(10,316,477)**	**-**	**3,675,208**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Designated funds	70,763	35,833	(439)	(60,894)	45,263
General funds	652,643	2,189,001	(2,108,239)	262,555	995,960
Restricted funds	1,228,503	5,001,663	(3,574,472)	(201,661)	2,454,033
	1,951,909	7,226,497	(5,683,150)	-	3,495,256

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	1,592,491	**1,592,491**
Fixed asset investments	-	1	**1**
Current assets	2,453,433	901,552	**3,354,985**
Creditors due within one year	-	(1,272,269)	**(1,272,269)**
TOTAL	2,453,433	1,221,775	**3,675,208**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	2,064,002	2,064,002
Fixed asset investments	-	1	1
Current assets	2,454,033	841,790	3,295,823
Creditors due within one year	-	(1,864,570)	(1,864,570)
TOTAL	2,454,033	1,041,223	3,495,256

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	**179,952**	1,543,347
ADJUSTMENTS FOR:		
Depreciation charges	**7,479**	2,931
Less interest received	**(33,530)**	(23,160)
Decrease/(increase) in debtors	**(63,424)**	64,858
Increase/(Decrease) in creditors	**(592,302)**	1,430,659
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**(501,825)**	3,018,635

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Bank Deposits	**2,083,685**	2,087,948
TOTAL CASH AND CASH EQUIVALENTS	**2,083,685**	2,087,948

HS

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	**2,087,947**	**(4,262)**	**2,083,685**
	2,087,947	**(4,262)**	**2,083,685**

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £148,938 (2024: £113,899). There was a liability at the year end of £25,913 (2024: £21,086).

21. OPERATING LEASE COMMITMENTS

At 31 March 2025 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	**49,155**	62,982
Later than 1 year and not later than 5 years	**58,215**	111,803
	107,370	174,785

22. RELATED PARTY TRANSACTIONS

During the prior year, one trustee, who was also a director of Severn Wye Biochar Limited (formally called Mersey Biochar Limited), resigned from both positions to take up the role as the lead project manager of the Mersey Biochar project.

The 100% shareholding of Severn Wye Biochar Limited was then transferred from the former trustee to the charity at nil consideration.

This individual is now paid for freelance services by the charity. No related party transactions occurred under this arrangement during the previous financial year.

During the current year, a director of the charity was appointed a director of Severn Wye Biochar Limited.

Sales were made during the year to a company of which a trustee is a director. These sales totalled £6,480 (2024: £Nil) and there were no amounts outstanding from this company at the year-end (2024: £Nil).

No other trustee or other person related to the charity had any other personal interest in any contract or transaction entered into by the charity in this year or the previous one.

HS

SEVERN WYE ENERGY AGENCY

England & Wales - Charity number 1083812

Accounts

severn wye

IMPACT REPORT

2023–2024

ENERGY IN A TIME OF CRISIS

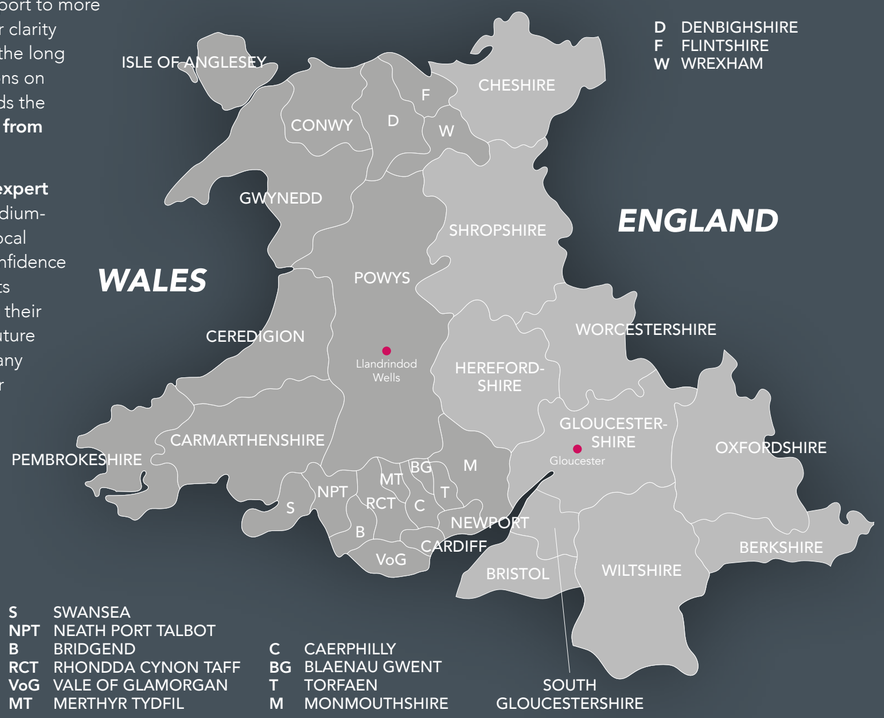
We've heard the word 'crisis' so much again this year; climate, housing, energy – the costs of daily life itself are at a record high.

For many of our clients, crisis has made itself at home – in their empty cupboards, mouldy bathrooms and freezing bedrooms. Our community-based advisers routinely see people with complex needs, well beyond managing and paying for their energy. At Severn Wye, we can't put food in the fridge but we can make sure the people we support can access all the help they need – including nearly **2,800 clients with a vulnerability through our energy adviceline and community-based support.**

Many more people are now aware of the importance of energy efficiency – perhaps we can thank fluctuating energy price caps for that. But some people eager to **invest in improving their homes** are stuck because there's too much – often conflicting – information out there to make sense of. Severn Wye is extending impartial, tailored support to more homeowners who are desperate for clarity and guidance on how to invest for the long term. This year our recommendations on home energy have given households the chance to save more than **£52,000 from their energy bills.**

And this year we've extended our **expert business support** to small- and medium-sized enterprises in Wales, giving local business owners the knowledge, confidence and expertise they need to cut costs through energy efficiency – making their companies resilient in the face of future price changes that have pushed many organisations to the brink. This year across England and Wales we've helped **140 enterprises on their net zero journey**.

Having community-based advice and advocacy, retrofit and renewable energy **expertise all under one roof** gives us a wide perspective on the energy issues facing homes and businesses in England and Wales – and a **unique ability to support** them on their sustainability journeys. And, pushing back against the belief that Britain's older building stock is beyond help, we are advising more households and businesses in historic and listed premises on their ideal retrofit solutions.



D DENBIGHSHIRE
F FLINTSHIRE
W WREXHAM

S SWANSEA
NPT NEATH PORT TALBOT
B BRIDGEND
RCT RHONDDA CYNON TAFF
VoG VALE OF GLAMORGAN
MT MERTHYR TYDFIL
C CAERPHILLY
BG BLAENAU GWENT
T TORFAEN
M MONMOUTHSHIRE

PLAYING OUR PART



Sandy Ruthven MBE
CHIEF EXECUTIVE, SEVERN WYE

Fuel poverty and climate change are two of the biggest challenges we face, and Severn Wye's mission is to play our part in tackling these crises. I am pleased to say we have had more impact this year than ever before.

While in 2023–24 the energy crisis began to subside and the cost-of-living pressures eased slightly, the government's own figures show 13% of households were in fuel poverty in 2023 in England alone; meanwhile, National Energy Action reported that half the adults across Britain turned their heat off last winter or went to bed early to stay warm. So there is little let-up for many who continue to struggle to heat their homes and stay healthy. At the same time the impacts of climate change are more pressing than ever, with extreme weather increasingly affecting the UK and the world.

In our 25th year, our energy advice work is very much on the front line of the energy crisis. But helping people get through one winter at a time is not enough: we want to change the system. Retrofitting people's homes, supporting businesses to be more energy efficient, and generating our own home-grown, carbon-free energy has been at the heart of our work at Severn Wye this year. Through grant funding and our growing 'paid for' service offer we are keeping more homes warmer and helping more businesses go green, and our cutting-edge, carbon-negative power station in Warrington is now well on the way to completion.

Our work changes lives and I am proud of our skilled and dedicated teams who rise unfailingly to the challenges we all face. This year was just the first in our new five-year strategy, to support more people, save more energy, and generate more carbon savings as our capacity grows. We doubled in size this year, growing both our numbers and the breadth of our expertise, and will continue to grow to meet the twin challenges of fuel poverty and climate change head on.



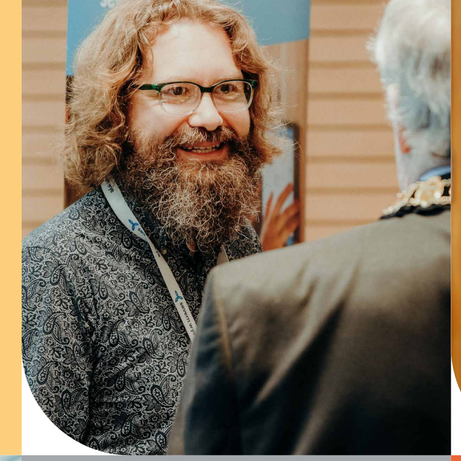
Sandy Ruthven MBE

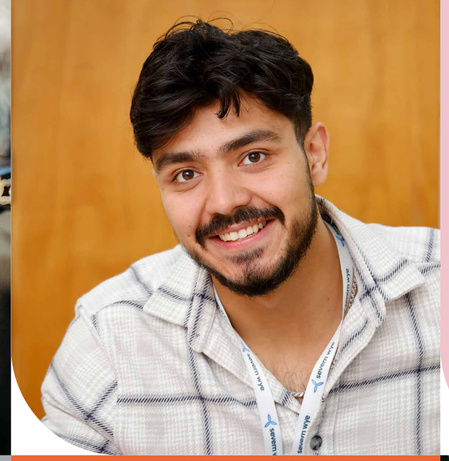
"Our work changes lives forever and I am proud of our skilled and dedicated teams who rise unfailingly to the challenges we all face."



£20,000

of debt written off after our intervention with energy companies





364

no- and low-cost measures installed by our community-based advisers



4,630

households helped by Severn Wye

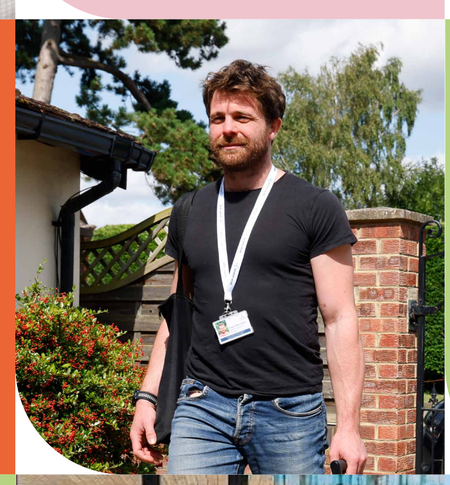


140

businesses surveyed and advised on energy efficiency

£247

saved per household through measures installed



£52,100

saved from household bills by energy-saving installations

£211,300

financial support to help people pay for energy

2,788

clients with a vulnerability



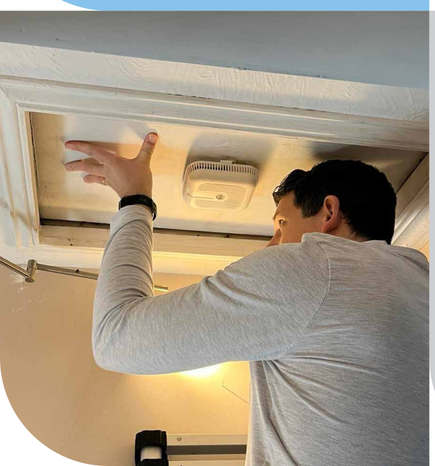
9,615

calls to home energy advice line



211

households given a survey and retrofit advice



730.6

tonnes of CO_2 saved

1,297

home visits



£1,570,000

awarded for retrofit measures



ADVICE AND SUPPORT

Energy price caps may have dropped over the last few months but demand for our services shows no sign of abating, with more than 9,600 calls to our energy advicelines.

This year again more people than ever have come to us for support with fuel poverty for the first time. Many are mired in debt and others struggle even to read their bills. Increasingly we see clients for whom English is a second language (or who speak no English), further distancing them from traditional information sources and services.

Thankfully, our energy advisers are there to help people through their crises, getting bills under control, helping people stay warm at home, and linking them with other services. The diversity of our projects makes Severn Wye uniquely positioned to provide tailored advice; from villages in isolated rural areas to city dwellers and refugees, each community has particular needs and constraints.

Our advisers have an encyclopedic knowledge – not just of energy efficiency but of the patchwork of regional funding schemes and their eligibility requirements, and how to get people further specialist support when their energy debt turns out to be only the tip of the iceberg.

It's being part of that support network that makes us so effective. The trust and credibility we share with partners, coupled with our on-the-ground knowledge, means we can work towards longer-term change.

For example, an innovative programme in partnership with the NHS – Warmth on Prescription – has helped hundreds of people who could otherwise have had lengthy stays in hospital, adding to the 'bed blocking' that in turn creates more problems. And we do this while stitching together a complex and ever-changing landscape of national and regional funding schemes that have their own goals and target audiences.

We see the frustration and stress of trying to communicate with energy companies time and again. In one case, a client had done his best to avoid debt for two years while trying to get his energy company to install a prepayment meter. Hours trying to get through, getting cut off, being passed between departments, and still not getting anywhere. With permission to advocate on his behalf, Severn Wye has been able to resolve the issues and return control to the client.

Around 90% of clients referred to us are vulnerable, often with multiple concerns. Especially for clients with chronic illness or mental health issues, getting a little thing solved means a lot.

> *We see the frustration and stress of trying to communicate with energy companies time and again."*

VOUCHING FOR THE MOST VULNERABLE

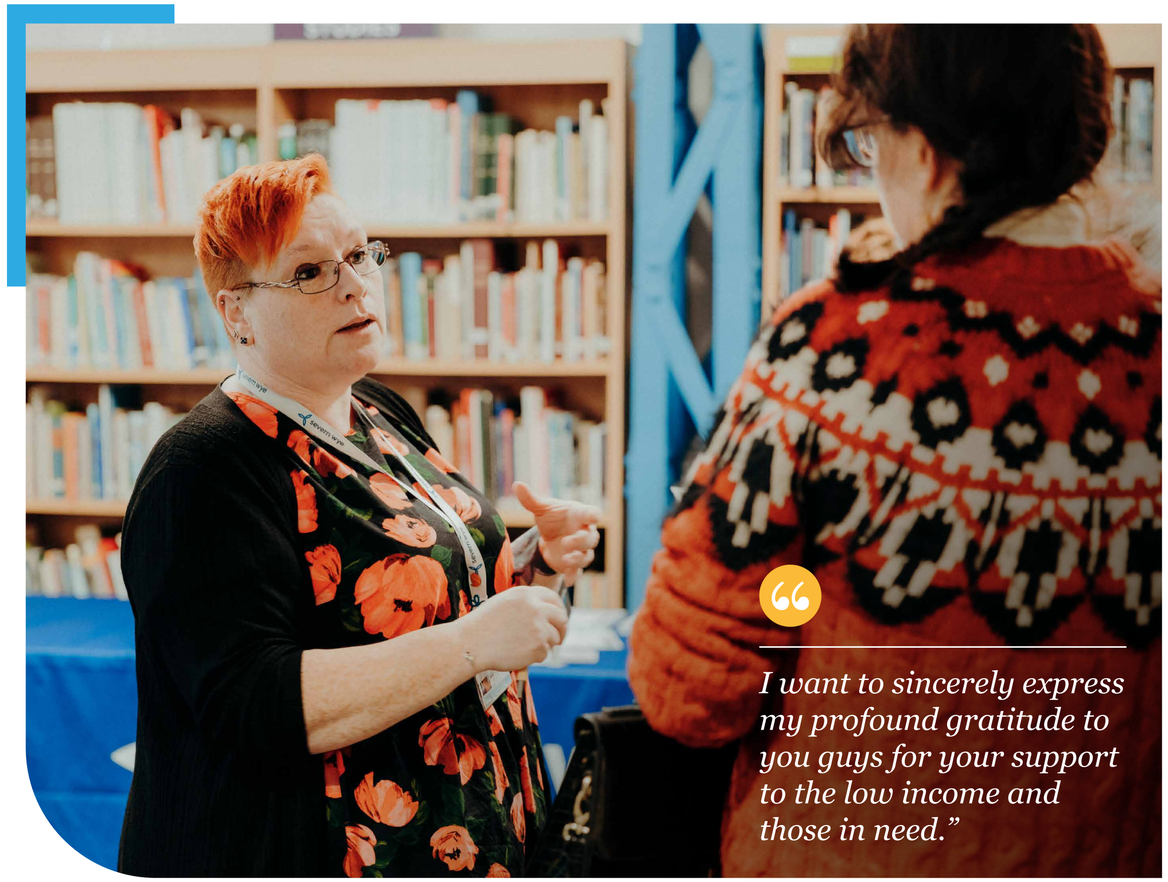
Despite living with cold radiators, one elderly client referred to us believed they had a large debt on their prepayment meters and were extremely worried about paying it back.

A home visit revealed there was no debt on the meters but this client was not making an unnecessary fuss: they couldn't read or write – and because of this they hadn't known how to turn on their heating. We issued fuel vouchers for a meter top-up to help over the coming winter, but these had to be sent to our energy adviser's phone and redeemed at the post office with the client's key and card before they could be put onto the meters. Without this hands-on help the vouchers, though much needed, would have been useless.

GIVING THE POWER BACK

An older lady referred to us by Gloucestershire County Council had limited mobility and speech, and multiple physical and mental health conditions.

When we first met her, she had a debt of more than £3,700. She did not have a payment plan and her supplier was planning to fit a prepayment meter which would have made the costs and inconvenience of heating her home even worse. With no access to appropriate advice the client had not even able to set up boiler and storage-heater programmes. When our energy adviser contacted the supplier with relevant details of the client's health, they cancelled the prepayment meter and initiated installation of a smart meter instead. The client is now making affordable monthly payments and is looking forward to clearing her debt – she knows how to programme her storage heaters too.

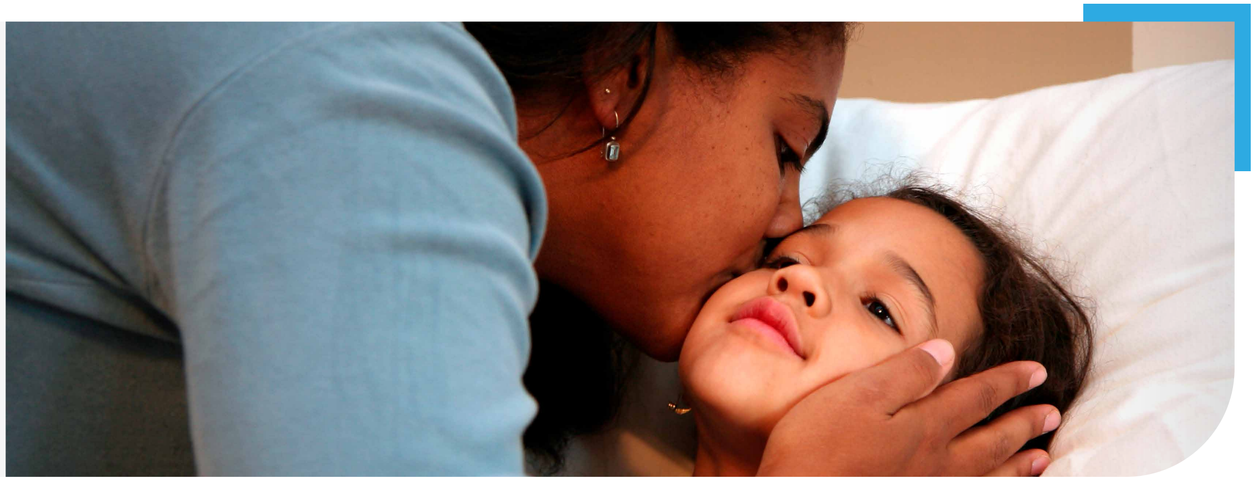


> *I want to sincerely express my profound gratitude to you guys for your support to the low income and those in need."*

WHEN CARING COSTS DOUBLE

A single mum and child with multiple health issues were referred by Gloucestershire Hospitals NHS Foundations Trust. The child's round-the-clock care relies on electric medical equipment and keeping the house heated 24/7.

The mum was using her benefits to pay for additional care leaving her nothing to cover energy bills, and fuel debt was making an already stressful life even harder. Despite their obvious need, it took our energy adviser's intervention with the supplier to cancel this client's debt and get their energy costs halved over the winter. The family's medical needs qualified them for £500 of emergency funds. While energy debts were being addressed, the client mentioned her oven was broken so her adviser helped her apply to the Household Support Fund to get a new one. The client cried with relief.



"The one-off payment really helped me at my most difficult time to get my energy bill to a manageable level again. It took away so much stress. Thank you so much!"

STEPPING OUT ON A FIRMER FOOTING

One Powys client was a young man living alone for the first time and finding life hard to navigate. For one thing his energy supplier was refusing to progress his Fuel Direct application because of a faulty smart meter – which their Smart Team repeatedly failed to sort out.

Our adviser spent an hour and a half on the phone patiently building a positive relationship with a customer services adviser to get the emergency action fast-tracked. She then stayed on to talk through the Client's other issues and alerted the initial referrer to provide further support he needed. This young client had been at his wits' end and the adviser's care meant a lot: 'Thank you for talking, sorry it's later on in the day, I just got really overwhelmed and didn't know who to talk to. You are an absolute diamond you are…I really appreciate everything you are doing.'



"Tried contacting my supplier numerous times by phone and letter and daughter's support. Only now with your support and a home visit have we finally sorted this."

NOT SO SMART?

The government estimates around four million smart meters are faulty – a statistic that comes as no surprise to us. This is another story of extreme stress and anxiety, one where English is not the client's first language, final-demand bills were piling up, and they were too worried to use the heating even on the coldest days.

It's also a story of a large utility company that frequently cut off our calls midway, didn't call back or turn up when promised, and advised us to call back in several weeks when their deadlines had already passed. For 11 months we were there at every step, making home visits to translate and support our client to make phone calls, regularly checking in and accessing £500 of Household Emergency Funds to reduce their debt – tirelessly pressing their right to decent customer service. Since our client's first call it took more than 50 weeks to get a working SMET2 pre-payment meter installed.

Just one story, and one family. We celebrated the win, but there are many more people unable to get the service they are entitled to.



"Severn Wye's Warm & Well service has been vital for some of our most vulnerable residents. They have helped us put together bids for millions of pounds of government grant funding and provided eligible households with vital insulation and heating measures."

CHRIS GILLETT,
HOUSING STANDARDS AND IMPROVEMENT MANAGER,
SOUTH GLOUCESTERSHIRE COUNTY COUNCIL

HOME ENERGY SERVICES

When it comes to understanding how energy efficient their home is, faced with the sea of often conflicting information out there, many people might simply turn to their EPC.

This short report – the Energy Performance Certificate – gives a firm score out of 100 for efficiency and helpfully lists some things you could do, in order, to improve the rating. What it doesn't consider is the occupants' behaviour, their budget, or the small – often free – things they could do right now that will make a difference.

That's why our bespoke home energy surveys and recommendations are hands-on and genuinely tailored to the needs and goals of residents – creating the potential for annual savings of £52,000 and 730 tonnes of carbon across the 200+ households we've advised this year. Our home energy advisers make sure they understand their client's budget, their sustainability priorities and how they use energy at home, so they can make the right recommendations for them – and those recommendations come in an actionable plan that gives home-owners quick wins as well as guidance on longer-term capital investments, if that's what they're interested in. Because when people want advice, just being presented with a report isn't always helpful – too much, too little, or the wrong kind of information can leave people more confused.

We also work closely with funders and installers to make sure grant funding is spent on the right installations in the right homes, staying with clients through the process and not signing off until we're sure they understand how to get the most out of their new measures. For example, HUG – the Home Upgrade Grant – is a government energy-efficiency upgrade scheme that funds the retrofit of the leakiest and most fuel-poor homes.

This year we have delivered HUG in partnership with Gloucestershire, South Gloucestershire and Herefordshire Councils. The scheme had a slow start nationally, but we have been one of the highest performing areas in England – our Gloucestershire delivery accounting for 40% of the south-west total and our Hereford work 32% of the total delivered in the West Midlands. And while we're leading on quantity, our client's own words demonstrate the quality of the difference it makes.

> *Our bespoke home energy surveys and recommendations are hands-on and genuinely tailored to the needs and goals of residents."*



LIFE-CHANGING INVESTMENT FOR CHILLY PENSIONER

One Gloucestershire resident had been in her house for about 12 years and wondered why she was so cold in the winter.

Leaflets through her door had quoted about £10,000 to upgrade the heating – way beyond the budget of a pensioner. Previously installed cavity wall insulation had made some difference, but when a friend suggested she call Severn Wye's Warm and Well adviceline – which we've run for 16 years in partnership with Gloucestershire and South Gloucestershire councils – the client discovered there was so much more help available. She now has a completely new heating system and is even generating her own energy:

> *They were very helpful and very efficient and said I was eligible for solar panels and the air source heat pump through the Home Upgrade Grant. I'm very grateful to have received the grant. Since it's been installed I've had constant hot water – because the panels are on the front and back of the house they've been generating quite a lot of electricity."*



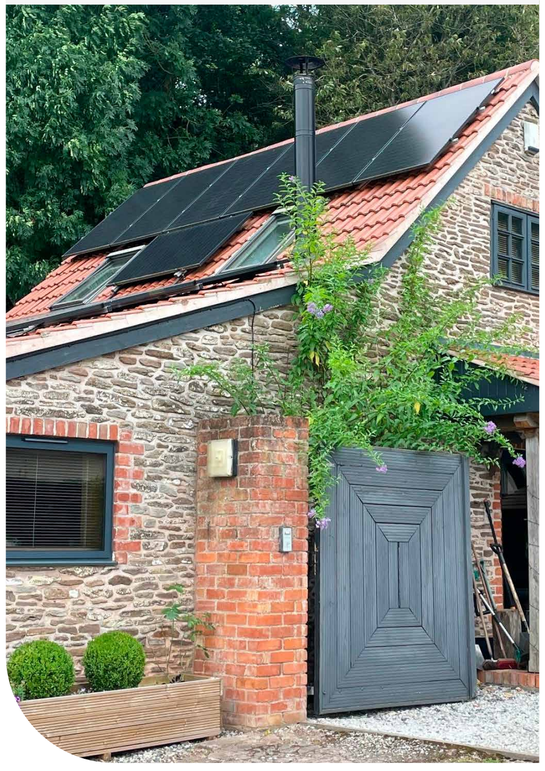
STONE COLD FOCUS ON RETROFIT

One Herefordshire family had already put in some energy saving measures into their 19th-century home but it was still proving hard to heat and the cost of running their oil-fired boiler left little money for further improvements.

They initially approached us for an up-to-date energy performance certificate and a survey to see what was possible, and were delighted to be accepted onto the Home Upgrade Grant (HUG) scheme.

One of our home energy specialists carried out their EPC survey and a thorough evaluation of which energy upgrade measures would work best for the stone cottage. Their south-facing roof was ideal for solar panels, and cavity wall insulation for newer parts of the property as well as a doubling of their existing loft insulation were all suggested as measures that would substantially reduce the couple's fuel use and carbon footprint.

> *In the first few days following the install we already noticed the difference in warmth in the house. In two dull days at the beginning of spring we halved our electricity use, and as the days lengthen the solar panels will make a substantial reduction in our energy use."*

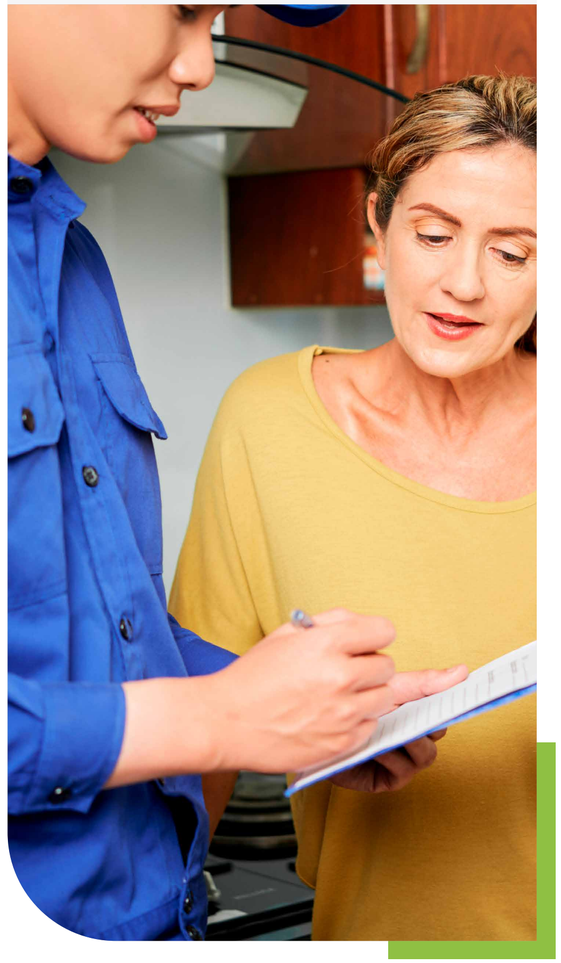


ABLE TO PAY?

This year we've ramped up our service delivery to clients looking to retrofit their own homes but stumped by generic and often promotional advice on the technologies available.

We've been carrying out grant-funded home energy surveys and making retrofit recommendations to residents and landlords in Gloucestershire and South Gloucestershire, giving clients the insight and confidence they need to take the next step.

> *More than anything else, having drowned myself in open-source research which is challenging giving how unusual my house construction is, the most valuable thing by far was having you to discuss things with in person. It has really helped clarify what I need to do to make my house as green as possible."*



> *The central heating is amazing already and I willingly wobble out of bed whenever I wake up ... I'm just so unbelievably grateful to all of you!"*

> *I am absolutely delighted with the service provided by Severn Wye Energy Agency. They did a thorough survey and came up with short-, medium-, and long-term plans for improvements. A great job all round and I'm enjoying watching my smart meter giving power back for a change!"*

BUSINESS ENERGY SERVICES

Energy efficiency is good for business, that's the bottom line. Leaner, cleaner, greener business practices attract more customers and make enterprises big and small more desirable in the supply chain.

But a 'business' can be a small local charity shop in a converted Victorian house, or a manufacturer with 200 employees and a mix of workshop, warehouse and office premises – there can be no one size of advice to fit everyone.

Our business energy specialists spend time on site to understand business goals and devise a set of recommendations that will deliver them. We're with business owners at each step, to make sure they get the full benefit of any improvements.

As more organisations take steps towards net zero we're working with an ever-widening client base that includes shops, churches, prisons, manufacturers and leisure centres. Our advice can help businesses keep the doors open in the face of unpredictable and seemingly unmanageable energy bills.

For many businesses advice is welcome but the cost of installing energy efficiency measures can be a big problem. That's why we break down our recommendations into no-cost, low-cost and capital investments that don't just tackle building fabric but look at processes, equipment and behaviours too.

June saw the close of our EU-funded Target 2030 project in Gloucestershire, Swindon and Wiltshire. We carried out energy efficiency surveys for 436 small- and medium-sized enterprises across manufacturing, hospitality, retail, sport and leisure, office and community sectors.

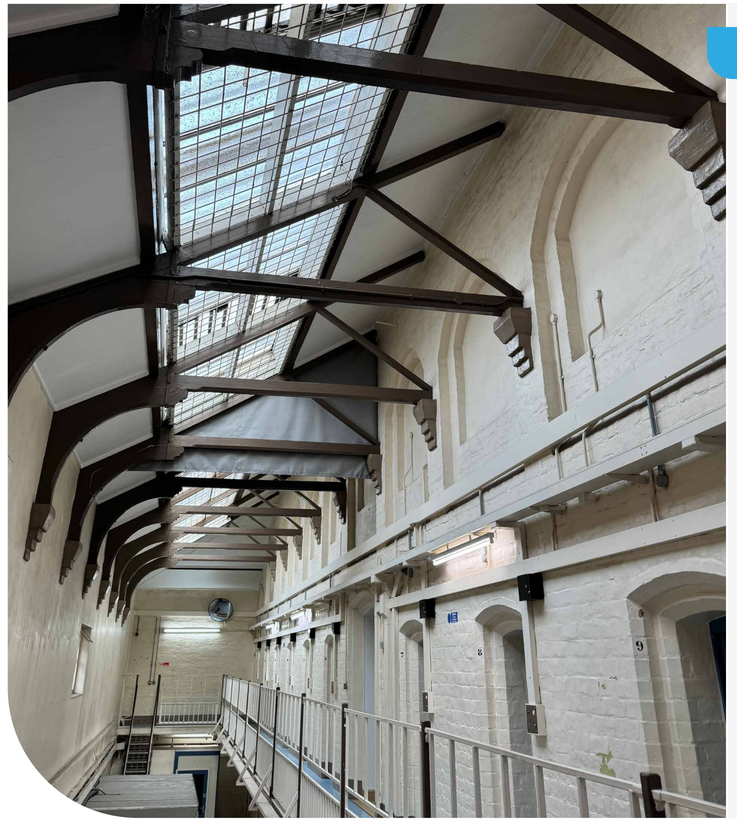
The energy-saving measures they installed based on our advice achieved a combined annual saving of £1.3 million on their energy bills. We gave out grant funding of more than £2 million and leveraged more than £4.7 million in match funding invested in energy efficiency measures, saving nearly 5,000 tonnes of CO^2 and generating 5,700kWp of renewable energy.

And this year we have also extended our energy efficiency services to small businesses and community buildings in Powys, Ceredigion, and Bannau Brycheiniog National Park.

> *We don't just tackle building fabric but look at processes, equipment and behaviours too."*



The 26.72kWp solar array installed on the roof of Deerpark Archers, Gloucestershire, as part of Target 2030.



SHREWSBURY PRISON

Decommissioned in 2013, Shrewsbury Prison is now run as an events venue which we supported through the Marches Energy Grant, an initiative of the UKSPF.

The site's reliance on electric heaters was contributing to its high running costs of around £43,000 per year and while the prison's old warm-air gas heating could be reconnected, our specialist advised it was oversized for their current needs. Instead, they recommended measures that would improve their energy efficiency to the tune of £31,000 annual savings and cut carbon emissions by 65%, including by upgrading the roof insulation in the main building and installing air source heat pumps.

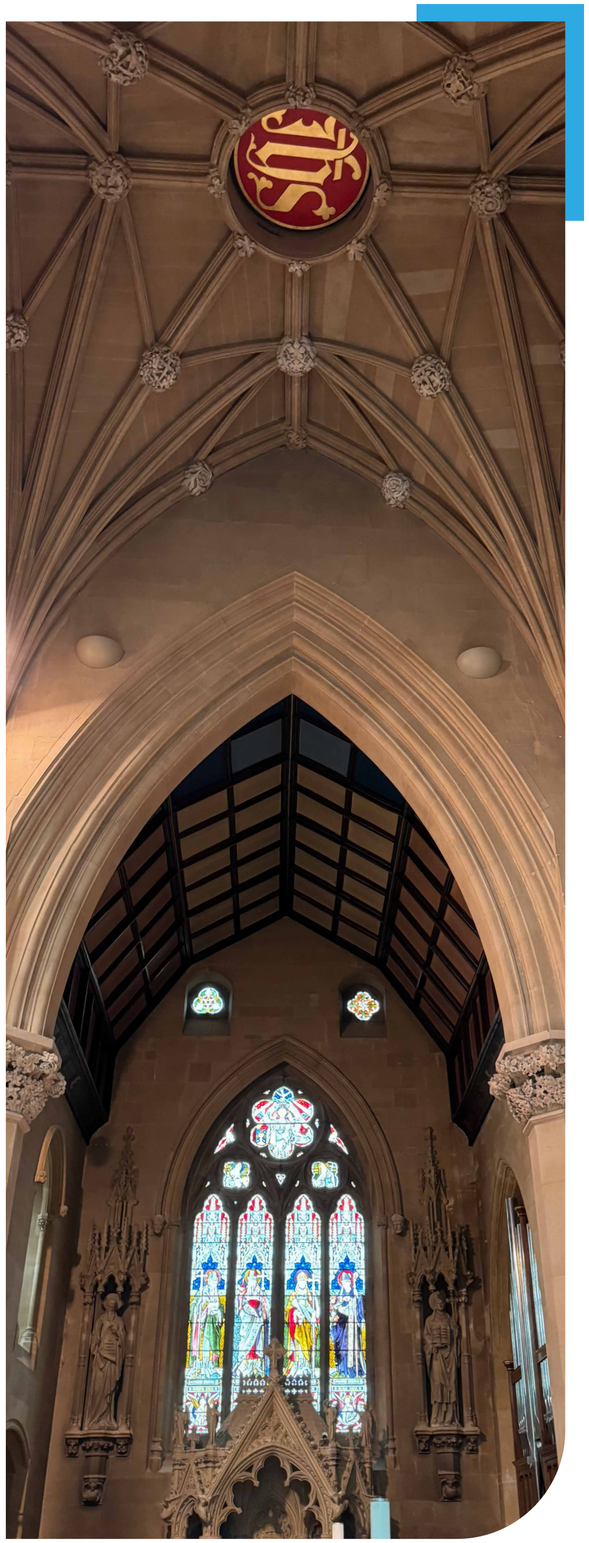
A new hotel planned for the site could increase overall energy use but is an ideal opportunity to install solar PV; the roof will have room for a 80kWp array which would save 73,000kWh a year – and if the prison follows our recommendations they can benefit from £20,000 towards these measures under the grant scheme.

BELMONT ABBEY

Extensive premises that have had different uses can have complicated heating needs, so understanding how the buildings are used is fundamental to energy efficiency.

Belmont Abbey, just outside Hereford, is a good example. The abbey is home to a small monastic community and a guesthouse, including a large commercial kitchen dating from the site's use as a school.

The monastery, guesthouse and church have separate multiple-boiler heating circuits but the electricity and gas are on single meters so it's not possible to monitor energy use on each circuit. With estimated gas use on the high side we recommended sub-meters and smart meters to monitor whether consumption matches the needs of each area of the site; for example, the church only needs to be warm when in use during winter so while its boilers are fairly new some may be surplus to requirements. The guesthouse's old and inefficient boilers, however, were an obvious priority for replacement; new condensing units here would save the abbey around £3,300 a year. And with the kitchens in daily use, efficiencies here like smart sensors in fridges and replacing worn-out hobs with induction versions, can take a tasty chunk out of catering costs too.



> *Throughout the process, the National Park Authority and Severn Wye have been extremely helpful and supportive."*

> *At the time we were looking at installing solar panels but we couldn't proceed due to the nature of our lease. Working with Severn Wye triggered our next steps."*


© Gary Pillinger/Audience Systems

AUDIENCE SYSTEMS

Audience Systems designs and manufactures auditorium seating for venues and arenas around the world. Their Wiltshire HQ is home to offices, manufacturing lines, and warehousing.

The company takes its impact on the local environment and community seriously and wants to lead the industry on environmental management. We worked with them into 2023 as part of the EU-funded Target 2030 programme. Despite their active interest in energy efficiency, our business energy report gave the company a few surprises.

'We'd upgraded to LED in the factory ages ago but had forgotten about the office,' said compliance manager Paul Rigby. 'We didn't replace like-for-like in the end as we realised we just had too many lights.'

And while the premises had gas heating, it turned out 80% of their gas was used in manufacturing processes. Based on our advice, the company applied for grant funding to complete their LED upgrade, install more efficient boilers, upgrade their air compressor, and install new gas heaters. The measures will return at least £200,000 of savings over their lifetime and save 38.8 tonnes of CO_2.

'At the time we were looking at installing solar panels,' Rigby explains, 'but we couldn't proceed due to the nature of our lease. Working with Severn Wye triggered our next steps.'

STEEPLE HOUSE

This year we have helped small businesses in Bannau Brycheiniog National Park with energy efficiency advice and grants through the Sustainable Development Fund.

Once such is Steeple House in Brecon, owned by Edmund Jones Charity, the rents from which are used to help local youngsters into further education – so energy costs have a direct impact on their charitable purpose.

When their gas boiler failed the charity turned to us for a free energy survey. Our business energy specialist saw the biggest energy-saving opportunity was the pressing need to upgrade the heating; with one of the offices still relying on expensive electric heaters a more efficient gas boiler would power new radiators in this space too. And we recommended new point-of-use electric water heaters that will reap huge savings against having to heat a whole tank of water each day. A grant of £5,000 halved the costs of the work, and the charity will save more through reduced energy use in future – not to mention cutting their carbon footprint.

'Throughout the process, the National Park Authority and Severn Wye have been extremely helpful and supportive,' says Sally Morris, Clerk to the Trustees. 'Without it, we would not have been able to make all these improvements, so a big thank you to everyone involved!'



ENERGY AND COMMUNITIES

Rural communities are often blessed with tranquillity and stunning surroundings but under the surface, at least for some, life is hard.

Food and fuel poverty, little local employment, and unreliable access to services and transport mean people struggle – and that can lead to further isolation and poor physical and mental health.

Severn Wye has many years' experience of working with isolated and disadvantaged rural communities across Wales, helping them understand their existing strengths, identify and prioritise the issues they face, and develop grassroots actions to address them. These approaches embed new skills and experience that begin to address the causes, not just the symptoms, of rural poverty.

Key to our success are the skills of our place coordinators, who are not parachuted in from HQ but spend years with the communities they support. They are skilled communicators, building trust on the ground and confidently sharing our experiences with decision-makers to influence rural policy. They played a crucial role in, among others, the seven-year Rural Futures programme which concluded this year. Rural Futures projects ranged from community gardens, hubs for activities and training, and new business opportunities, while the communities at Penmachno and Cwmllinau retrofitted existing community buildings with energy efficiency measures and installed renewables.

Another long-term scheme, Create Your Space, has seen six community groups make positive, sustainable change to their natural environment leading to a variety of approaches, including one project that is about to apply for planning permission to install a solar farm which will considerably reduce the running costs of the restored buildings associated with an old iron-working site.

Meanwhile, we have supported several communities referred to us through the EGIN programme, run by DTA Wales. By providing energy audits for community buildings, we have helped them take their first steps to tackling climate change and live more sustainably – with a particular focus on groups who might not normally feel represented or included in conversations around these issues but can be some of the most impacted.

And our Powys hub, The Hive, is the home of our Llandrindod Wells Working Together project and now firmly embedded in the local community. It provides both a physical home and a sense of stability for a range of community projects and facilities, including the baby bank, the uniform exchange, and the library of things. It's a place where people feel comfortable both donating and receiving help – enabling families to have the basics and sometimes a little more.

> *"The Create Your Space communities have all found innovative ways to make the most of the opportunities the programme has offered."*

DAVE GITTINS
SEVERN WYE DIRECTOR FOR WALES

THE HIVE

Deprivation can have a long-term impact on young people, sometimes in unexpected ways. Not having the right kit, for example, stops you taking part and can set you apart from your peer group.

A single mum of three is a frequent visitor to The Hive, and in turn donates her children's items back to us. She needed help this year so her eldest could go on the Year 6 trip to Urdd Llangrannog – a rite of passage for schoolchildren in Wales which is remembered fondly by generations of people who have been. The boy has been through a lot in his short life and his mum was desperate for him to have this positive experience, but the cost of £160 – plus outdoor clothing, snacks and pocket money for the three days – put it beyond the family budget. It looked like he would be the only one in his year not going.

From donations to The Hive we found him waterproof gear, walking boots, and other new clothes, and loaned him a cosy sleeping bag for £1, plus made a referral to the food bank to help plug the budget gap until their next benefit payment.

Next time we saw the mother, her son had just returned from Urdd Llangrannog; it had been a wonderful trip, she said, and he'd loved every minute.



The circular economy created through donation and reuse at The Hive has saved 6862.15kg from landfill equating to 160.56 tonnes of CO_2.

The uniform exchange, baby bank and children's clothing exchange have together supported more than 3,000 families, with 27,200 items given out to the value of £235,408.



CREATE YOUR SPACE

Severn Wye has spent the last seven years working with six community groups wanting to make transformational, environmental change in their communities, funded by The National Lottery Community Fund and the Welsh Government.

As each project evolved we developed a network that helped the groups learn together and share successes and failures. We then provided support as needed on business and financial planning, with a growing emphasis towards the close of the programme to helping the groups think commercially so their projects will be sustainable over the long term.

The varied projects have included Treherbert residents creating more jobs and economic opportunities based in the local woodland, and better access to outdoor spaces, through 'Welcome to our Woods', while 'Roots to Shoots' is developing brownfield sites at Brymbo for educational and recreational benefits. The group has secured significant funding to renovate furnaces and buildings associated with an old ironworking site. Severn Wye has been supporting them in meetings with funders and designers to develop a solar farm on the site.

The Our Back Yard project at Connah's Quay nurtured green spaces for local residents, making them safer and more accessible, involving and empowering local young people along the way.

A RESILIENT RURAL FUTURE

Coming to a close this year was our seven-year Rural Futures programme, funded by The National Lottery Communities Fund (TNLCF) and delivered with BRO Partnership.

We supported 14 disadvantaged Welsh communities develop grass-roots actions to address the issues they face. Our 'place coordinators' helped with engagement activities and working up ideas. Once their projects were fully developed, groups could apply for up to £140,000 from TNLCF. In all however, they ultimately leveraged an additional £1.35 million for capital improvements and other costs – demonstrating the strength of their plans and their newfound skills and confidence to 'sell' their projects to other funding bodies.

Rural Futures has generated skills, improved local employment opportunities, and reduced exclusion and isolation far more effectively than any top-down approach. Each project developed partnerships with local organisations and agencies and in many cases provided a venue for the co-location of previously unavailable services. One group presented evidence at the Senedd on the challenges they face in securing affordable housing and all the projects will have a profound legacy as we present evidence directly to decision-makers so they can design more effective rural policies.



The communities supported by Rural Futures have developed their own unique responses to the issues they face and in some cases are already considering further projects."

PETER DAVIES CBE,
CHAIR EAP

LLANDYSUL, CEREDIGION

Concerns about food security and costs led this community to create a new CIC, Yr Ardd – The Garden. The space provides:

- low-cost food and a year-round programme of training and volunteering opportunities
- a venue for young people to learn about food growing, offering vocational and social reasons to stay in the area
- capacity for lifelong learning and green prescribing.

Once we had obtained funding from the Lottery via Rural Futures, many more volunteers stepped forward to share the load."

ANDREA SANDERS, LLANDYSUL CHAIR



PENTREDŴR, DENBIGHSHIRE

Residents highlighted rural isolation and the struggles of upland sheep farms. Their new hub:

- explored innovative uses for low-value upland fleeces, including matting at farm gates, tree guards and path underlay
- brought people together to learn wool-based skills including weaving, spinning and felting
- hosted social events and workshops to reduce isolation.

This project will foster a sense of unity and connection, contributing to the wellbeing of individuals of all ages."

PLACE COORDINATOR, PENTREDŴR



DEINIOLEN, GWYNEDD

Residents wanted a space to integrate and upskill their community. To realise their ambitions they:

- renovated disused rooms at a local school using Shared Prosperity Funds to supplement Rural Futures funding
- devised events to reduce isolation, improve digital skills and integrate non-Welsh-speaking families into the community
- employed an activities coordinator to deliver their events programme.

It's important to have a clear vision that can be shared and reinforced."

GROUP MEMBER, DEINIOLEN



INNOVATION

We are working to find opportunities to generate energy ourselves and play our part in tackling the climate emergency.

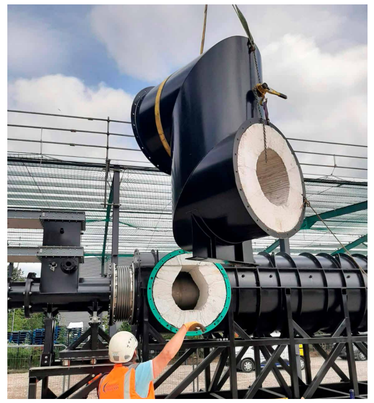
Our innovation team is at the forefront of bringing new technologies to market, in particular this year with the start of construction at Mersey Biochar, our state-of-the-art carbon-capture plant at Lingley Mere business park in Warrington.

The plant will lock away over 2,500 tonnes of carbon a year into biochar, a versatile product with a range of uses from improving soil quality to decarbonising the construction industry. Together with our project partners Pure Leapfrog, Vital Energi, Pyrocore and United Utilities, we're looking forward to demonstrating that this technology can be rolled out across the country to help tackle climate change. Once fully operational, some of the heat recovered from the plant will be recycled back into the biochar production process and the rest diverted into a district heating system, to supply buildings across the business park – a UK first. The project is funded by the UK's Department for Energy Security and Net Zero through their Direct Air Capture and Greenhouse Gas Removal innovation programme.

Meanwhile we are exploring the potential for further biochar sites in Wales, in partnership with businesses that have suitable space and demand for heating, and learning from the experience of others to create powerful energy-generation partnerships.

As a trusted charity, we are building relationships with communities including land-based industries and academia, enabling them to field-test new technologies for future development at industrial scale and to bring local benefits right now.

> *"The first bits of plant and equipment arrived in November 2023 and construction began in February 2024."*











PARTNERSHIP WORKING

Among others, in 2023–24, Severn Wye teamed up with:

AFFORDABLE WARMTH SOLUTIONS
AGE UK
AGILITY ECO
AWEL AMAN TAWE
BANNAU BRYCHEINIOG NATIONAL PARK AUTHORITY
BARNARDOS
BLENDED LEARNING INSTITUTES COOP
BRIDGEND COUNTY BOROUGH COUNCIL
BRO PARTNERSHIP
BROMFORD HOUSING
CENTRE FOR ALTERNATIVE TECHNOLOGY
CEREDIGION ASSOCIATION OF VOLUNTARY ORGANISATIONS (CAVO)
CEREDIGION COUNTY COUNCIL
CHELTENHAM BOROUGH COUNCIL
CHELTENHAM BOROUGH HOMES
CITIZENS ADVICE
COTSWOLD DISTRICT COUNCIL
DEG
DEPARTMENT FOR ENERGY SECURITY AND NET ZERO
DEPARTMENT FOR LEVELLING UP, HOUSING & COMMUNITIES
DEVELOPMENT TRUSTS ASSOCIATION WALES
DTA WALES
DWR CYMRU
ENERGY INDUSTRY VOLUNTARY REDRESS SCHEME
ENERGY SAVING TRUST
ENERGY SYSTEMS CATAPULT
EPCONNECT
EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT
EUROPEAN REGIONAL DEVELOPMENT FUND
EVOLVE HOME ENERGY SOLUTIONS
FOREST OF DEAN DISTRICT COUNCIL
FOREST RESEARCH
GFIRSTLEP
GLOUCESTERSHIRE ACTION FOR REFUGEES AND ASYLUM SEEKERS
GLOUCESTERSHIRE COUNTY COUNCIL
GWYNEDD COUNCIL
HEREFORDSHIRE COUNCIL
HEREFORDSHIRE GREEN NETWORK
HORIZON 2020
INCLUSION GLOUCESTERSHIRE
INSTITUTE OF BIOLOGICAL, ENVIRONMENTAL AND RURAL SCIENCES, ABERYSTWYTH UNIVERSITY
INTERREG NW EUROPE
LIGHTFOOT
LIZ BICKERTON CONSULTING
MARCHES ENERGY AGENCY
MONMOUTHSHIRE COUNTY COUNCIL
MONMOUTHSHIRE HOUSING ASSOCIATION
NATIONAL GRID
NATURAL RESOURCES WALES
NEWPORT CITY COUNCIL
NHS GLOUCESTERSHIRE
PLAY RADNOR
POWYS COUNTY COUNCIL
PUBLICA GROUP
PURE LEAPFROG
PYROCORE
RSK
SALIX
SOUTH GLOUCESTERSHIRE COUNCIL
SIRONA CARE & HEALTH CIC
SMART ENERGY GB
SOUTH WEST ENERGY HUB
STONEHOUSE TOWN COUNCIL
STROUD DISTRICT COUNCIL
SWINDON BOROUGH COUNCIL
TERRAFFIX
TEWKESBURY BOROUGH COUNCIL
THE NATIONAL LOTTERY COMMUNITY FUND
TURNER & TOWNSEND
UNITED UTILITIES
VITAL ENERGI
WELSH GOVERNMENT
WESTERN POWER DISTRIBUTION
WILTSHIRE COUNCIL
WORCESTERSHIRE COUNTY COUNCIL

severnwye.org.uk

Severn Wye Energy Agency is a non-profit company (no. 03830608) and registered charity (no. 1083812) toprovide households and organisations with impartial, expert advice to help them save energy, reduce carbon and create a more sustainable future.



Registered number: 03830608
Charity number: 1083812

SEVERN WYE ENERGY AGENCY LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

SEVERN WYE ENERGY AGENCY LTD

(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

Reference and Administrative Details of the Charity, its Trustees and Advisers

Trustees' Report

Independent Auditors' Report on the Financial Statements

Statement of Financial Activities

Balance Sheet

Statement of Cash Flows

Notes to the Financial Statements

SEVERN WYE ENERGY AGENCY LTD

(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees	Mareike Schmidt, Chair Christopher Bierley (appointed 1 May 2023) Richard Boyes (resigned 30 November 2023) Andrew Bull (resigned 12 January 2024) Simon Burgess (resigned 16 March 2024) Louise Cooke (resigned 21 May 2024) Vilislava Ivanova Rowena Kay Martin Smith Lomas (appointed 1 May 2023) Emma Voss (appointed 1 May 2023) Christopher Welby
Company registered number	03830608
Charity registered number	1083812
Registered office	3rd Floor Pillar & Lucy House Merchants Road Gloucester England GL2 5RG
Company secretary	Hugh Boyes
Chief executive officer	Sandy Ruthven
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	HSBC The Cross Gloucester GL1 2AP

SEVERN WYE ENERGY AGENCY LTD

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Severn Wye Energy Agency Ltd (Severn Wye) present their annual report together with the audited financial statements of the Severn Wye Energy Agency Ltd for the year 1 April 2023 to 31 March 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and Activities

Severn Wye's objects are:

The advancement of education for the public benefit in particular but not exclusively in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy and

The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and the utilisation of renewable sources of energy and

To promote sustainable development for the benefit of the public by:
I. The preservation, conservation and the protection of the environment and the prudent use of resources.
II. The relief of poverty and the improvement of the conditions of life for those socially and economically
III. disadvantaged.
IV. The promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.severnwye.org.uk.

Structure, Governance and Management

Governing Documents
Severn Wye is a company limited by guarantee, governed by its memorandum and articles of association, incorporated on the 24th August 1999 and registered with the Charity Commission on the 27th November 2000. If Severn Wye is wound up, its members are liable to pay the sum £1 each.

Method of Appointment or Election of Trustees
The directors of Severn Wye are also trustees of Severn Wye for the purposes of charity law and under the Article of Association are also members of the Council of Management.

New trustees are appointed either by the members of Severn Wye at a general meeting or by the Council of Management. One third of the member of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees
New trustees are provided with appropriate information, induction and training, taking into account the nature of Severn Wye and their previous experience in the charity sector.

Charity Governance Code of Practice
The Trustees have resolved to comply with the Charity Commission's code of practice for good governance. There are seven

principles which are considered to be necessary to qualify as a well governed charity. The trustees have formed a sub-committee who have assessed the evidence for performance of the Board of Trustees (the Board) against each of these principles:

1. Organisational purpose
2. Leadership
3. Integrity
4. Decision making, risk and control
5. Board effectiveness
6. Diversity
7. Openness and accountability

Following this assessment, the trustees concluded that the Board was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the sub-committee highlighted areas for further improvement which have been addressed. The trustees have resolved to continue to embed this cycle of review and improvement on an annual basis.

Organisational Structure and Decision Making
The Board administers Severn Wye, meets quarterly and is responsible for the strategic direction and policy of Severn Wye. A minimum of three trustees is required for a meeting to be quorate. At present there are ten trustees from a variety of professional backgrounds. There are three sub-committees responsible for Finance, People & Welfare and Governance.

The Board appoints the CEO who manages the day to day operations of Severn Wye.

Risk Management
The trustees have a risk management strategy that comprises;
- reviewing Severn Wye's risk register at least once a year;
- receiving general risk report and register at each quarterly Council of Management meeting;
- establishing policies, systems and procedures to mitigate risks identified in the register; and
- devising procedures designed to minimise the potential impact should those risks materialise.

The trustees believe they have adequate procedures in place to mitigate the risks to which Severn Wye is exposed.

The main risks identified are;
- The project management of the Mersey Biochar project;
- Recruitment remains a significant issue for Severn Wye at all levels of the organisation;
- Identifying and putting in place a long term external solution to the Hive to ensure the continuation of the projects that have been so beneficial to Llandrindod Wells.

These risks are being managed by the following actions;
- An existing member of staff has been appointed as the new Mersey Biochar Project Manager after an external recruitment process. We have also secured the services of a consultant to provide additional expertise. This significantly reduces the risk to the project as Severn Wye now has overall control of its management.
- We are reviewing our existing recruitment processes as well as reviewing the reasons why staff leave Severn Wye. We will be carrying out a staff survey in the summer that will hopefully identify areas where the staff experience can be improved;
- Funding for the Hive for the next two years has now been confirmed. This will allow plenty of time to transfer the lease to a local organisation to ensure the continuation of the projects beneficial to Llandrindod Wells and reduce any future potential liability of Severn Wye.

Pay Policy
The trustees do not receive any remuneration from Severn Wye, but can claim reasonable costs for travel, sustenance and training (see Note 9).

Severn Wye has a remuneration policy to ensure fair pay and to retain suitably qualified staff to lead, manage, support and deliver its aims. A revised pay structure was introduced from April 2023. The People & Welfare Committee oversees the implementation of the policy.

Achievements and performance

Fuel poverty and climate change are two of the biggest challenges we face and that is why Severn Wye focussed it's work in 2023/24 to play our part in tackling these crises. We are pleased to say we have had more impact than ever before.

Whilst in 23/24 the energy crisis began to subside and the cost-of-living pressures eased slightly, energy prices remained over double their cost in 2019 causing many to struggle to heat their homes and stay healthy. At the same time climate change was more present than ever with record breaking heatwaves, floods and extreme weather across the UK and the world.

We are proud that our teams reached more people than ever before this year helping those in crisis and offering long term, sustainable solutions to the problems we face.

Our Energy Advice work is on the front line of the energy provider crisis. Supporting people in their homes or over the phone to save energy, negotiate with their energy provide and, in some cases, provide emergency payments to keep the lights on.

But helping people through a crisis, one winter at a time is not enough. We want to change the system so there is no crisis in the future. Retrofitting peoples homes, supporting businesses to save energy and generating our own, home grown, carbon free energy has been at the heart of our work at Severn Wye this year. We have made more homes warmer than ever before; we have helped more businesses go green than ever before and our cutting edge, carbon negative power station in Warrington is now well on the way to completion.

This work will change lives forever and we are proud of our amazing teams who work so hard to rise to the challenges we all face. And this year was just the start of our new, 5 year strategy, to support more people, save more energy and generate more carbon savings than ever before. We doubled in size this year and we aim to grow again to meet the twin challenges of fuel poverty and climate change head on, working with our partners to create a world with a stable climate and energy for all.

1. Energy in a time of crisis

We've heard the word 'crisis' so much again this year; climate, housing, energy – the costs of daily life itself are at a record high.

For many of our clients, crisis has made itself at home – in their empty cupboards, mouldy bathrooms and freezing bedrooms. Our community-based advisers routinely see people with complex needs, well beyond managing and paying for their energy. At Severn Wye ,we can't put food in the fridge but we can make sure the people we support can access all the help they need – including nearly 2,800 clients with a vulnerability through our energy advice line and community-based support

Many more people are now aware of the importance of energy efficiency – perhaps we can thank fluctuating energy price caps for that. But some people eager to invest in improving their homes are stuck because there's too much – often conflicting – information out there to make sense of. Severn Wye is extending impartial, tailored support to more homeowners than ever desperate for clarity and guidance to invest for the long term. This year our home energy services have saved more than £52,000 from householders' energy bills.

And this year we've extended our expert business support to small- and medium-sized enterprises in Wales, giving local business owners the knowledge, confidence and expertise they need to cut costs through energy efficiency making their companies resilient in the face of future price changes that have pushed many organisations to the brink. This year across England and Wales we've helped 140 enterprises on their net zero journey.

Having community-based advice and advocacy, retrofit and renewable energy expertise all under one roof gives us a wide perspective on the energy issues facing homes and businesses in England and Wales – and a unique ability to support them on their sustainability journeys.

2. Energy advice in the community

Energy price caps may have dropped over the last few months but demand for our services shows no sign of abating. This year again more people than ever have come to us for support with fuel poverty for the first time. Many are mired in debt and having to choose between putting food on the table or staying warm. Others struggle with the basics like reading their bills, and

increasingly we see clients for whom English is a second language (or who speak no English), further distancing them from traditional information sources and services.

Thankfully, our energy advisors are there to help people through their crises: whether through home visits, community events or on the end of the phone, our advisers will go the extra mile to get bills under control, give people the advice they need, link them with other services and get people warm in their homes. The diversity of our projects makes Severn Wye uniquely positioned to provide tailored advice to people from all walks of life. From villages in isolated rural areas to city dwellers and refugees, each community has particular needs and constraints.

Our advisers have an encyclopedic knowledge – not just of energy efficiency but of the patchwork of regional funding schemes and their eligibility requirements, and how to get people further specialist support when their energy debt turns out to be only the tip of the iceberg.

It's being part of that support network – those strategic partnerships – that make us so effective. Most of the home visits we carry out start with a partner referral. The trust and credibility we share with local authorities, charities and delivery partners, coupled with our on-the-ground knowledge, means we can shift from short-term solutions to longer-term change.: our's is an holistic, cross-agency approach. For example, an innovative programme in partnership with the NHS – that keeps vulnerable patients warm at home in winter has helped hundreds of people who could otherwise have had lengthy stays in hospital – adding to the 'bed blocking' that in turn creates another set of problems. And we do this while stitching together a complex and ever-changing landscape of national and regional funding schemes that have their own goals and target audiences.

We see the frustration and stress of trying to communicate with energy companies time and again. In one case a client had done his best to avoid debt for two years while trying to get his energy company to install a prepayment meter. Hours trying to get through, getting cut off, being passed between departments, and still not getting anywhere. With permission to advocate on his behalf, Severn Wye has been able to resolve the issues and return control to the client.

Around 90% of clients referred to us are vulnerable, often with multiple concerns – not always visible or obvious – that are made much worse by cold or the stress of unmanageable bills. Especially for clients with chronic illness or mental health issues, getting a little thing solved means a lot.

3. Home Energy Services

When it comes to understanding how energy efficient their home is, many people might turn to their EPC. The energy performance certificate gives a firm score out of 100 for efficiency and helpfully lists a number of things you could do, in order, to improve the rating. What it doesn't consider is the occupants' behaviour, their budget, or the small – often free – things they could do right now that will make a difference.

When people want advice, being presented with a report isn't always helpful – too much, too little, or the wrong kind of information can leave people more confused.

Our bespoke home energy surveys and recommendations are hands-on and genuinely tailored to the needs and goals of residents. Our home energy advisers make sure they understand their client's budget, their sustainability priorities and how they use energy at home, so they can make the right recommendations for them – and those recommendation come in an actionable plan that gives home-owners quick wins as well as guidance on longer-term capital investments, if that's what they're interested in. We can unpick the EPC

We also work closely with funders and installers to make sure grant funding is spent on the right installations in the right homes, staying with clients through the process and not signing off until we're sure they understand how to get the most out of their new measures. For example HUG – the Home Upgrade Grant – is a government energy-efficiency upgrade scheme that funds the retrofit of the leakiest and most fuel-poor homes. We deliver HUG in partnership with Gloucestershire, South Gloucestershire and Herefordshire Councils. The scheme had a slow start nationally but we have been one of the highest performing areas in England; our Gloucestershire delivery accounting for 40% of the South West total and our Hereford work 32% of the total delivered in the West Midlands. And while we're leading on quantity, our client's own words demonstrate the quality of the difference it makes.

4. Business Energy Services

Energy efficiency is good for business, that's the bottom line. Leaner, cleaner, greener businesses attract more customers and make enterprises big and small more desirable in the supply chain. But a 'business' can be a small local charity shop in a converted Victorian house, or a manufacturer with 200 employees and a mix of workshop, warehouse and office premises – there can be no one size of advice to fit everyone.

Our business energy specialists walk and talk with clients, taking them on a journey from aspiration to installation. Spending time on site means we can understand business goals – such as cost-cutting, employee comfort, sustainability – and analyse energy use and budgets to devise a set of recommendations that will actually work to deliver those benefits. We talk through our reports – they don't just land as an email attachment – and we're with business owners at each step, helping assess installer quotes and checking installations to make sure businesses get the full benefit of any improvements. We also offer regular, long-term energy monitoring, and an energy-brokering service that is free at point of use – we plough any commission back into supporting local community projects.

As more organisations take steps towards net zero we're helping spread the word, though business breakfasts and networking with an ever-widening client base that includes shops, churches, prisons, manufacturers and leisure centres. Our advice can help businesses keep the doors open in the face of unpredictable and seemingly unmanageable energy bills.

For many businesses advice is welcome but the cost of installing energy efficiency measures can be a big problem. That's why we break down our recommendations into no-cost, low-cost and capital investments that don't just tackle building fabric but look at processes, equipment and behaviours too.

5. Energy and communities

Rural communities are often blessed with tranquillity and stunning surroundings but under the surface, at least for some, life is hard. Food and fuel poverty, little local employment, and unreliable access to services and transport mean people struggle – and that can lead to further isolation and poor physical and mental health.

Help can be limited, often short-term, and there remains a stigma around asking for it.

Severn Wye has many years' experience of working with isolated and disadvantaged rural communities, helping them understand their existing strengths, identify and prioritise the issues they face, and develop grassroots actions to address them. These approaches embed new skills and experience that begin to address the causes, not just the symptoms, of rural poverty.

Key to our success are the skills of our rural experts, who are not parachuted in from HQ but spend years with the communities they support. They are skilled communicators, building trust on the ground and confidently sharing our experiences with decision-makers to influence rural policy.

And our Powys hub, The Hive, is firmly embedded in the Llandrindod Wells community; a regular venue for delivery of services and the lynchpin of a circular economy where it is now unexceptional to visit for donations and loans – enabling families to have the basics and sometimes a little more.

6. Innovation

As well as cutting costs and carbon for households and organisations, we are working to find opportunities to generate energy ourselves and play our part in tackling the climate emergency. Our innovation team is at the forefront of bringing new technologies to market. This year construction began this year at Mersey Biochar, our state-of-the-art carbon-capture plant at Lingley Mere business park in Warrington. The project is the first in the UK to recycle waste heat to provide low-carbon heating to local premises. In effect we are creating carbon negative power – a key development in the fight against climate change.

The plant will lock away over 2,500 tonnes of carbon a year into biochar, a versatile product with a range of uses from improving

soil quality to decarbonising the construction industry. Every tonne of biochar produced can remove up to 3.6 tonnes of CO2 from the atmosphere and store it away for centuries. Mersey Biochar is expected to produce 71600 tonnes of biochar each year which will equate to over 2,500 tonnes of carbon reduction. We're looking forward to demonstrating that this technology can be rolled out across the country to help tackle climate change. Once fully operational, some of the heat recovered from the plant will be recycled back into the biochar production process and the rest diverted into a district heating system, to supply buildings across the business park. The project is funded by the UK's Department for Energy Security and Net Zero through their Direct Air Capture and Greenhouse Gas Removal innovation programme.

The first elements of the plant and process equipment arrived on site in November 2023 and construction is underway by consortium partners Vital Energi.

Meanwhile we are exploring the potential for further biochar sites in Wales, in partnership with businesses that have suitable space and demand for heating.

And in partnership with biochar producers, national parks and land-based businesses we are running events to share the benefits of biochar for soil improvement and pollution mitigation at local scale, including demonstrating how landowners can produce biochar for their own use or for sale.

In addition, we are beginning the journey of learning from the experience of others, we plan to combine our knowledge with other organisations' land and premises to create powerful energy-generation partnerships.

As a trusted charity, we are building relationships with communities including land-based industries and academia, enabling them to field-test new technologies, for industrial scale something and to bring local benefits right now.

Financial review

Results for the Year
The increase in the unrestricted funds in the year of £317,817 (2023: £132,112) shows further consolidation on the progress made over the last three years. Overall income has increased to £7.22m, excluding the Mersey Biochar project £5.03m (2023: £5.02m), the income excluding grants & Mersey Biochar has also increased to £2.89m (2023: £2.65m). On the expenditure side the grants allocated have increased along with the increased income, and expenditure elsewhere has decreased to £3.79m.

Funding Sources
The main funding sources in the year are:

- Local Authorities (Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Gloucester County, Herefordshire, South Gloucestershire, Stroud District, Tewkesbury Borough, Wiltshire and Worcestershire) for Warm & Well and other programmes;
- European Regional Development Fund (ERDF) via Wiltshire and Gloucestershire CC for T2030 projects;
- European Commission for the 3C project;
- National Lottery Community Fund for CREATE Your Space, Rural Futures, Working Together for Llandrindod Wells and Sustainable Steps Wales;
- Department for Business, Energy & Industrial Strategy (BEIS) for the GHG LAD 1b, Sustainable Warmth Competition HUG & LAD, HUG 2, Mersey Biochar and SHDF funding, some via local authority;
- Clinical Commissioning Group for Warm Homes Fund and Build 2 Low Carbon;
- Energy Saving Trust for the Redress projects;
- Private sector and small local bodies for one off services.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves policy and going concern
The purpose of the Reserves Policy is to ensure the stability of the ongoing operations of Severn Wye and to enable the ongoing future of Severn Wye.

Severn Wye's unrestricted funds on the 31 March 2024 amounted to £1,041,223 (2023: £723,406). Severn Wye's free reserves on the 31 March 2024 were £995,960 (2023: £652,643). The trustees expect to maintain or increase those reserves to try to achieve the target set in the Reserves Policy.

The Reserves Policy target is to have sufficient reserves to meet 3-6 months running costs, plus meet all the liabilities of the organisation and to provide sufficient cash to fund the organisation's activities. Whilst falling short of the overall target of £1,000,000, the reserves are more than sufficient to meet the latter two aspirations. The Board of Trustees regularly review and monitor the Reserves Policy and aim to move towards a more risk-based policy within the next financial year.

Within restricted funds is an amount of £2,060,932 that is classified as Energy Innovation. This relates to the development of a Biochar facility, as described in note 11 and note 14. This asset relates to new technology, and although the trustees believe it to be commercially viable there are a number of uncertainties around future income generation. If the asset were to be impaired it would not be expected to have any significant impact on the free reserves of the charity.

The charity is currently projected to increase the unrestricted funds in 2024/25 by a further £75k. The position will be under regular review by the trustees.

The board are pleased to confirm that we believe Severn Wye remains a going concern for the coming 12 months. This assurance is based on our robust financial reserves that fall within our reserves policy and a healthy cash flow, which together provide the necessary stability and resources to continue our vital work.

Investment Policy
Severn Wye is committed to maintaining sufficient funds in instant access or short notice period accounts to meet its ongoing expenditure and cashflow requirements. Any funds beyond this will be invested in low risk deposit accounts or fixed-term bonds, with notice periods not exceeding one year.

The Trustees are satisfied with the investment returns in the current year, the policy will be reviewed annually.

Future Developments
The new strategic plan was approved by the trustees at their meeting in February and has been implemented from the start of April 2024. The budget based on that plan was agreed at the trustee meeting in May and it anticipates an increase in Unrestricted Funds by £75k and we are currently in line with that budget.

This year we look to have confirmed funding of over £7.7m of which £3.1m are grants to be allocated;

- HUG 2, to install clean heat and insulation to 300 Off Gas homes;
- Energy Aware Communities, to provide energy advocacy services to households in Gloucestershire and Herefordshire;
- Social Housing Demonstrator Fund, Wave Phases 1 & 2 to provide retrofit coordination services to support the delivery of the Whole House Retrofit Demonstrator project in Stroud and Cheltenham;
- Mersey Biochar Phase 2, to build and run a prototype plant for the production of biochar from forestry waste for carbon capture, sequestration and utilisation in the district heating scheme.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 11 September 2024 and signed on their behalf by:

Mareike Schmidt
Trustee

Emma Voss
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN WYE ENERGY AGENCY LTD (CONTINUED)

OPINION

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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 March 2024 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 Auditors' 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, except to the extent otherwise explicitly stated in our report, 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut-off.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company’s ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off;
- Performing walkthroughs to understand management's control environment; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and

remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

9 October 2024

SEVERN WYE ENERGY AGENCY LTD

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations		-	**42,586**	**42,586**	6,362
Charitable activities	3	**5,001,663**	**2,154,383**	**7,156,046**	6,678,747
Other Income		-	**4,705**	**4,705**	5,909
Investments	4	-	**23,160**	**23,160**	4,180
Total income		**5,001,663**	**2,224,834**	**7,226,497**	6,695,198
Expenditure on:					
Charitable activities	5	**3,574,472**	**2,108,678**	**5,683,150**	6,330,097
Total expenditure		**3,574,472**	**2,108,678**	**5,683,150**	6,330,097
Net income		**1,427,191**	**116,156**	**1,543,347**	365,101
Transfers between funds	14	**(201,661)**	**201,661**	-	-
Net movement in funds		**1,225,530**	**317,817**	**1,543,347**	365,101
Reconciliation of funds:					
Total funds brought forward		**1,228,503**	**723,406**	**1,951,909**	1,586,808
Total funds carried forward		**2,454,033**	**1,041,223**	**3,495,256**	1,951,909

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 37 form part of these financial statements.

SEVERN WYE ENERGY AGENCY LTD
REGISTERED NUMBER:03830608

BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	11		**2,064,002**		6,001
Investments			**1**		-
			2,064,003		6,001
Current assets					
Debtors	12	**1,207,876**		1,272,733	
Cash at bank and in hand		**2,087,947**		1,107,085	
		3,295,823		2,379,818	
Creditors: amounts falling due within one year	13	**(1,864,570)**		(433,910)	
Net current assets			**1,431,253**		1,945,908
Total net assets			**3,495,256**		1,951,909
Charity funds					
Restricted funds	14		**2,454,033**		1,228,503
Unrestricted funds:					
Designated funds	14	**45,263**		70,763	
General funds	14	**995,960**		652,643	
Total unrestricted funds	14		**1,041,223**		723,406
Total funds			**3,495,256**		1,951,909

SEVERN WYE ENERGY AGENCY LTD
REGISTERED NUMBER:03830608

BALANCE SHEET
AS AT 31 MARCH 2024

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

The financial statements were approved and authorised for issue by the Trustees on 11 September 2024 and signed on their behalf by:

Mareike Schmidt
Trustee

Emma Voss
Trustee

The notes on pages 17 to 37 form part of these financial statements.

SEVERN WYE ENERGY AGENCY LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	17	**3,018,635**	269,318
Cash flows from investing activities			
Dividends, interests and rents from investments		**23,160**	4,180
Purchase of tangible fixed assets		**(2,060,932)**	-
Net cash (used in)/provided by investing activities		**(2,037,772)**	**4,180**
Change in cash and cash equivalents in the year		**980,863**	**273,498**
Cash and cash equivalents at the beginning of the year		**1,107,085**	833,587
Cash and cash equivalents at the end of the year	18	**2,087,948**	1,107,085

The notes on pages 17 to 37 form part of these financial statements

1. GENERAL INFORMATION

The company was formed on the 24th August 1999, is limited by guarantee (No 03830608) and is a registered charity (No 1083812). The company is registered in England and Wales and the registered office is 3rd Floor, Pillar & Lucy House, Merchants Road, Gloucester, GL2 5RG.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Severn Wye Energy Agency Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

Severn Wye has demonstrated that it was able to cope with the effects of Covid-19. The war in Ukraine and the subsequent increase in utility costs has resulted in high demand for our services.

The current budget for 2024/25 anticipates a reasonable unrestricted surplus.

Even if the unforeseen happens and a loss is incurred, Severn Wye has the reserves and cash to be able to cover a loss and have enough reserves and cash to go securely into 2024/25.

A draft budget has drawn up for the succeeding year. The position here is much less certain but with prudent assumptions it is hoped to achieve a breakeven position for the year. The financial position will be under regular review by the trustees along with the progress made against the strategic plan.

The trustees are of the opinion that, in the light of the level of reserves above, the new strategic plan, staff structure and budget put in place to meet the future challenges, there are no material uncertainties about the charity's ability to continue as a going concern.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Government Grant Income:

The company had the following grants from the Government which were obtained through a bid / tendering process:- the Big Lottery Fund, (Landrindod Wells, Rural Futures, Create, Sustainable Steps Wales), South Gloucestershire CC (SGC Grants, Household Support Fund, Step Up S. Glos, GEEG SGC Grants), Clinical Commissioning Group (CCG Grants), Warm Homes Fund (Warm Homes Grants), ERDF (Target 2030 Grants), Herefordshire Council (Keep Herefordshire Warm, Hereford Winter Grants, 30 for 2030, FRH Surveys), Stroud District Council (Winter Grants, Park Home Grants, SHDF Wave), Welsh Gov (went Green Grids, SCW), BEIS (GHG LAD 1a & LAD 1b Glos, SHOF Wave, SWC LAD & HUG, Mersey Biochar),

Further details of these grants are given in the notes to the accounts. The grants are recognised when the charity is in receipt of the grant, is entitled to that funding and there are no specific contingencies.

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT where VAT cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the costs of the overall direction and administration of each activity is apportioned on the basis of the staff time directly attributable to that activity.

Grants paid are included in the Grant Making, in the period defined by the rules of the relevant scheme. Normally this is when the agreed work has been carried out, certified and paid for.

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and statutory requirements and are included within administration.

Administration includes support and central functions and have been allocated to the activities on a basis consistent with the use of resources.

2.5 INTEREST RECEIVABLE

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 institution with whom the funds are deposited.

2.6 TAXATION

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

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost less depreciation. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33%	Straight line
Office & General Equipment	- 20%	Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to Plant and Machinery.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. ACCOUNTING POLICIES (continued)

2.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.13 PENSIONS

The Charity contributes to a group and individual stakeholder pension scheme for some of its employees. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the year.

2.14 FUND ACCOUNTING

Unrestricted funds are expendable at the discretion of trustees in furtherance of the objects or the administration of the charity.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund in included in the notes to the financial statements.

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2024 £	Unrestricted funds 2024 £	**Total funds 2024 £**	Total funds 2023 £
Energy Advice	-	356,304	**356,304**	702,743
Energy Services Domestic	2,656	723,968	**726,624**	334,206
Energy Advocacy	77,500	272,604	**350,104**	260,171
Energy Services Non Domestic	199,362	330,824	**530,186**	522,448
Grant Making	2,163,656	-	**2,163,656**	2,379,710
Wales	393,472	276,418	**669,890**	526,903
Energy Innovation	2,165,017	194,265	**2,359,282**	1,952,566
	5,001,663	2,154,383	**7,156,046**	6,678,747
TOTAL 2023				
	5,301,327	1,377,420	6,678,747	

4. INVESTMENT INCOME

	Unrestricted funds 2024 £	**Total funds 2024 £**	Total funds 2023 £
Bank interest receivable	23,160	**23,160**	4,180
TOTAL 2023			
	4,180	4,180	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	**Total 2024 £**	Total 2023 £
Energy Advice	-	398,365	**398,365**	522,807
Energy Services Domestic	9,172	664,953	**674,125**	392,992
Energy Advocacy	170,617	269,930	**440,547**	271,486
Energy Services Non Domestic	235,982	364,226	**600,208**	555,435
Grant Making	2,604,557	-	**2,604,557**	2,132,501
Wales	463,472	186,258	**649,730**	525,915
Energy Innovation	90,672	200,260	**290,932**	1,928,961
Administration	-	24,686	**24,686**	-
	3,574,472	2,108,678	**5,683,150**	6,330,097
TOTAL 2023	6,238,962	91,135	6,330,097	

Expenditure is allocated to a particular project where the costs relate directly to that project. All other costs are allocated to each project on the basis of the staff time attributable to the project.

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Energy Advice	300,412	97,953	**398,365**	522,807
Energy Services Domestic	544,081	130,044	**674,125**	392,992
Energy Advocacy	351,800	88,747	**440,547**	271,486
Energy Services Non Domestic	472,838	127,370	**600,208**	555,435
Grant Making	2,604,557	-	**2,604,557**	2,132,501
Wales	536,840	112,890	**649,730**	525,915
Energy Innovation	167,965	122,967	**290,932**	1,928,961
Administration	369,389	(344,703)	**24,686**	-
	5,347,882	335,268	**5,683,150**	6,330,097
TOTAL 2023	6,060,978	269,119	6,330,097	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Total funds 2024 £	Total funds 2023 £
Staff costs	**2,245,934**	1,754,404
Staff Development and Support	**64,878**	145,433
Grants & Contracts	**2,856,661**	4,020,251
Marketing	**100,042**	73,232
Travel and Accommodation	**62,566**	55,539
Insurance	**17,801**	12,119
TOTAL 2024		
	5,347,882	6,060,978

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2024 £	Total funds 2023 £
Depreciation	**2,931**	5,432
Insurance	**8,956**	8,143
Bank Charges	**2,083**	2,007
Office Overheads	**86,086**	70,549
Staff Development and Support	**9,749**	15,937
Premises Costs	**56,078**	53,074
IT Costs	**86,628**	62,950
Travel and Accommodation	**9,185**	10,666
Legal and Professional	**71,211**	35,132
Forex Gain/ Loss Realised	**2,361**	5,229
TOTAL 2024		
	335,268	269,119

7. ANALYSIS OF GRANTS PAID

	Grants paid 2024 £	**Total funds 2024 £**	Total funds 2023 £
To institutions by projects:			
Rural Futures Grants	-	**-**	4,149
Target 2030 Wiltshire	2,052	**2,052**	235,069
Target 2030 Gloucestershire	56,197	**56,197**	435,993

ANALYSIS OF GRANTS PAID (CONTINUED)

	Grants paid 2024 £	Total funds 2024 £	Total funds 2023 £
To individuals by projects:			
CCG	71,258	**71,258**	54,538
Deloitte Digital Connect	1,290	**1,290**	-
GEEG SGC	10,884	**10,884**	2,941
Gloucestershire Household Support Fund	362,165	**362,165**	419,773
Herefordshire Winter Grants	22,945	**22,945**	98,060
HUG 2	461,807	**461,807**	-
Park Homes 202 Grants	317,143	**317,143**	-
Pay Warmth Forward National Grid	5,272	**5,272**	-
Retrofit West Voucher Scheme	697	**697**	-
South Gloucestershire Household Support Fund	92,139	**92,139**	73,449
Stroud District Council Winter Grants	-	**-**	6,400
SWC HUG Grants	660,981	**660,981**	470,924
SWC LAD Grants	365,540	**365,540**	175,523
Warm Homes Fund 6	5,636	**5,636**	22,543
Warm Homes Fund	-	**-**	63,498
Warmth on Prescriptions Grants	168,551	**168,551**	69,641
TOTAL			
	2,546,308	**2,546,308**	1,457,290
TOTAL GRANTS PAID			
	2,604,557	2,604,557	

The grants are paid out in respect of work done for individuals and institutions, who qualify under the criteria of each project. The reimbursement of part of the cost of work are paid to the contractor once the work has been approved, completed, certified and the recipient's contribution paid by the recipient.

The support costs for the above are included in charitable activities expenditure. Please refer to the charity website for further details of grants awarded in the year. Examples of grant recipients can be found at https://target2030.co.uk/case-studies/. There were no material grants paid to any individual institution.

9. STAFF COSTS (CONTINUED)

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease payments in respect of land & property	**144,558**	41,314
Operating lease payments in respect of equipment	**30,227**	40,095
Depreciation of tangible fixed assets	**2,931**	5,433
Fees paid to auditors for:		
- Audit	**16,975**	9,500
- Non Audit	**-**	3,377
TOTAL	**194,691**	99,719

9. STAFF COSTS

	2024 £	2023 £
Wages and salaries	**1,959,512**	1,535,169
Social security costs	**172,523**	137,354
Contribution to defined contribution pension schemes	**113,899**	81,881
	2,245,934	1,754,404

Redundancy and settlement costs for the year were £24,903 (2023: £10,127)

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Average head count	**80**	64

The average headcount expressed as full-time equivalents was:

9. STAFF COSTS (CONTINUED)

	2024 No.	2023 No.
Average full time equivalent	**68.8**	54.3

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
In the band £60,001 - £70,000	**-**	1
In the band £70,001 - £80,000	**1**	-

All Trustees and the Senior Management Team are considered to be key management personnel. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by key management personnel was £245,013 (2023: £226,556).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL-).

During the year ended 31 March 2024, expenses totalling £633 were reimbursed or paid directly to two Trustees (2023 - £100 to one Trustee - for travel and accommodation costs incurred).

11. TANGIBLE FIXED ASSETS

	Office & General Equipment £	Computer equipment £	Assets Under Construction £	Total £
COST OR VALUATION				
At 1 April 2023	**8,697**	**24,205**	**-**	**32,902**
Additions	**-**	**-**	**2,060,932**	**2,060,932**
At 31 March 2024	**8,697**	**24,205**	**2,060,932**	**2,093,834**
DEPRECIATION				
At 1 April 2023	**4,550**	**22,351**	**-**	**26,901**
Charge for the year	**1,626**	**1,305**	**-**	**2,931**
At 31 March 2024	**6,176**	**23,656**	**-**	**29,832**
NET BOOK VALUE				
At 31 March 2024	**2,521**	**549**	**2,060,932**	**2,064,002**
At 31 March 2023	4,147	1,854	-	6,001

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
Mersey Biochar Limited	14785142	Unit 15 Newent Road, Highnam, Gloucester, GL2 8DN	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Mersey Biochar Limited	**1**

12. DEBTORS

	2024 £	2023 £
DUE WITHIN ONE YEAR		
Trade debtors	**862,756**	1,046,744
Other debtors	**3,640**	-
Prepayments and accrued income	**341,480**	225,989
	1,207,876	1,272,733

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	**1,488,929**	119,932
Other taxation and social security	**155,822**	115,716
Other creditors	**72,640**	80,336
Accruals and deferred income	**147,179**	117,926
	1,864,570	433,910

	2024	2023
	£	£
Balance at 1 April 2023	**29,540**	64,751
Amount deferred in the year	**59,139**	29,540
Amounts released in the year	**(29,540)**	(64,751)
Balance as at 31 March 2024	**59,139**	29,540

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
UNRESTRICTED FUNDS					
Designated Funds	70,763	35,833	(439)	(60,894)	45,263
General Funds	652,643	2,189,001	(2,108,239)	262,555	995,960
TOTAL UNRESTRICTED FUNDS	723,406	2,224,834	(2,108,678)	201,661	1,041,223
RESTRICTED FUNDS					
Energy Advice	193,458	-	-	(179,457)	14,001
Energy Services Domestic	96,055	2,655	(9,172)	(88,320)	1,218
Energy Advocacy	125,412	77,500	(170,617)	(2,520)	29,775
Energy Services Non Domestic	-	199,362	(235,982)	36,620	-
Grant Making	643,535	2,163,656	(2,604,557)	4,738	207,372
Wales	153,593	393,472	(463,472)	722	84,315
Energy Innovation	16,450	2,165,018	(90,672)	26,556	2,117,352
	1,228,503	5,001,663	(3,574,472)	(201,661)	2,454,033
TOTAL OF FUNDS	1,951,909	7,226,497	(5,683,150)	-	3,495,256

14. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

- **The Hive** - Whilst the running costs of the Hive are covered by the Llandrindod Wells BLF project, the income generated by the utilisation of the building is being set aside to meet the future costs of running the Hive once the BLF funding ceases.

Purpose of restricted Funds

Energy Advice

- **Household Support Funds** - see Grant Making section below.
- **W&W Referral Fees** - each year agreement is reached with the W&W funders as to how these fees are best utilised to help with our Affordable Warmth programme.
- **W&W Support for Home Energy Advice** - to provide additional adviceline support to households in Gloucestershire.

Energy Services Domestic

- **SWC LAD & HUG Ancillary** - funding to compliment the main project to fund small enabling works.
- **Stonehouse Demonstrator** - to make recommendations for the improvement of the Stonehouse Pavilion, it will also assist with funded energy efficiency support to 10 example homes in the area.
- **Summerfield Trust** - to provide winter care packages for people living in Gloucestershire.
- **HUG 2** - see Grant Making section below.
- **Revolving Retrofit Guarantee Fund** - the fund was established by Stroud District Council for historic reasons, discussions are taking place to agree a future purpose.

Energy Advocacy

- **Step up South Gloucestershire** - Community advocate support service and an infrared camera project.
- **Warmth on Prescription** - see Grant Making section below.

Energy Services Non Domestic

- **Target 2030 Gloucestershire** - see Grant Making section below.
- **Target 2030 Wiltshire** - see Grant Making section below.
- **Retrofit in the Marches** - to work in partnership with MEA and others to provide mainly retrofit surveys in Herefordshire and Powys.

Grant Making

- **GEEG SGC Grants** - these are funds received from South Gloucestershire Council (SGC) and Stroud District Council (SDC) for households meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.
- **CCG Grants** - these are funds received from the CCG through SDC for households in Gloucestershire meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.
- **Household Support Funds** - to distribute grants to households in fuel poverty.
- **Warm Home Funds Grants** - are funded by SDC providing grants to private tenants, owner occupiers and social housing for central heating systems and insulation to improve energy efficiency.
- **Rural Futures Grants** - micro grants made to communities supported through the Rural Futures project.
- **Target 2030 Gloucestershire** - offers up to 5 days energy efficiency consultation to small and medium enterprises in Gloucestershire and up to 35% financial assistance to help install energy saving measures.
- **Target 2030 Wiltshire** - offers up to 5 days energy efficiency consultation to small and medium enterprises in Swindon & Wiltshire and up to 35% financial assistance to help- install energy saving

14. STATEMENT OF FUNDS (CONTINUED)

measures.

- **Hereford Winter Grants** - to support vulnerable residents affected by Covid-19 by making small cash payments to assist with food and essential items, such as fuel bills.
  SW LAD & HUG Fund- to provide energy efficient retrofit works to low income homes in Gloucestershire and South Gloucestershire.
- **HUG 2** - to install clean heat and insulation to off gas homes.
- **SGC & Glos Household Support Fund** - to provide winter care bags, vouchers for Pre Paid Meters, energy debt write off and top up energy credits in the respective counties.
- **Warmth on Prescription** - to support vulnerable households with severe respiratory illness via grants to improve the dwelling or financial support with heating bills.
- **Deloitte Digital Connect** - This project explores how we can better connect with people in fuel poverty through digital communications.
- **Pay Warmth Forward National Grid** - to provide short-term warmth interventions for vulnerable people
- **Retrofit West Voucher Scheme** - to help home owners with grants for home surveys.

Wales

- **Rural Futures** - Big Lottery Fund grant to support rural communities to co-produce sustainable local projects and help those communities harness their potential and build a lasting future.
- **Llandrindod Wells** - together for Wellbeing, working with families who are in employment, but struggling to make ends meet and balance the needs of their families. Through the project families will be enabled to co-design and co-deliver projects that can improve the quality of their lives.
- **Energy Advocates Powys** - Energy Advocacy work across Powys.

Innovation

- **Three C** - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks. The 3C project has been moved from Communities to the new Sustainable Technologies theme as it is a more appropriate classification.
- **CapCall Re-Direct** - to build a timber framed, green roof and living wall community structure.
- **Mersey Biochar** - to carry out a feasibility study into using a pyrolysis plant to develop a community-owned, carbon-negative energy solution. Now commissioned to build a prototype plant to demonstrate feasibility.

Transfer between Funds

- **W&W Referral fees** - the funders agreed that £89,457 could be used to fund our business support services.
- **SWC LAD & HUG** - the loss on these projects will be met from General Reserves.
- **Three C** - There is matched funding for this project from Welsh Water and Gwent Green Grids in Unrestricted Income that more than covers most of the costs, the rest is met from General Reserves.
- **Target 2030 Wilts & Glos** - the loss on these projects will be met from General Reserves.
- **Wamth on Prescription** - the loss on these projects will be met from General Reserves.
- **Revolving Retrofit Guarantee Fund** - the fund was set aside in previous periods

14. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
UNRESTRICTED FUNDS					
Designated Funds	17,725	189,703	(91,135)	(45,530)	70,763
General Funds	573,569	1,204,168	(1,058,668)	(66,426)	652,643
TOTAL UNRESTRICTED FUNDS	591,294	1,393,871	(1,149,803)	(111,956)	723,406
RESTRICTED FUNDS					
Energy Advice	110,089	103,292	-	(19,924)	193,457
Energy Services Domestic	95,539	287,781	(288,686)	1,422	96,056
Energy Advocacy	150,000	74,956	(94,485)	(5,059)	125,412
Energy Services Non Domestic	-	233,028	(284,181)	51,153	-
Grant Making	396,327	2,379,710	(2,132,502)	-	643,535
Wales	243,560	391,367	(482,056)	722	153,593
Energy Innovation	-	1,831,193	(1,898,385)	83,642	16,450
	995,515	5,301,327	(5,180,295)	111,956	1,228,503
TOTAL OF FUNDS	1,586,809	6,695,198	(6,330,098)	-	1,951,909

15. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Designated funds	**70,763**	**35,833**	**(439)**	**(60,894)**	**45,263**
General funds	**652,643**	**2,189,001**	**(2,108,239)**	**262,555**	**995,960**
Restricted funds	**1,228,503**	**5,001,663**	**(3,574,472)**	**(201,661)**	**2,454,033**
	1,951,909	**7,226,497**	**(5,683,150)**	**-**	**3,495,256**

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Designated funds	17,725	189,703	(91,135)	(45,530)	70,763
General funds	573,569	1,204,168	(1,058,668)	(66,426)	652,643
Restricted funds	995,515	5,301,327	(5,180,295)	111,956	1,228,503
	1,586,809	6,695,198	(6,330,098)	-	1,951,909

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	2,064,002	**2,064,002**
Fixed asset investments	-	1	**1**
Current assets	2,454,033	841,790	**3,295,823**
Creditors due within one year	-	(1,864,570)	**(1,864,570)**
TOTAL			
	2,454,033	1,041,223	**3,495,256**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Restricted 2023	Unrestricted funds	Total funds

	£	2023 £	2023 £
Tangible fixed assets	-	6,001	6,001
Current assets	1,228,503	1,151,315	2,379,818
Creditors due within one year	-	(433,910)	(433,910)
TOTAL	1,228,503	723,406	1,951,909

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 **£**	2023 £
Net income for the period (as per Statement of Financial Activities)	**1,543,347**	365,101
ADJUSTMENTS FOR:		
Depreciation charges	**2,931**	5,433
Less interest received	**(23,160)**	(4,180)
Decrease/(increase) in debtors	**64,858**	(151,467)
Increase/(Decrease) in creditors	**1,430,659**	54,431
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,018,635**	269,318

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 **£**	2023 £
Bank Deposits	**2,087,948**	1,107,085
TOTAL CASH AND CASH EQUIVALENTS	**2,087,948**	1,107,085

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 **£**	**Cash flows** **£**	**Acquisition of subsidiaries** **£**	**At 31 March 2024** **£**
Cash at bank and in hand	**1,107,085**	**980,863**	**(1)**	**2,087,947**
	1,107,085	**980,863**	**(1)**	**2,087,947**

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £113,899 (2023: £81,881). There was a liability at the year end of £21,086 (2023: £1,857).

21. OPERATING LEASE COMMITMENTS

At 31 March 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	**62,982**	46,167
Later than 1 year and not later than 5 years	**111,803**	15,347
	174,785	61,514

22. RELATED PARTY TRANSACTIONS

During the year, one trustee, who was also a director of Mersey Biochar Limited, resigned from both positions to take up the role as the lead project manager of the Mersey Biochar project.

The 100% shareholding of Mersey Biochar Limited was then transferred from the former trustee to the charity at nil consideration.

This individual is now paid for freelance services by the charity. No related party transactions occurred under this arrangement during the financial year.

No other trustee or other person related to the charity had any other personal interest in any contract or transaction entered into by the charity in this year or the previous one.

SEVERN WYE ENERGY AGENCY

England & Wales - Charity number 1083812

Accounts

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2023

Charity Registration Number: 1083812
Company Registration Number: 03830608

Contents

	Page number
Reference and administrative information	1
Trustees' Report	2
Independent auditor's report to the members of Severn Wye Energy Agency Ltd	10
Statement of Financial Activities	14
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18-32

Severn Wye Energy Agency Ltd

Reference and Administrative Information **Year ended 31 March 2023**

Trustees	Mareike Schmidt (Chair) Heather Watts (resigned 23rd August 2022) Rowena Kay Daniel Clegg (resigned 30th June 2022) Simon Burgess Andrew Bull Eileen Kinsman (resigned 30th September 2022) Vilislava Ivanova Christopher Welby Louise Cooke Anna Griffin (resigned 22nd November 2022) Leah Grint (resigned 16th December 2022) Christopher Brierley (appointed 1st May 2023) Emma Voss (appointed 1st May 2023) Martin Smith-Lomas (appointed 1st May 2023)
Company Registered Number	03830608
Charity Registration Number	1083812
Registered Office	Unit 15 Highnam Business Centre Highnam Gloucestershire GL2 8DN
CEO	Sandy Ruthven (appointed 18th July 2022) Simone Lowthe-Thomas (resigned 31st March 2022)
Company Secretary	Hugh Boyes
Independent Auditor	Godfrey Wilson Limited 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD
Bankers	HSBC The Cross Gloucester GL1 2AP

The trustees, who are also the directors of Severn Wye Energy Agency Ltd (Severn Wye) for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2023. They confirm that the trustees' report and financial statements comply with Charities Act 2011, Companies Act 2006 and Severn Wye's memorandum and articles of association. They also conform to the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the United Kingdom and Republic of Ireland.

Objectives and Activities

Severn Wye's objects are:-

"The advancement of education for the public benefit in particular but not exclusively in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy" and

"The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and the utilisation of renewable sources of energy"

"To promote sustainable development for the benefit of the public by:

I. The preservation, conservation and the protection of the environment and the prudent use of resources.
II. The relief of poverty and the improvement of the conditions of life for those socially and economically disadvantaged.
III. The promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs"."

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.severnwye.org.uk.

Structure, Governance and Management

Governing Documents

Severn Wye is a company limited by guarantee, governed by its memorandum and articles of association, incorporated on the 24th August 1999 and registered with the Charity Commission on the 27th November 2000. If Severn Wye is wound up, its members are liable to pay the sum £1 each.

Method of Appointment or Election of Trustees

The directors of Severn Wye are also trustees of Severn Wye for the purposes of charity law and under the Article of Association are also members of the Council of Management.

New trustees are appointed either by the members of Severn Wye at a general meeting or by the Council of Management. One third of the member of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees

New trustees are provided with appropriate information, induction and training, taking into account the nature of Severn Wye and their previous experience in the charity sector.

Charity Governance Code of Practice

The Trustees have resolved to comply with the Charity Commission's code of practice for good governance. There are seven principles which are considered to be necessary to qualify as a well governed charity. The trustees have formed a sub-committee who have assessed the evidence for performance of the Board of Trustees (the Board) against each of these principles:

1. Organisational purpose 2. Leadership 3. Integrity 4. Decision making, risk and control 5. Board effectiveness 6. Diversity 7. Openness and accountability

Following this assessment, the trustees concluded that the Board was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the sub-committee highlighted areas for further improvement which have been addressed. The trustees have resolved to continue to embed this cycle of review and improvement on an annual basis.

Organisational Structure and Decision Making

The Board administers Severn Wye, meets quarterly and is responsible for the strategic direction and policy of Severn Wye. A minimum of three trustees is required for a meeting to be quorate. At present there are ten trustees from a variety of professional backgrounds. There are three sub-committees responsible for Finance, People & Welfare and Governance.

The Board appoints the CEO who manages the day to day operations of Severn Wye.

Risk Management

The trustees have a risk management strategy that comprises;

- reviewing Severn Wye's risk register at least once a year;
- receiving general risk report and register at each quarterly Council of Management meeting;
- establishing policies, systems and procedures to mitigate risks identified in the register; and
- devising procedures designed to minimise the potential impact should those risks materialise.

The trustees believe they have adequate procedures in place to mitigate the risks to which Severn Wye is exposed.

The main risks identified are;

- The project management of the Mersey Biochar project;
- Recruitment remains a significant issue for Severn Wye at all levels of the organisation;
- Identifying and putting in place a long term external solution to the Hive to ensure the continuation of the projects that have been so beneficial to Llandrindod Wells.

These risks are being managed by the following actions;

- An existing member of staff has been appointed as the new Mersey Biochar Project Manager after an external recruitment process. We have also secured the services of a consultant to provide additional expertise. This significantly reduces the risk to the project as Severn Wye now has overall control of its management.
- We are reviewing our existing recruitment processes as well as reviewing the reasons why staff leave Severn Wye. We will be carrying out a staff survey in the summer that will hopefully identify areas where the staff experience can be improved;
- Funding for the Hive for the next two years has now been confirmed. This will allow plenty of time to transfer the lease to a local organisation to ensure the continuation of the projects beneficial to Llandrindod Wells and reduce any future potential liability of Severn Wye.

Pay Policy

The trustees do not receive any remuneration from Severn Wye, but can claim reasonable costs for travel, sustenance and training (see Note 19).

Severn Wye has a remuneration policy to ensure fair pay and to retain suitably qualified staff to lead, manage, support and deliver its aims. A revised pay structure was introduced from April 2023. The People & Welfare Committee oversees the implementation of the policy.

Achievements and Performance

Severn Wye found itself at the very heart of many of 2022-23's major crises, particularly the energy crisis and resulting impact on fuel poverty, energy security and energy conservation. This led to a year of high-performing flagship projects and numerous innovative services developed to meet the rapidly progressing crises.

Sustainable Home Energy

Severn Wye has witnessed a sharp rise in the number of households falling into fuel poverty for the first time. Steep increases in the cost of living, largely as a consequence of the current energy crisis have led to a surge in calls for support from an increasingly diverse range of clients. Estimates suggest that fuel poverty has rocketed to 28.1% in Herefordshire, and in Wales the estimates are even grimmer, with up to 45% of households facing unaffordable energy bills.

After decades of enhancing household energy efficiency through long-term changes, Severn Wye now finds itself providing a response that is more akin to crisis management. With soaring energy prices and a skyrocketing fuel poverty rate, Severn Wye is focused on supporting households in the present while also considering their long-term sustainability. Over the year, Severn Wye supported over 6,000 households, taking 12,500 phone calls and conducting 987 home visits.

Emergency support became a crucial aspect as Severn Wye observed a shift in the support needed by its clients. The demand for funds to assist desperate clients in emergency situations grew. Many households were unable to top up their energy meters, burdened with payment demands, and forced to live without heat or power. In the midst of the energy crisis, local household support funds became crucial for many, and Severn Wye were able to distribute over £650,000 of emergency funds to 2,400 households unable to afford the high energy prices needed to stay warm over the winter.

Particularly newsworthy was the Warmth on Prescription programme, in partnership with NHS Gloucestershire. Featured on local and national broadcast media, and in international journalism – this innovative project was funded by NHS Gloucestershire to channel short term winter energy bill relief (via local authority household support funds) to patients at high risk of hospitalisation over the winter due to not being able to afford to heat their homes despite health conditions. Crediting their energy accounts was combined with intense support from Energy Advocates to ensure the same isn't repeated next winter.

Not only have we expanded our advocacy service further into Gloucestershire, Severn Wye also grew the service in Wales, securing over £300,000 to place three community-based energy advisors in key population centres across Powys.

The funding landscape for energy efficiency improvements underwent significant changes. Government funding focused on retrofitting homes opened doors for Severn Wye to make large-scale efficiency improvements in homes occupied by the most vulnerable to cold homes. With the help of around £3m in grant funding, over 1,200 energy-saving upgrades were implemented in inefficient homes through schemes such as the Sustainable Warmth fund, combining Local Authority Delivery Scheme funding with the new Home Upgrade Grant for off-gas properties. These improvements will collectively save over 11,000 tonnes of CO2 during their expected lifetime.

A significant new shift in the funding landscape is the growth of opportunities in the 'able to pay' sector, where a range of new projects aimed at mobilising the retrofit market and industry have proven a fitting home for Severn Wye's technical services team. Future Ready Homes (Herefordshire and Powys) and Low Carbon Communities (Stroud and Tewkesbury) appear to be the first in a growing wave of initiatives.

Sustainable Organisations

Following a successful pilot last year, the Social Housing Decarbonisation Fund was rolled out to scale up energy efficiency improvements in dated housing association stock. Severn Wye is overseeing retrofit assessment and coordination for 200 social housing properties in Cheltenham Borough and Stroud District as part of a £3.4m improvement package. These efforts aim to make homes more comfortable, cost-effective, and environmentally friendly, and work closely with social housing providers to improve the efficiency of their properties via deep retrofit en masse.

The parallel Target 2030 business energy efficiency programmes in Gloucestershire and Swindon/Wiltshire have demonstrated continued success throughout 2022-23. Scheduled to conclude in June 2023, the programmes have hit their anticipated targets of supporting 368 and 100 SMEs respectively; saving 3,500 and 1,000 tonnes CO2; and motivating businesses to invest £3.6m and £1.1m into carbon-saving upgrades. The improvements will save businesses across the region in excess of £1.25m per year, very likely more now that energy prices for businesses are so much higher than when Severn Wye first began to work with them.

However, the Target 2030 projects and the Business Energy Efficiency Programme that Severn Wye completed this year in Herefordshire mark the end of the role of EU structural funds have played in SME energy efficiency support in the UK. This year's UK Community Renewal Fund and the upcoming Shared Prosperity Fund have yet to demonstrate the same level of investment and strategic priorities appear to be shifting. Herefordshire Council have partnered with Severn Wye to deliver the technical energy efficiency aspects of their own carbon-saving SME initiative, '30 for 2030.' In Wales, programmes aimed at community organisations via the National Lottery Community Fund, the Welsh Rugby Union, Sport Wales and the Pen-y-Coed Community Windfarm Fund have led to Severn Wye's expertise being commissioned to build medium-term plans and recommend energy-saving improvements for local organisations.

Sustainable Communities

'The Hive,' Severn Wye's sustainability hub in the heart of Llandrindod Wells, has gone from strength to strength during 2022-23, adding new services and securing continued funding to keep the doors open for another two years to prepare for handing the projects over to the community to run. As well as the well-established baby bank (which has donated in excess of £100,000 in clothing and equipment to local families since 2020), uniform exchange and summer activity programme; this year Severn Wye opened a Children's Clothing Exchange in November, helping over 500 families by exchanging £40,000-worth of clothing so that those in in-work poverty have low-cost ways of clothing their children via the circular economy.

One of the highest-profile of these local projects is the HAF Llandrindod summer programme – six weeks of free and low-cost family activities providing entertainment, crafts, outdoor adventures and unique experiences to fill the school holidays. Co-designed by Llandrindod families and run with local organisation Play Radnor, 40 events took place over July and August – everything from graffiti art to live street theatre. Over 1,000 people attended on one day in August 2022 and overall attendance levels hit nearly 2,700.

Severn Wye's work with rural communities across Wales has led to influencing policy at Welsh Government level. The years-long work of the Rural Futures team in Bro Machno highlighted the problem of second homes in the area, prompting a visit from Mark Isherwood MS who subsequently submitted a paper to the Senedd. Severn Wye's local Place Coordinator was invited by the Welsh Government's Local Government and Housing Committee to attend an evidence session as part of their inquiry into second homes. The committee's final report was published this year, featuring contributions from Rural Futures and the Bro Machno Housing Partnership.

Sustainable Technologies

2022-23 was a landmark year for Severn Wye's Sustainable Technologies work, as following the successful award of phase 2 funding for our Mersey Biochar project, work began to lay the organisational foundations to developing a carbon-negative energy solution at a site in Warrington that supports the local economy, improves energy security and contributes towards demonstrating the viability of local community woodland and local forestry industry. This project will invest nearly £5m into developing a small-scale pyrolysis plant with the potential to generate heat for a district network system. This year Severn Wye have been establishing the partnerships and legal frameworks required to deliver this high-value project, protecting the charity from any risk by establishing a joint venture with partners Pure Leapfrog.

The Three-C (Creating the Circular Carbon economy) project manages a hub of communications networks around the progress of a range of innovative energy technology sub-projects, two of which are substantial in their own right and Severn Wye are playing an active role in delivering. A pilot pyrolysis plant has been developed with Welsh Water and commissioned this year to demonstrate the value of pyrolysis and biochar for the water treatment industry. In addition, a zero-carbon sustainable bio-fuel developed in conjunction with partners in Ireland is being trialled, with the initial application of replacing the use of fossil coal in the heritage rail industry. Three trials have now been conducted in Ireland and Wales. Severn Wye anticipate that this could be a forerunner of a wider sustainable solid biofuel technology that may also address fuel poverty and sustainable home energy in areas which continue to rely on solid fuel.

Investment and Progress in Delivery of our Strategic Aims

During this year we have been working on a new Strategic Plan, this involved discussions with staff, managers and trustees, as well as a 2 day facilitated session with staff away from the office and an afternoon facilitated strategy session with the trustees. This concluded in a new five year strategic plan effective from the 1st April 2023 alongside a new staff structure to better implement that plan.

The plan is available on request. The plan prioritises the following activities for the next five years:

- Domestic retrofit and energy efficiency programmes;
- Advice and advocacy;
- Energy support for communities;
- Business and community sector energy consulting.

KPIs have been set to achieve the strategic targets over the next five years linked to the above activities for 2023/24 and we will be working towards achieving those.

We have seen further growth in our activities, turnover and staff numbers. For example in April 2020 we had 28 staff, this had grown to 55 staff by March 2022 and by March 2023 we had 73 staff. The organisation has coped well dealing with such growth whilst at the same time dealing with Covid-19. However this continued growth has placed strains on systems designed for a smaller organisation and we are continuing to work on improvement so that Severn Wye is a great place to work.

We have continued to ensure that staff have received appropriate training and mentoring and we have a rolling programme of CPD for our technical staff.

Last year we had moved all our IT systems to the cloud, meaning nearly all staff could work equally well from the office or from home. Staff have continued to work at home for a significant part of the week, which is appreciated and will do so for the foreseeable future.

Financial Review

Results for the Year

The increase in the unrestricted funds in the year of £132,112 (2022: £80,068) shows further consolidation on the progress made over the last three years. Overall income has increased to £6.70m, excluding the Mersey Biochar project £5.02m (2022: £4.90m), the income excluding grants & Mersey Biochar has also increased to £2.65m (2022: £2.16m). On the expenditure side the grants allocated have increased along with the increased income, and expenditure elsewhere has increased to £4.20m, excluding Mersey Biochar £2.53m (2022: £1.98m).

Funding Sources

The main funding sources in the year are:

- Local Authorities (Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Gloucester County, Herefordshire, South Gloucestershire, Stroud District, Tewkesbury Borough, Wiltshire and Worcestershire) for Warm & Well and other programmes;
- European Regional Development Fund (ERDF) via Wiltshire and Gloucestershire CC for T2030 projects;
- European Commission for the 3C project;
- National Lottery Community Fund for CREATE Your Space, Rural Futures, Working Together for Llandrindod Wells and Sustainable Steps Wales;
- Department for Business, Energy & Industrial Strategy (BEIS) for the GHG LAD 1b, Sustainable Warmth Competition HUG & LAD, HUG 2, Mersey Biochar and SHDF funding, some via local authority;
- Clinical Commissioning Group for Warm Homes Fund and Build 2 Low Carbon;
- Energy Saving Trust for the Redress projects;
- Private sector and small local bodies for one off services.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves policy and going concern

The purpose of the Reserves Policy is to ensure the stability of the ongoing operations of Severn Wye and to enable the ongoing future of Severn Wye.

Severn Wye's unrestricted funds on the 31st March 2023 amounted to £723,406 (2022: £591,294). Severn Wye's free reserves on the 31st March 2023 were £646,642 (2022: £562,135). The trustees expect to maintain or increase those reserves to try to achieve the target set in the Reserves Policy.

The Reserves Policy target is to have sufficient reserves to meet three months running costs, plus meet all the liabilities of the organisation and to provide sufficient cash to fund the organisation's activities. Whilst falling short of the overall target of £812,000, the reserves are more than sufficient to meet the latter two aspirations.

The charity is currently projected to increase the unrestricted funds in 2023/24 by a further £108,000. The position will be under regular review by the trustees. The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and the current strategic plan, that Severn Wye is a going concern.

Investment Policy

Severn Wye is committed to maintaining sufficient funds in instant access or short notice period accounts to meet its ongoing expenditure and cashflow requirements. Any funds beyond this will be invested in low risk deposit accounts or fixed-term bonds, with notice periods not exceeding one year.

The Trustees are satisfied with the investment returns in the current year, the policy will be reviewed annually.

Future Developments

The new strategic plan was approved by the trustees at their meeting in February and has been implemented from the start of April 2023. The budget based on that plan was agreed at the trustee meeting in May and it anticipates an increase in Unrestricted Funds by £108,000 and we are currently in line with that budget.

This year we look to have confirmed funding of over £4.5m of which £1.8m are grants to be allocated;

- Warm Homes Fund 6 to provide 310 first time central heating systems in Gloucestershire and South Gloucestershire;
- HUG 2, to install clean heat and insulation to 300 Off Gas homes;
- Energy Aware Communities, to provide energy advocacy services to households in Gloucestershire and Herefordshire;
- Social Housing Demonstrator Fund, Wave Phases 1 &2 to provide retrofit coordination services to support the delivery of the Whole House Retrofit Demonstrator project in Stroud and Cheltenham;
- Mersey Biochar Phase 2, to build and run a prototype plant for the production of biochar from forestry waste for carbon capture, sequestration and utilisation in the district heating scheme.

Statement of Trustees' Responsibilities in respect of the Financial Statements

The trustees, who are the directors of Severn Wye for the purposes 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 and charity law require the trustees to prepare financial statements for each financial year that give a true and fair view of Severn Wye's state of affairs and of its incoming and outgoing resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Statement of Recommended Practice 'Accounting and Reporting by Charities';

- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Severn Wye will continue in operation.

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

Provision of Information to the Auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are aware:

- there is no relevant audit information of which Severn Wye's auditor is unaware; and
- they have taken all the steps that they ought to have taken, as trustees, to make themselves aware of any relevant audit information and to establish that Severn Wye's auditor is aware of that information.

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

Auditor

The auditor is Godfrey Wilson Limited.

Approval

The trustees have prepared this report in accordance with the provisions applicable to companies subject to the small companies regime. This report was approved by the trustees on 22nd August 2023 and signed on their behalf by.

Mareike Schmidt - Trustee

Simon Burgess – Trustee

Opinion

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 opinions

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

Conclusions relating to going concern

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

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
(2) We reviewed the charity's policies and procedures in relation to:
    - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
    - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
(3) We inspected the minutes of trustee meetings.
(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
    - Testing the appropriateness of journal entries;
    - Assessing judgements and accounting estimates for potential bias;
    - Reviewing related party transactions; and
    - Testing transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 24th August 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Severn Wye Energy Agency Ltd

Statement of Financial Activities **Year ended 31 March 2023**

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£
Income from:					
Charitable Activities					
Affordable Warmth	13 & 14	**831,091**	**466,029**	**1,297,120**	1,139,736
Business	13 & 14	**289,420**	**233,028**	**522,448**	274,211
Grant Making	13 & 14	**-**	**2,379,710**	**2,379,710**	2,744,093
Communities	13 & 14	**135,536**	**391,367**	**526,903**	338,733
Sustainable Technologies	13 & 14	**121,373**	**1,831,193**	**1,952,566**	392,259
Donations		**6,362**	**-**	**6,362**	2,650
Investment Income		**4,180**	**-**	**4,180**	310
Other Income		**5,909**	**-**	**5,909**	9,974
Total Income		**1,393,871**	**5,301,327**	**6,695,198**	4,901,966
Expenditure on:					
Charitable activities					
Affordable Warmth	4	**804,114**	**383,171**	**1,187,285**	895,158
Business	4	**271,254**	**284,181**	**555,435**	291,704
Grant Making	4	**-**	**2,132,501**	**2,132,501**	2,535,180
Communities	4	**43,859**	**482,056**	**525,915**	438,450
Sustainable Technologies	4	**30,576**	**1,898,385**	**1,928,961**	352,614
Total Expenditure		**1,149,803**	**5,180,294**	**6,330,097**	4,513,106
Net Income / (Expenditure) for the year		**244,068**	**121,033**	**365,101**	388,860
Transfer In / (Out) between Funds	13 & 14	(111,956)	111,956	**-**	-
Net Movement in Funds		**132,112**	**232,989**	**365,101**	388,860
Reconciliation of Funds					
Funds brought forward at 01 April 2022	13 & 14	**591,294**	**995,514**	**1,586,808**	1,197,948
Funds Carried Forward at 31 March 2023	13 & 14	**723,406**	**1,228,503**	**1,951,909**	1,586,808

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

The notes on pages 18 to 32 form part of these financial statements.

Statement of Financial Activities (Continued) **Year ended 31 March 2023**

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022
		£	£	£
Income from:				
Charitable Activities				
Affordable Warmth	13 & 14	646,474	493,262	1,139,736
Business	13 & 14	60,573	213,638	274,211
Grant Making	13 & 14	-	2,744,093	2,744,093
Communities	13 & 14	25,607	313,126	338,733
Sustainable Technologies	13 & 14	95,246	297,013	392,259
Donations		2,650	-	2,650
Investment Income		310	-	310
Other Income		9,974	-	9,974
Total Income		840,834	4,061,132	4,901,966
Expenditure on:				
Charitable activities				
Affordable Warmth	4	608,188	286,970	895,158
Business	4	41,452	250,252	291,704
Grant Making	4	-	2,535,180	2,535,180
Communities	4	14,139	424,311	438,450
Sustainable Technologies	4	8,058	344,556	352,614
Total Expenditure		671,837	3,841,269	4,513,106
Net Income / (Expenditure) for the year		168,997	219,863	388,860
Transfer In / (Out) between Funds	13 & 14	(88,929)	88,929	-
Net Movement in Funds		80,068	308,792	388,860
Reconciliation of Funds				
Funds brought forward at 01 April 2021	13 & 14	511,226	686,722	1,197,948
Funds Carried Forward at 31 March 2022	13 & 14	591,294	995,514	1,586,808

Severn Wye Energy Agency Ltd

Companies House Registered Number 03830608

Balance Sheet **As at 31 March 2023**

	Note		2023		2022
			£		£
Fixed Assets					
Tangible assets	9		**6,001**		11,434
			6,001		11,434
Current Assets					
Debtors	10	**1,272,733**		1,121,266	
Cash at bank & in hand		**1,107,085**		833,587	
		2,379,818		1,954,853	
Current Liabilities					
Creditors: Amounts falling due within one year	11	**(433,910)**		(379,479)	
Net Current Assets			**1,945,908**		1,575,374
Net Assets			**1,951,909**		1,586,808
Funds of the Charity					
Unrestricted funds	13		**652,643**		573,569
Designated funds	13		**70,763**		17,725
Restricted funds	14		**1,228,503**		995,514
Total Charity funds			**1,951,909**		1,586,808

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The notes on pages 18 to 32 form part of these accounts. The financial statements were approved and authorised for issue by the Board of Trustees on the 22nd August 2023 and were signed on its behalf by:

Mareike Schmidt
Trustee

Simon Burgess
Trustee

Severn Wye Energy Agency Ltd

Cash Flow Statement **For the year ended 31 March 2023**

	Note	2023		2022	
		£		£	
Net cash inflow from operating activities	20		**269,318**		199,533
Investing activities					
Returns on investments and servicing of finance					
Interest received		4,180		310	
Payments to acquire fixed assets		-		(4,904)	
Net cash outflow from investing activities			**4,180**		(4,594)
Increase in cash and cash equivalents			**273,498**		194,939
Cash or cash equivalents brought forward	20		833,587		638,648
Cash or cash equivalents carried forward	20		**1,107,085**		833,587

No analysis of net debt is provided as the charity does not have any long-term sources of finance.

The notes on pages 18 to 32 form part of these financial statements.

1 General Information

The company was formed on the 24th August 1999, is limited by guarantee (No 03830608) and is a registered charity (No 1083812). The company is registered in England and Wales and the registered office is Unit 15, Highnam Business Centre, Highnam, Gloucestershire, GL2 8DN.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation in the financial statements are as follows.

a Basis of Accounting

The financial statements have been prepared in accordance with;

- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) which became effective in January 2019.
- the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102.
- the Charities Act 2011.
- the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charity constitutes a public benefit entity as defined by FRS 102.

b Preparation of the Accounts on a going concern basis

Severn Wye has demonstrated that it was able to cope with the effects of Covid-19 over the last two years. The war in Ukraine and the subsequent increase in utility costs has resulted in high demand for our services. The current budget for 2023/24 anticipates a reasonable unrestricted surplus.
Even if the unforeseen happens and a loss is incurred, Severn Wye has the reserves and cash to be able to cover a loss and have enough reserves and cash to go securely into 2023/24.
A draft budget has drawn up for the succeeding year. The position here is much less certain but with prudent assumptions it is hoped to achieve a breakeven position for the year. The financial position will be under regular review by the trustees along with the progress made against the strategic plan.

The trustees are of the opinion that, in the light of the level of reserves above, the new strategic plan, staff structure and budget put in place to meet the future challenges, there are no material uncertainties about the charity's ability to continue as a going concern.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

2 Principal Accounting Policies (continued)

c Income (continued)

Income received in advance of the provisions of a specified service or performance conditions is deferred until the criteria for income recognition are met (see note 12).

d Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT where VAT cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However the costs of the overall direction and administration of each activity is apportioned on the basis of the staff time directly attributable to that activity.

Grants paid are included in the Grant Making, in the period defined by the rules of the relevant scheme. Normally this is when the agreed work has been carried out, certified and paid for.

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and statutory requirements and are included within administration.

Administration include support and central functions and have been allocated to the activities on a basis consistent with the use of resources.

e Financial Instruments

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

f *Significant Judgements and Estimates*

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Deferred Income:

Income is only deferred where it is clear that Severn Wye does not have legal entitlement to that income until the terms and conditions of the contract or agreement are satisfied.

Depreciation:

As described in note 2h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

Costs incurred during the feasibility phase of a project:

The decision to expense costs incurred during the feasibility phase is based on the principle that expenses related to assessing the viability of a project should be recognised as incurred, rather than being capitalised as an asset.

g *Fund Accounting*

Unrestricted funds are expendable at the discretion of trustees in furtherance of the objects or the administration of the charity.

Restricted funds are to be used for the specific purposes laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Principal Accounting Policies (continued)

h Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. As a general guide expenditure of less than £1,000 is not capitalised.

Depreciation is provided at rates to write off the cost of the asset over its estimated useful lives, as follows:

Computer Equipment	33% straight line
Office & General Equipment	20% straight line

i Cash at Bank and in Hand

Cash at bank and in hand includes current and short term liquid deposit accounts with a short maturity.

j Debtors

Trade debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discount due.

k Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for trade discounts.

l Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the Balance Sheet date and the gains or losses recognised in the Statement of Financial Activities (SOFA) in administration.

***m* Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

n Pensions

The charity contributes to a group and individual stakeholder pension scheme for some of its employees. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

o Operating Leases

Operating lease rentals are charged to the SOFA on a straight line basis over the period of the lease.

p Redundancy and settlement

Redundancy costs arise from the periodic reviews of staffing levels and are charged to the SOFA in the year in which the company is demonstrably committed to the employee leaving the charity.

q Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

3 Government Grant Income

The company had the following grants from the Government which were obtained through a bid / tendering process:- the Big Lottery Fund , (Llandrindod Wells, Rural Futures, Create, Sustainable Steps Wales), South Gloucestershire CC (SGC Grants, Household Support Fund, Step Up S. Glos, GEEG SGC Grants), Clinical Commissioning Group (CCG Grants), Warm Homes Fund (Warm Homes Grants), ERDF (Target 2030 Grants), Herefordshire Council (Keep Herefordshire Warm, Hereford Winter Grants, 30 for 2030, FRH Surveys), Stroud District Council (Winter Grants, Park Home Grants, SHDF Wave), Welsh Gov (Gwent Green Grids, SCW), BEIS (GHG LAD 1a & LAD 1b Glos, SHDF Wave, SWC LAD & HUG, Mersey Biochar),

Further details of these grants are given in note 13 and 14. The grants are recognised when the charity is in receipt of the grant, is entitled to that funding and there are no specific contingencies.

4 Total Expenditure

Expenditure 2023	**Salaries**	**Grants**	**Direct costs**	**Overheads**	**2023**
	£	**£**	**£**	**£**	**£**
Affordable Warmth	790,355	-	191,998	204,932	1,187,285
Business	360,224	-	102,028	93,183	555,435
Grant Making	-	2,132,501	-	-	2,132,501
Communities	301,414	-	139,302	85,199	525,915
Sustainable Technologies	121,422	-	1,776,130	31,409	1,928,961
Administration	180,989	-	233,734	(414,723)	-
Total 2023	**1,754,404**	**2,132,501**	**2,443,192**	**-**	**6,330,097**

Expenditure 2022	**Salaries**	**Grants**	**Direct costs**	**Overheads**	**2022**
	£	**£**	**£**	**£**	**£**
Affordable Warmth	622,561	-	113,796	158,801	895,158
Business	197,670	-	42,047	51,987	291,704
Grant Making	-	2,535,180	-	-	2,535,180
Communities	248,493	-	125,396	64,561	438,450
Sustainable Technologies	112,719	-	209,039	30,856	352,614
Administration	120,429	-	185,776	(306,205)	-
Total 2022	1,301,872	2,535,180	676,054	-	4,513,106

Expenditure is allocated to a particular project where the costs relate directly to that project. All other costs are allocated to each project on the basis of the staff time attributable to that project.

5 Governance Costs

Governance costs included within administration are made up as follows:	**2023** **£**	2022 £
Audit	**9,500**	8,200
Salaries	**2,467**	13,428
Trustee Expenses & recruitment	**100**	-
Share of overheads	**639**	41
Total costs	**12,706**	21,669

Trustee expenses of £100 relate to travel costs for one trustee (2022: £Nil).

6 Analysis of Grants Paid

To institutions by Projects:	**2023** **£**	2022 £
Rural Futures Grants	**4,149**	3,186
Target 2030 Wiltshire	**235,069**	246,581
Target 2030 Gloucestershire	**435,993**	235,080
	675,211	484,847

To individuals by Projects:	**2023** **£**	2022 £
CCG	**54,538**	187,947
GEEG SGC	**2,941**	17,340
Crisis Fund Fuel vouchers Grants	**-**	51,072
Gloucestershire Household Support Fund	**419,773**	-
GHG LAD Grants	**-**	433,352
Herefordshire Winter Grants	**98,060**	8,820
LAD1B Grants	**-**	942,991
Park Homes 2020 BTC Grants	**-**	15,059
Redress Herefordshire	**-**	900
South Gloucestershire Household Support Fund	**73,449**	-
Stroud District Council Winter Grants	**6,400**	7,585
SWC HUG Grants	**470,924**	-
SWC LAD Grants	**175,523**	-
Warm & Well	**-**	2,082
Warm Homes Fund 6	**22,543**	-
Warm Homes Fund	**63,498**	383,185
Warmth on Prescription Grants	**69,641**	-
	1,457,290	2,050,333
Total grants paid	**2,132,501**	2,535,180

The grants are paid out in respect of work done for individuals and institutions, who qualify under the criteria of each project. The reimbursement of part of the cost of work are paid to the contractor once the work has been approved, completed, certified and the recipient's contribution paid by the recipient.

The support costs for the above are included in charitable activities expenditure. Please refer to the charity website for further details of grants awarded in the year. Examples of grant recipients can be found at https://target2030.co.uk/case-studies/. There were no material grants paid to any individual institution.

7 Analysis of Staff Costs

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	**1,535,169**	1,155,864
National insurance costs	**137,354**	98,419
Pension costs	**81,881**	47,589
	1,754,404	1,301,872

The total employee benefits of the key management personnel of the charity, who comprise the Senior Management Team, were £226,556 (2022: £174,343).

During the year one employee earned between £60,000 and £70,000 (2022 - 1).
Redundancy and settlement costs for the year were £10,127 (2022: £6,707).

The average number of employees during the year was as follows:

	2023	2022
	Nos	Nos
Average full time equivalent	**54.3**	39.6
Average head count	**64.0**	46.5

8 Net Income for the Year

	2023	2022
This is stated after charging:	£	£
Depreciation	**5,433**	6,348
Auditor's fees for audit	**9,500**	8,200
Auditor's fees for non-audit services	**3,377**	-
Operating lease payments in respect of land & property	**41,314**	41,314
Operating lease payments in respect of equipment	**40,095**	34,932

9 Tangible Fixed Assets

	Office & General Equipment	Computer Equipment	Total
Cost	**£**	**£**	**£**
Brought forward	8,697	24,205	32,902
Additions	-	-	-
At 31 March 2023	**8,697**	**24,205**	**32,902**
Depreciation			
Brought forward	2,930	18,538	21,468
Charge for year	1,620	3,813	5,433
At 31 March 2023	**4,550**	**22,351**	**26,901**
Net book value			
At 31 March 2023	**4,147**	**1,854**	**6,001**
At 31 March 2022	8,697	24,205	11,434

10 Debtors

	2023	2022
	£	£
Trade debtors	**1,046,744**	677,078
Prepayments	**22,250**	23,551
Accrued income	**203,739**	420,637
	1,272,733	1,121,266

11 Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	**119,932**	59,080
Social security and other taxes	**115,716**	116,517
Accruals	**88,386**	87,860
Other creditors	**80,336**	51,272
Deferred income (note 12)	**29,540**	64,751
	433,910	379,479

12 Deferred Income

	2023	2022
	£	£
Balance at 1 April 2022	**64,751**	9,794
Amount released in the year	**(64,751)**	(9,794)
Amount deferred in the year	**29,540**	64,751
Balance as at 31 March 2023	**29,540**	64,751

Deferred income comprises income received under a contract which relates to work to be completed in future accounting periods and initial up front payments, where the work has yet to be performed or completed. The charity has no entitlement to these funds at the year end and they have therefore been deferred.

13 Analysis of Movements in Unrestricted Funds

	As at 1 April 2022	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2023
	£	£	£	£	£
Unrestricted Funds	**573,569**	**1,204,168**	**(1,058,668)**	**(66,426)**	**652,643**
Designated Funds	**17,725**	**189,703**	**(91,135)**	**(45,530)**	**70,763**
Total Unrestricted Funds	**591,294**	**1,393,871**	**(1,149,803)**	**(111,956)**	**723,406**

	As at 1 April 2021	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2022
	£	£	£	£	£
Unrestricted Funds	511,226	823,109	(671,837)	(88,929)	573,569
Designated Funds	-	17,725	-	-	17,725
Total Unrestricted Funds	511,226	840,834	(671,837)	(88,929)	591,294

Analysis of Unrestricted Income

	2023	2022
	£	£
Affordable Warmth		
CCG / SDC Grant Management	**6,000**	10,500
GHD LAD Admin	**-**	54,055
GHD LAD1B Admin	**14,548**	72,000
Gloucestershire Household Support Fund	**78,750**	-
Hereford Sustainable Warmth Competition	**76,090**	-
Keep Herefordshire Warm	**40,379**	62,178
LAD 2 Herefordshire	**17,120**	54,800
Powys CRF	**156,360**	46,217
PyC Community Energy Surveys	**30,000**	-
SHDF SDC	**20,650**	41,300
SWC LAD	**37,938**	-
SWC HUG	**58,062**	-
Warm & Well	**207,630**	208,445
Warm Home Prescription	**10,000**	-
Warm Homes Fund	**56,935**	44,000
Various small projects	**20,629**	52,979
	831,091	646,474
Business Energy		
Herefordshire FRH Surveys	**17,500**	-
SHDF Wave 1	**207,800**	-
30 for 2030	**20,898**	-
Various small projects	**43,222**	60,573
	289,420	60,573
Communities		
Create your Space	**19,167**	22,083
Llandrindod Wells - The Hive	**20,270**	15,075
Sustainable Community Wales	**37,874**	(38,401)
Sustainable Steps Wales	**15,300**	-
Waterfalls Country Future	**-**	26,850
Various small projects	**42,925**	-
	135,536	25,607

13 Analysis of Movements in Unrestricted Funds (continued)

Analysis of Unrestricted Income (continued)

	2023	2022
	£	£
Sustainable Technologies		
Gwent Green Grids	**33,208**	15,000
Mersey Biochar SWEA	**47,655**	-
Rhonda Skyline	**-**	31,500
Welsh Water	**35,000**	48,746
Various small projects	**5,510**	-
	121,373	95,246
Donations	**6,362**	2,650
Investment income	**4,180**	310
Other Income	**5,909**	9,974
Total Unrestricted Income	**1,393,871**	840,834

Designated Funds

The Hive (£35,345) - Whilst the running costs of the Hive are covered by the Llandrindod Wells BLF project, the income generated by the utilisation of the building is being set aside to meet the future costs of running the Hive once the BLF funding ceases.

Donations (£7,918) - The funds freely donated to the charity have not been used in this year and are thus carried forward to be used in the next year.

Gloucestershire HSF (£9,000), Mersey Biochar SWEA (£10,000), Create Your Space (£2,000) & Herefordshire FRH (£6,500) - Funds put aside to cover the known costs to complete these projects.

14 Analysis of Movements in Restricted Funds

Analysis of Movements in Restricted Funds - Current Year

	At 1 April 2022	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2023
Affordable Warmth	£	£	£	£	£
Energy Aware Communities 2	-	4,620	(5,359)	739	-
EST Redress South Glos	-	3,700	(4,213)	513	-
EST Redress EAC Glos 2	-	135,197	(134,631)	(566)	-
Glos. Communities Warmer for Longer	-	10,000	(10,000)	-	-
HUG 2	-	30,000	(19,565)	-	10,435
Redress Herefordshire	442	21,698	(21,697)	(443)	-
Retrofit in the Marches	-	53,098	(54,554)	1,456	-
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
SEGB In Communities	-	8,576	(7,828)	(748)	-
Step up South Gloucestershire	-	74,956	(59,897)	(5,059)	10,000
Stonehouse Demonstrator	4,690	-	(3,564)	-	1,126
Summerfield Trust	736	-	-	-	736
SWC LAD & HUG Ancillary	10,000	-	(1,242)	-	8,758
W&W Referral Fees	110,089	13,292	-	(19,924)	103,457
	200,957	355,137	(322,550)	(24,032)	209,512

14 Analysis of Movements in Restricted Funds (continued)

Analysis of Movements in Restricted Funds - Current Year

	At 1 April 2022	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2023
	£	£	£	£	£
Affordable Warmth (continued)					
WECA Energy Advice	-	24,192	(26,478)	2,286	-
WPD Energy	4,670	(3,300)	445	(1,815)	-
Warmth on Prescription	150,000	-	(34,588)	-	115,412
W&W Support for Home Energy Advice	-	90,000	-	-	90,000
	355,627	466,029	(383,171)	(23,561)	414,924
Business					
Target 2030 Wilts	-	129,320	(158,756)	29,436	-
Target 2030 Glos	-	103,708	(125,425)	21,717	-
	-	233,028	(284,181)	51,153	-
Grant Making					
CCG Grants	-	59,766	(54,538)	-	5,228
GEEG SGC Grants	19,492	-	(2,941)	-	16,551
Glos Household Support Fund	205,000	322,500	(419,773)	-	107,727
Hereford Winter Grants	17,180	85,500	(98,060)	-	4,620
Park Homes (Better Care Fund) Grants	4,237	320,460	-	-	324,697
Rural Futures Grants	31,122	-	(4,149)	-	26,973
SDC Park Homes Grants	7,896	-	-	-	7,896
SDC Winter Grants	6,400	-	(6,400)	-	-
S. Glos Household Support Fund	25,000	53,000	(73,449)	-	4,551
SWC LAD Grants	40,000	160,000	(175,522)	-	24,478
SWC HUG Grants	40,000	430,924	(470,924)	-	-
Target 2030 Glos	-	435,993	(435,993)	-	-
Target 2030 Wilts	-	235,069	(235,069)	-	-
Warmth on Prescription	-	173,000	(69,643)	-	103,357
Warm Homes 6	-	40,000	(22,542)	-	17,457
Warm Homes Fund Grants	-	63,498	(63,498)	-	-
	396,327	2,379,710	(2,132,501)	-	643,535
Communities					
Energy Advocates Powys	-	54,332	(55,054)	722	-
Llandrindod Wells	168,770	66,553	(116,703)	-	118,620
Rural Futures	74,790	270,482	(310,299)	-	34,973
	243,560	391,367	(482,056)	722	153,593
Sustainable Technologies					
Three C	-	151,064	(234,706)	83,642	-
CapCall Re-Direct	-	9,700	-	-	9,700
Mersey Biochar BEIS	-	1,670,429	(1,663,679)	-	6,750
	-	1,831,193	(1,898,385)	83,642	16,450
Total Restricted Funds	**995,514**	**5,301,327**	**(5,180,294)**	**111,956**	**1,228,503**

14 Analysis of Movements in Restricted Funds (Continued)

Analysis of Movements in Restricted Funds - Previous Year

	At 1 April 2021	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2022
	£	£	£	£	£
Affordable Warmth					
Build 2 Low Carbon	-	1,030	-	(1,030)	-
Redress South Glos	-	57,676	(60,615)	2,939	-
Redress Herefordshire	-	41,571	(41,200)	71	442
Redress Glos 2	-	138,908	(140,735)	1,827	-
W&W Referral Fees	60,063	66,895	(6,869)	(10,000)	110,089
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
Crisis Fund Fuel Vouchers	63,805	3,135	(23,573)	(43,367)	-
WPD Energy	-	7,994	(3,324)	-	4,670
SWC LAD & HUG Ancillary	-	10,000	-	-	10,000
GCF Care Bags	-	4,000	(4,027)	27	-
CCG Advocacy	-	150,000	-	-	150,000
MEA Redress	-	2,363	(2,363)	-	-
Stonehouse Demonstrator	-	4,690	-	-	4,690
Summerfield Trust	-	5,000	(4,264)	-	736
	198,868	493,262	(286,970)	(49,533)	355,627
Business					
Target 2030 Wilts	-	127,251	(147,930)	20,679	-
Target 2030 Glos	-	86,387	(102,322)	15,935	-
	-	213,638	(250,252)	36,614	-
Grant Making					
SWC LAD Grants	-	40,000	-	-	40,000
SWC HUG Grants	-	40,000	-	-	40,000
GEEG SGC Grants	16,832	20,000	(17,340)	-	19,492
CCG Grants	23,098	164,848	(187,947)	1	-
Warm Homes Fund Grants	-	383,185	(383,185)	-	-
Rural Futures Grants	34,308	-	(3,186)	-	31,122
Target 2030 Glos	-	235,080	(235,080)	-	-
Target 2030 Wilts	-	246,581	(246,581)	-	-
SDC Park Homes Grants	7,896	-	-	-	7,896
GHG LAD 1A Grants	19,544	413,808	(433,352)	-	-
Park Homes 2020 Grants	19,296	-	(15,059)	-	4,237
SDC Winter Grants	3,985	10,000	(7,585)	-	6,400
S. Glos Household Support Fund	-	25,000	-	-	25,000
Hereford Winter Grants	9,000	17,000	(8,820)	-	17,180
Redress Herefordshire	-	600	(900)	300	-
Crisis Fund Fuel Vouchers	-	-	(51,072)	51,072	-
LAD 1B Grants	-	942,991	(942,991)	-	-
Warm and Well	-	-	(2,082)	2,082	-
Glos Household Support Fund	-	205,000	-	-	205,000
	133,959	2,744,093	(2,535,180)	53,455	396,327

14 Analysis of Movements in Restricted Funds (Continued)

Analysis of Movements in Restricted Funds - Previous Year (continued)

	At 1 April 2021	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2022
	£	£	£	£	£
Communities					
Rural Futures	196,189	182,716	(304,115)	-	74,790
Llandrindod Wells	157,706	131,238	(120,174)	-	168,770
Sustainable Community Wales	-	(2,126)	-	2,126	-
Foundational Economy	-	1,298	(22)	(1,276)	-
	353,895	313,126	(424,311)	850	243,560
Sustainable Technologies					
Three C	-	55,998	(99,063)	43,065	-
Mersey Biochar Phase 1	-	241,015	(245,493)	4,478	-
	-	297,013	(344,556)	47,543	-
Total Restricted Funds	**686,722**	**4,061,132**	**(3,841,269)**	**88,929**	**995,514**

Purpose of Restricted Funds

Affordable Warmth

Build 2 Low Carbon - is to add value and strengthen collaboration between public, private and third sector to efficiently and effectively retrofit domestic properties to relieve fuel poverty and reduce carbon emissions.

CCG Advocacy - working across Gloucestershire our energy advocates are working with local inclusion services to make sure everyone receives energy advice.

GCF Care Bags - to provide winter care bags for people living in Gloucestershire.

Glos. Communities Warmer for Longer - to fund the advocacy service for two months across Gloucestershire.

Household Support Funds - to distribute grants to households in fuel poverty.

HUG 2 - to instal clean heat and insulation to off gas homes.

Redress / Energy Aware Communities - working across Gloucestershire, South Gloucestershire & Herefordshire our energy advocates are working with local inclusion services to make sure everyone receives energy advice they understand.

Retrofit in the Marches - to work in partnership with MEA and others to provide mainly retrofit surveys in Herefordshire and Powys.

Revolving Retrofit Guarantee Fund - the fund was established by Stroud District Council for historic reasons, discussions are taking place to agree a future purpose.

Stonehouse Demonstrator - is to make recommendations for the improvement of the Stonehouse Pavilion, it will also assist with funded energy efficiency support to 10 example homes in the area.

Summerfield Trust - to provide winter care packages for people living in Gloucestershire.

WECA Energy Advice - to provide additional staff support for the Warm & Well advice line.

W&W Referral Fees - each year agreement is reached with the W&W funders as to how these fees are best utilised to help with our Affordable Warmth programme.

Warmth on Prescription - see Grants section.

W&W Support for Home Energy Advice - to provide additional adviceline support to households in Gloucestershire.

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds (continued)

Affordable Warmth (continued)

Crisis Fund Fuel Voucher - the fund was set up in response to Covid-19 to help families in fuel poverty by allocating fuel vouchers to households referred to us by trusted third parties.

Park Homes (Better Care Fund) - to fund energy efficiency measures for 15 to 18 park home residents in Gloucestershire.

SEGB in Communities - to deliver Smart Meter advice at events, drop-ins and home visits.

SWC LAD & HUG Ancillary - funding to compliment the main project to fund small enabling works.

Step up South Gloucestershire - Community advocate support service and an infrared camera project.

WPD Energy - to undertake 35 household visits, 12 community events and install small measures.

Grant Making

GEEG SGC Grants - these are funds received from South Gloucestershire Council (SGC) and Stroud District Council (SDC) for households meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

CCG Grants - these are funds received from the CCG through SDC for households in Gloucestershire meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

Warm Home Funds Grants - are funded by SDC providing grants to private tenants, owner occupiers and social housing for central heating systems and insulation to improve energy efficiency.

Rural Futures Grants - micro grants made to communities supported through the Rural Futures project.

Target 2030 Gloucestershire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Gloucestershire and up to 35% financial assistance to help install energy saving measures.

Target 2030 Wiltshire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Swindon & Wiltshire and up to 35% financial assistance to help install energy saving measures.

SDC Park Homes & Park Homes 2020 Grants - to support residents of park homes in Gloucestershire to become more energy efficient by administering grants to fund energy saving measures.

Green Homes Grant LAD 1A & 1B - fund provided to insulate park homes and assist with the installation of air sourced heat pumps in Gloucestershire.

Stroud District Council & Hereford Winter Grants - to support vulnerable residents affected by Covid-19 by making small cash payments to assist with food and essential items, such as fuel bills.

Crisis Fund Fuel Voucher - See Affordable Warmth.

SWC LAD & HUG Fund - to provide energy efficient retrofit works to low income homes in Gloucestershire and South Gloucestershire.

SGC & Glos Household Support Fund - to provide winter care bags, vouchers for Pre Paid Meters, energy debt write off and top up energy credits in the respective counties.

Park Homes (Better Care Fund) - to fund energy efficiency measures for 15 to 18 park home residents in Gloucestershire.

Warmth on Prescription - to support vulnerable households with severe respiratory illness via grants to improve the dwelling or financial support with heating bills.

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds (continued)

Business

Target 2030 Gloucestershire - see Grant Making.
Target 2030 Wiltshire - see Grant Making.

Communities

Rural Futures - Big Lottery Fund grant to support rural communities to co-produce sustainable local projects and help those communities harness their potential and build a lasting future.

Llandrindod Wells - together for Wellbeing, working with families who are in employment , but struggling to make ends meet and balance the needs of their families. Through the project families will be enabled to co-design and co-deliver projects that can improve the quality of their lives.
Energy Advocates Powys - Energy Advocacy work across Powys.

Sustainable Technologies

Three C - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks. The 3C project has been moved from Communities to the new Sustainable Technologies theme as it is a more appropriate classification.
CapCall Re-Direct - to build a timber framed, green roof and living wall community structure.
Mersey Biochar - to carry out a feasibility study into using a pyrolysis plant to develop a community-owned, carbon-negative energy solution. Now commissioned to build a prototype plant to demonstrate feasibility.

Transfers between Funds

W&W Referral fees - the funders agreed that £10,000 could be used to fund our business support services.
SWC LAD & HUG - the loss on these projects will be met from General Reserves.
Target 2030 Wilts & Glos - this is an EU funded project that only funds a 15% overhead charge, this is insufficient. The balance is therefore met from General Reserves.
Three C - There is matched funding for this project from Welsh Water and Gwent Green Grids in Unrestricted Income that more than covers most of the costs, the rest is met from General Reserves.

15 Analysis of Net Assets Between Funds

	General	Designated	Restricted	Total
	£	£	£	£
Fixed assets	**6,001**	**-**	**-**	**6,001**
Other net current assets	**646,642**	**70,763**	**1,228,503**	**1,945,908**
Net assets at 31 March 2023	**652,643**	**70,763**	**1,228,503**	**1,951,909**
Fixed assets	11,434	-	-	11,434
Other net current assets	562,135	17,725	995,514	1,575,374
Net assets at 31 March 2022	573,569	17,725	995,514	1,586,808

16 Operating Lease Commitments

At the 31 March 2023 the charity had the following total minimum lease payments commited under operating leases.

	Other		Land & Buildings	
	2023	2022	**2023**	2022
	£	£	**£**	£
Operating leases which expire:				
Within one year	**10,706**	22,998	**35,461**	35,511
Within two to five years	**15,309**	5,430	**38**	13
	26,016	28,428	**35,499**	35,524

17 Related Parties

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity in this year or the previous one.

18 Pension Commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs charge represents contributions payable by the charity to the fund and amounted to £47,589 (2022: £42,589). There was a liability at the end of the year of £1,857 (2022: £801).

19 Trustees' Remuneration

No remuneration has been paid to the trustees of the charity in the year under review or the prior year other than the reimbursement of travel costs of £100 (2022: £Nil).

20 Reconciliation of Surplus for the year to Net Operating Cash Flows

	2023	2022
	£	£
Net Movement of Funds as per the SOFA	**365,101**	388,860
Depreciation charges	**5,433**	6,348
Less interest received	**(4,180)**	(310)
Decrease/(Increase) in debtors	**(151,467)**	(395,984)
Increase/(Decrease) in creditors	**54,431**	200,619
Net Operating Cash Flows	**269,318**	199,533

Analysis of cash and bank deposits	**2023**	2022
	£	£
Cash in hand	**-**	-
Bank deposits	**1,107,085**	833,587
	1,107,085	833,587

21 Post Balance Sheet Event

The trustees have reviewed the strategic plan and the budget for 2023/24 and believe that on current projections the charity is a going concern.

SEVERN WYE ENERGY AGENCY

England & Wales - Charity number 1083812

Accounts

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2022

Charity Registration Number: 1083812
Company Registration Number: 03830608

Contents

	Page number
Reference and administrative information	1
Trustees' Report	2
Independent auditor's report to the members of Severn Wye Energy Agency Ltd	11
Statement of Financial Activities	15
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19-32

Severn Wye Energy Agency Ltd

Reference and Administrative Information **Year ended 31 March 2022**

Trustees	Heather Watts Peter Clegg (resigned 24th November 2021) Rowena Kay Daniel Clegg (resigned 30th June 2022) Simon Burgess Andrew Bull Eileen Kinsman Mareike Schmidt (Chair) Vilislava Ivanova Christopher Welby Louise Cooke Anna Griffin Leah Grint
Company Registered Number	03830608
Charity Registration Number	1083812
Registered Office	Unit 15 Highnam Business Centre Highnam Gloucestershire GL2 8DN
CEO	Simone Lowthe-Thomas (resigned 31st March 2022) Sandy Hore-Ruthven (appointed 18th July 2022)
Company Secretary	Hugh Boyes
Independent Auditor	Godfrey Wilson Limited 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD
Bankers	HSBC The Cross Gloucester GL1 2AP

The trustees, who are also the directors of Severn Wye Energy Agency Ltd (Severn Wye) for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2022. They confirm that the trustees' report and financial statements comply with Charities Act 2011, Companies Act 2006 and Severn Wye's memorandum and articles of association. They also conform to the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the United Kingdom and Republic of Ireland.

Objectives and Activities

Severn Wye's objects are:-

"The advancement of education for the public benefit in particular but not exclusively in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy" and

"The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and the utilisation of renewable sources of energy"

"To promote sustainable development for the benefit of the public by:

I. The preservation, conservation and the protection of the environment and the prudent use of resources.
II. The relief of poverty and the improvement of the conditions of life for those socially and economically disadvantaged.
III. The promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs"."

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.severnwye.org.uk.

Structure, Governance and Management

Governing Documents

Severn Wye is a company limited by guarantee, governed by its memorandum and articles of association, incorporated on the 24th August 1999 and registered with the Charity Commission on the 27th November 2000. If Severn Wye is wound up, its members are liable to pay the sum £1 each.

Method of Appointment or Election of Trustees

The directors of Severn Wye are also trustees of Severn Wye for the purposes of charity law and under the Article of Association are also members of the Council of Management.

New trustees are appointed either by the members of Severn Wye at a general meeting or by the Council of Management. One third of the member of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees

New trustees are provided with appropriate information, induction and training, taking into account the nature of Severn Wye and their previous experience in the charity sector.

Charity Governance Code of Practice

The Trustees have resolved to comply with the Charity Commission's code of practice for good governance. There are seven principles which are considered to be necessary to qualify as a well governed charity. The trustees have formed a sub-committee who have assessed the evidence for performance of the Board of Trustees (the Board) against each of these principles:

1. Organisational purpose 2. Leadership 3. Integrity 4. Decision making, risk and control 5. Board effectiveness 6. Diversity 7. Openness and accountability

Following this assessment, the trustees concluded that the Board was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the sub-committee highlighted areas for further improvement which have been addressed. The trustees have resolved to continue to embed this cycle of review and improvement on an annual basis.

Organisational Structure and Decision Making

The Board administers Severn Wye, meets quarterly and is responsible for the strategic direction and policy of Severn Wye. A minimum of three trustees is required for a meeting to be quorate. At present there are twelve trustees from a variety of professional backgrounds. There are three sub-committees responsible for Audit, People & Welfare and Governance.

The Board appoints the CEO who manages the day to day operations of Severn Wye.

Risk Management

The trustees have a risk management strategy that comprises;

- reviewing Severn Wye's risk register at least once a year;
- receiving general risk report and register at each quarterly Council of Management meeting;
- establishing policies, systems and procedures to mitigate risks identified in the register; and
- devising procedures designed to minimise the potential impact should those risks materialise.

The trustees believe they have adequate procedures in place to mitigate the risks to which Severn Wye is exposed.

The main risks identified are;

- A level of uncertainty around obtaining funding for new projects in the medium term, given the possible effects on the economy of high inflation, the war in Ukraine and Brexit;
- An increased likelihood that we will have difficulty recruiting suitably qualified and experienced staff to fill new posts or replace staff leaving the organisation;
- Not maintaining the high quality of service that we would like to provide and that our funders rightly expect;

These risks are being managed by the following actions;

- We are continuing to invest both time and resources in developing our services and staff skills so that we are capable of responding to a variety of opportunities that arise in the future. This will help both in obtaining funding for 23/24 and also in expanding into new areas and opportunities as they arise;

- We are training up existing staff and developing new trainee roles in areas where there is high demand for specific skills. We will continually reviewing pay levels in light of current demand for certain skills to ensure we are paying at a reasonable level.
- We have put inplace new procedures to ensure that we learn from any issues and improve our processes. In addition we are reviewing our quality management framework;

Pay Policy

The trustees do not receive any remuneration from Severn Wye, but can claim reasonable costs for travel, sustenance and training (see Note 19).

Severn Wye has a remuneration policy to ensure fair pay and to retain suitably qualified staff to lead, manage, support and deliver its aims. The People & Welfare Committee oversees the implementation of the policy.

Achievements and Performance

Severn Wye has had a good year building on the foundation of changes made in the previous year, which has resulted in the running of over 40 different projects. There are no specific overall organisational KPIs as each project has its own KPIs and these will vary year on year by project.

Sustainable Home Energy

As the UK moved through various periods of lockdown restriction and easing during 2021-22, we saw continued higher costs and lower incomes for some of society's most vulnerable. As a result of the adaptations, training and dynamic adaptability approaches we undertook over the previous year, we were ready to move forward with the delivery and operational challenges that 2021-22 presented.

This year followed the same pattern as previous years and proved to be an exceptionally busy time for our Sustainable Home Energy team. Across the Warm and Well (Gloucestershire and South Gloucestershire) and Keep Herefordshire Warm projects we supported 4,363 unique households and carried out 987 home visits.

2021-22 was particularly characterised by the introduction of the Green Homes Grant Local Authority Delivery Schemes, and we led on or delivered householder support for LAD Phase 1a, LAD Phase 1b and LAD Phase 2. For the phase 1 projects we worked in partnership with the Gloucestershire Clinical Commissioning Group to insulate over 100 park homes belonging to residents with significant health vulnerabilities. We also completed work on the Warm Homes Fund in Gloucestershire and in Herefordshire. In total we accessed just over £4 million in funding across the projects and installed 1,238 energy-saving measures, which account for total lifetime carbon savings of over 30,584 tonnes of CO2. We've delivered a range of innovative interventions to support people living in fuel poverty, including the delivery of over £50,000 of fuel vouchers to 3,000 households in England and Wales, via the Energy Industry Voluntary Redress Scheme. By quickly establishing partnerships with frontline healthcare, community-based support services, local authorities, Foodbank networks and local charities, Severn Wye were able to get instant financial support to those most at need and most at risk.

Not only have we expanded our advocacy service further into Gloucestershire, we've also newly established the service in Wales, as part of our new UK Community Renewal Fund work there, beginning at the end of the year. Our Wales-based Energy Advocate is based at the Hive in Llandrindod Wells, Powys, and will initially focus on working with the community there. The service is desperately needed, with recent Welsh Government modelling suggesting that 45% of Welsh residents could already be living in fuel poverty. Powys itself has the lowest GVA (gross value added) in the UK, at 42% lower than the national average.

In light of the continuing energy crisis, we have chosen to establish an emergency assistance donation fund that will allow members of the public to make contributions towards our work. The fund will allow us to support people living in fuel poverty with direct payments when they need it most, something that's often not possible through other funding sources. We aim to alleviate some of the financial pressure people are experiencing in the short term, whilst offering longer-term support with energy efficiency changes and energy saving advice.

Sustainable Organisations

As the Target 2030 project expanded into Swindon and Wiltshire we've seen continued demand for the scheme, with 159 organisations benefitting from our support across Gloucestershire, Swindon and Wiltshire over the period 2021-22. A total of £683,100 in grant funding has been levered through the project, which has been utilised for a wide range of energy efficiency measures. In particular, our work with SMEs across this project has resulted in a surge in the uptake of solar PV in these areas, with more organisations looking to expand their capacity to produce energy on site. In 2021-22, we have increased solar PV capacity in Gloucestershire, Swindon and Wiltshire by 1,834kWp. In total, £1,119,550 has been spent on solar across these areas in the last financial year, as a direct result of the Target 2030 project.

Our Sustainable Organisations work has continued to grow despite uncertainty about the future direction of the project as a result of the UK leaving the European Union. The introduction of the UK Community Renewal Fund (CRF) in May 2021 was intended as a signal of post-Covid recovery and post-EU funding streams by the UK Government. This development was particularly essential for our Sustainable Organisations work, which has previously been heavily dependent on EU funds. Ahead of this change in funding, we're piloting schemes targeted at SMEs in Powys using the CRF funding stream. The project is aimed at learning more about the barriers SMEs face to embracing new energy efficiency and sustainability technologies. Making technology accessible to SMEs relies on great partnership working, which is why this project will deliver a series of collaborative workshops with SMEs, installers and other stakeholders in Mid Wales, in partnership with EP Connect, to create a service that is developed specifically to meet their needs.

Additionally, we continued to deliver the Business Energy Efficiency Programme to Herefordshire SMEs. This programme offers fully-funded business energy, water and waste surveys and includes up to 40% grant funding for carbon-saving measures. As the end of the 2021-22 year approached, our team have nearly completed their quota of supporting 61 Herefordshire businesses.

Sustainable Communities

The coronavirus pandemic continued to impact on our Sustainable Communities work in 2021-22, but offered more opportunities than barriers. We saw increased need in the community in Llandrindod Wells. To provide some much-needed fun and a return to 'normality' for families in the town we developed and hosted 'HAF Llandrindod' a programme of summer activities during 2021, co-produced with local families and Play Radnor, to provide family fun in the town. We ran 16 live events over four days at Ysgol Trefonnen (the local primary school), sticking to COVID guidance. Over 100 other HAF Llandrindod events and activities were delivered by partners across the summer, at little or no cost to families. These included orienteering, den-building and mini beast hunts. Numbers were limited due to social distancing, but most events attracted at least ten local families.

Our sustainability hub 'The Hive,' established just before the start of the year, continues to grow its impact, providing a range of support to the local community. Alongside hosting the Cariad a Cwtch baby bank (which gave out more than £1,000 of baby goods in a single day in March 2022), Uniform Exchange and Library of Things, the building offers a 'local to home' office space, which provides an income for the project. In addition, due to its prominent place in the local community, the staff at the Hive are able to be reactive to changing local needs. Recently they have been supporting Ukrainian refugees by acting as a drop off for donations and offering direct support to families who have settled in the area.

The Rural Futures team have continued to employ innovative and creative approaches to their work. Story Studios have continued to prove a successful approach to intergenerational and collaborative community work for the four new Welsh communities that have recently joined the programme. Residents are encouraged to envisage the future they want for their community, by creating temporary interactive spaces (studios) for reflection and forward-looking. Rural Futures commissioned artists to work with communities on the project, in one example using the concept of Utopias Bach (making minature representations of the future we want to happen) to engage the Gwalchmai community on Anglesey in exploring possible futures. During 2021-22, the project built on the community engagement stage and helped to establish multiple community-led initiatives across the country.

This work has led to influencing policy at Welsh Government level. The Rural Futures team in Bro Machno have been working with the community to highlight the problem of second homes in the area. The community raised particular concerns around the prevalence of second, holiday and empty homes in the village, something that has since been compounded by the Covid-19 pandemic and the rise in 'staycations.' This led to the formation of the Bro Machno Housing Partnership between the community, county council and supporting organisations. Mark Isherwood MS was invited to Penmachno in November 2021 and subsequently submitted a paper produced by the partnership to the Senedd. Following on from this work, Severn Wye's local Place Coordinator was invited by the Welsh Government's Local Government and Housing Committee to attend an evidence session in March 2022, as part of their inquiry into second homes. The committee's final report has now been published, which features contributions from Rural Futures and the Bro Machno Housing Partnership.

Sustainable Technologies

Technology is at the heart of everything we do at Severn Wye and plays a role across all our areas of work. We take an approach to technology that centres both innovation and usability, that ensures we're at the cutting edge of research into new sustainability technologies, and that the research we do and technology we recommend will enhance the lives of our clients.

We've successfully completed the first phase and secured funding for the second phase of our pioneering Biochar for Wastewater Remediation work with Welsh Water. This innovative project has culminated in the development of a carbonisation demonstrator unit, sited in Swindon. The demonstrator will showcase how the carbonisation process works, turning sewage sludge into biochar. The unit has the potential to demonstrate the viability of such a process at scale and its potential for use across water treatment facilities.

Severn Wye has also been awarded phase 2 funding for our Mersey Biochar project, which aims to develop a community-owned, carbon-negative energy solution that supports the local economy, local community woodland and local forestry industry.

Our Sustainable Technologies team also embarked partnership with Monmouthshire County Council and other local stakeholders to develop the Gwent Green Grid partnership, which aims to improve and develop 'green infrastructure' and provide green jobs across Blaenau Gwent, Caerphilly, Newport and Torfaen. The members of the Gwent Green Grid partnership are working together to ensure a consistent approach to environmental management, health and wellbeing across the Gwent area. This work forms part of an approach to meet the challenge of managing the area's natural resources for future generations. In the first phase of the project, Severn Wye will be carrying out a detailed study of the area, mapping and analysing the existing green infrastructure, waste streams and land management needs. This study will identify opportunities for enriching the local environment by managing natural resources carefully and finding the best way to process green waste sustainably.

Alongside these flagship programmes, the team have contributed to a range of research and development programmes during 2021-22, including the completion of a biochar feasibility studies for the South Wales Skyline project.

Investment and Progress in Delivery of our Strategic Enablers

During 2019 we agreed a new Strategic Plan which redefined our mission, vision, values and strategic objectives. This document also identified eight priority areas for investment of our resources to enable the growth and delivery of Severn Wye as an organisation ready for the future: 1) Increased Strategic Partnerships, 2) Making Severn Wye a great place to work, 3) Marketing & Communications, 4) Finance, Governance and Compliance, 5) Diversifying our services, 6) Investing in our digital future, 7) Capacity building and training and, 8) Partnerships in Europe.

Throughout the year the trustees received quarterly updates on planning and delivery against these enablers. Progress has been made on all and will continue during the next few years. Achievements of note are:

1. We have seen significant growth in our activities, turnover and staff numbers. For example in April 2020 we had 28 staff; this had grown to 55 staff by March 2022. The organisation has coped well dealing with such growth whilst at the same time dealing with Covid-19. However such growth does place strains on systems designed for a smaller organisation and we are working on continuing to ensure Severn Wye is a great place to work.

2. We have continue to ensure that staff from most teams have received training and mentoring and we have a rolling programme of CPD e.g., several new staff have studied the NEA level 3 course, we have trainee retrofit coordinators the ILM level 3 studies have continued.

3. We have continued the transition from office-based IT systems by moving to a cloud based finance package. Now all IT systems used by staff are cloud based, which enables effective home working by all staff. Where possible staff continue to work at home for a significant part of the week, which is appreciated and will do so for the foreseeable future.

Financial Review

Results for the Year

The increase in the unrestricted funds in the year of £80,068 (2021: £94,462) shows further consolidation on the progress made over the last two years. Overall income has increased to £4.90m (2021: £3.76m), the income excluding grants has also increased to £2.16m (2021: £1.96m). On the expenditure side the grants allocated have increased along with the increased income, and expenditure elsewhere has increased slightly to £1.98m (2021: £1.60m).

Funding Sources

The main funding sources in the year are:

- Local Authorities (Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Gloucester County, Herefordshire, South Gloucestershire, Stroud District, Tewkesbury Borough, Wiltshire and Worcestershire) for Warm & Well and other programmes;
- European Regional Development Fund (ERDF) via Wiltshire and Gloucestershire CC for T2030 projects;
- European Commission for a number of smaller projects;

- National Lottery Community Fund for CREATE Your Space, Rural Futures and Working Together for Llandrindod Wells;
- Welsh Government for the Foundational Economy project;
- Department for Business, Energy & Industrial Strategy (BEIS) for the GHG LAD 1a & 1b, Mersey Biochar and Powys funding, some via local authority;
- Clinical Commissioning Group for Warm Homes Fund and Build 2 Low Carbon;
- Energy Saving Trust for the Redress projects;
- Private sector and small local bodies for one off services.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves policy and going concern

The purpose of the Reserves Policy is to ensure the stability of the ongoing operations of Severn Wye and to enable the ongoing future of Severn Wye.

Severn Wye's unrestricted funds on the 31st March 2022 amounted to £591,294 (2021: £511,226). Severn Wye's free reserves on the 31st March 2022 were £562,135 (2021: £498,348). The trustees expect to maintain or increase those reserves to try to achieve the target set in the Reserves Policy.

The Reserves Policy target is to have sufficient reserves to meet three months running costs, plus meet all the liabilities of the organisation and to provide sufficient cash to fund the organisation's activities. Whilst falling short of the overall target of £650,000, the reserves are more than sufficient to meet the latter two aspirations.

The charity is currently projected to increase the unrestricted funds in 2022/23 by a further £62,000. A draft budget has been drawn up for the succeeding year. The position here is less certain but with prudent assumptions it is hoped to achieve a breakeven position for that year. The position will be under regular review by the trustees.

The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and the current business plan, that Severn Wye is a going concern.

Investment Policy

Severn Wye is committed to maintaining sufficient funds in instant access or short notice period accounts to meet its ongoing expenditure and cashflow requirements. Any funds beyond this will be invested in low risk deposit accounts or fixed-term bonds, with notice periods not exceeding one year.

The Trustees are satisfied with the investment returns in the current year, the policy will be reviewed annually.

Future Developments

The Business Plan was reviewed by Board at their meeting in April and a revised budget was approved at the meeting in May. That budget anticipated an increase in Unrestricted Funds by £62,000 and we are currently in line with that budget.

This year we have successfully applied for funding of over £12.7m (£10.5m grants & capital), for a number of projects, spread over a number of years, the main ones being;

- SWC HUG and LAD, funds for energy efficient retrofit to 300 low income homes in Gloucestershire and South Gloucestershire;
- Warm homes Fund 6 to provide 310 first time central heating systems in Gloucestershire and South Gloucestershire;

- Step Up South Gloucestershire a project to provide a community advocate support service and infrared camera scheme in the county;
- Social Housing Demonstrator Fund, Wave phase 2 to provide retrofit coordination services to support the delivery of the Whole House Retrofit Demonstrator project in Stroud and Cheltenham;
- Mersey Biochar Phase 2, to build and run a prototype plant for the production of biochar from forestry waste for carbon capture, sequestration and utilisation in district heating scheme;

Statement of Trustees' Responsibilities in respect of the Financial Statements

The trustees, who are the directors of Severn Wye for the purposes 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 and charity law require the trustees to prepare financial statements for each financial year that give a true and fair view of Severn Wye's state of affairs and of its incoming and outgoing resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Statement of Recommended Practice 'Accounting and Reporting by Charities';
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Severn Wye will continue in operation.

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

Provision of Information to the Auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are aware:

- there is no relevant audit information of which Severn Wye's auditor is unaware; and
- they have taken all the steps that they ought to have taken, as trustees, to make themselves aware of any relevant audit information and to establish that Severn Wye's auditor is aware of that information.

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

Auditor

The auditor is Godfrey Wilson Limited.

Approval

The trustees have prepared this report in accordance with the provisions applicable to companies subject to the small companies regime. This report was approved by the trustees on 23rd August 2022 and signed on their behalf by.

Mareike Schmidt

Mareike Schmidt - Trustee

SIMON BURGESS

Simon Burgess – Trustee

Opinion

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 opinions

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

Conclusions relating to going concern

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

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
(2) We reviewed the charity's policies and procedures in relation to:
    - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
    - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
(3) We inspected the minutes of trustee meetings.
(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
    - Testing the appropriateness of journal entries;
    - Assessing judgements and accounting estimates for potential bias;
    - Reviewing related party transactions; and
    - Testing transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 14th September 2022

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Severn Wye Energy Agency Ltd

Statement of Financial Activities **Year ended 31 March 2022**

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2022	Restated Total 2021
		£	£	£	£
Income from:					
Charitable Activities					
Affordable Warmth	13 & 14	**646,474**	**493,262**	**1,139,736**	718,292
Business	13 & 14	**60,573**	**213,638**	**274,211**	158,826
Grant Making	13 & 14	**-**	**2,744,093**	**2,744,093**	1,807,615
Communities	13 & 14	**25,607**	**313,126**	**338,733**	917,970
Sustainable Technologies	13 & 14	**95,246**	**297,013**	**392,259**	29,618
Donations & Government Furlough Scheme		**2,650**	**-**	**2,650**	128,346
Investment Income		**310**	**-**	**310**	297
Other Income		**9,974**	**-**	**9,974**	3,429
Total Income		**840,834**	**4,061,132**	**4,901,966**	3,764,393
Expenditure on:					
Charitable activities					
Affordable Warmth	4	**608,188**	**286,970**	**895,158**	495,135
Business	4	**41,452**	**250,252**	**291,704**	169,357
Grant Making	4	**-**	**2,535,180**	**2,535,180**	1,783,522
Communities	4	**14,139**	**424,311**	**438,450**	707,239
Sustainable Technologies	4	**8,058**	**344,556**	**352,614**	64,863
Government Furlough Scheme	4	**-**	**-**	**-**	165,230
Total Expenditure		**671,837**	**3,841,269**	**4,513,106**	3,385,346
Net Income / (Expenditure) for the year		**168,997**	**219,863**	**388,860**	379,047
Transfer In / (Out) between Funds	13 & 14	(88,929)	88,929	**-**	-
Net Movement in Funds	8	**80,068**	**308,792**	**388,860**	379,047
Reconciliation of Funds					
Funds brought forward at 01 April 2021	13 & 14	**511,226**	**686,722**	**1,197,948**	818,901
Funds Carried Forward at 31 March 2022	13 & 14	**591,294**	**995,514**	**1,586,808**	1,197,948

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

The notes on pages 19 to 32 form part of these financial statements.

The prior year comparatives have been restated to reclassify income and expenditure between the SOFA headings, there is no impact on total income, expenditure or net income.

Statement of Financial Activities (Continued) **Year ended 31 March 2022**
(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Restated Funds 2021
		£	£	£
Income from:				
Charitable Activities				
Affordable Warmth	13 & 14	488,337	229,955	718,292
Business	13 & 14	20,036	138,790	158,826
Grant Making	13 & 14	-	1,807,615	1,807,615
Communities	13 & 14	125,423	792,547	917,970
Sustainable Technologies	13 & 14	-	29,618	29,618
Donations & Government Furlough Scheme		128,346	-	128,346
Investment Income		297	-	297
Other Income		3,429	-	3,429
Total Income		765,868	2,998,525	3,764,393
Expenditure on:				
Charitable activities				
Affordable Warmth	4	336,539	158,596	495,135
Business	4	34,536	134,821	169,357
Grant Making	4	1,000	1,782,522	1,783,522
Communities	4	101,110	606,129	707,239
Sustainable Technologies	4	7,831	57,032	64,863
Government Furlough Scheme	4	165,230	-	165,230
Total Expenditure		646,246	2,739,100	3,385,346
Net Income / (Expenditure) for the year		119,622	259,425	379,047
Transfer In / (Out) between Funds	13 & 14	(25,160)	25,160	-
Net Movement in Funds		94,462	284,585	379,047
Reconciliation of Funds				
Funds brought forward at 01 April 2020	13 & 14	416,764	402,137	818,901
Funds Carried Forward at 31 March 2021	13 & 14	511,226	686,722	1,197,948

Severn Wye Energy Agency Ltd

Companies House Registered Number 03830608

Balance Sheet **As at 31 March 2022**

	Note		2022		2021
			£		£
Fixed Assets					
Tangible assets	9		**11,434**		12,878
			11,434		12,878
Current Assets					
Debtors	10	**1,121,266**		725,282	
Cash at bank & in hand		**833,587**		638,648	
		1,954,853		1,363,930	
Current Liabilities					
Creditors: Amounts falling due within one year	11	**(379,479)**		(178,860)	
Net Current Assets			**1,575,374**		1,185,070
Net Assets			**1,586,808**		1,197,948
Funds of the Charity					
Unrestricted funds	13		**573,569**		511,226
Designated funds	13		**17,725**		-
Restricted funds	14		**995,514**		686,722
Total Charity funds			**1,586,808**		1,197,948

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The notes on pages 19 to 32 form part of these accounts. The financial statements were approved and authorised for issue by the Board of Trustees on the 23 August 2022 and were signed on its behalf by:

Mareike Schmidt

Mareike Schmidt
Trustee

SIMON BURGESS

Simon Burgess
Trustee

Severn Wye Energy Agency Ltd

Cash Flow Statement **For the year ended 31 March 2022**

	Note	2022		2021	
		£		£	
Net cash inflow from operating activities	20		**199,533**		(17,793)
Investing activities					
Returns on investments and servicing of finance					
Interest received		310		297	
Payments to acquire fixed assets		(4,904)		(6,703)	
Net cash outflow from investing activities			**(4,594)**		(6,406)
Increase in cash and cash equivalents			**194,939**		(24,199)
Cash or cash equivalents brought forward	20		638,648		662,847
Cash or cash equivalents carried forward	20		**833,587**		638,648

No analysis of net debt is provided as the charity does not have any long-term sources of finance.

The notes on pages 19 to 32 form part of these financial statements.

1 General Information

The company was formed on the 24th August 1999, is limited by guarantee (No 03830608) and is a registered charity (No 1083812). The company is registered in England and Wales and the registered office is Unit 15, Highnam Business Centre, Highnam, Gloucestershire, GL2 8DN.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation in the financial statements are as follows.

a Basis of Accounting

The financial statements have been prepared in accordance with;

- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) which became effective in January 2019.
- the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102.
- the Charities Act 2011.
- the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charity constitutes a public benefit entity as defined by FRS 102.

b Preparation of the Accounts on a going concern basis

Severn Wye has demonstrated that it was able to cope with the effects of Covid-19 over the last two years. Currently it seems less likely that there will be further disruption due to Covid-19 in the coming year. The current budget for 2022/23 has been forecast on that basis and anticipates a reasonable surplus. Even if the unforeseen happens and a loss is incurred, Severn Wye has the reserves and cash to be able to cover a loss and have enough reserves and cash to go securely into 2023/24. A draft budget has drawn up for the succeeding year. The position here is less certain but with prudent assumptions it is hoped to achieve a breakeven position for the year. The position will be under regular review by the trustees. A review of the business plan will take place during the year.

The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and business plan put in place to meet the possible further challenges of Covid-19, there are no material uncertainties about the charity's ability to continue as a going concern.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

2 Principal Accounting Policies (continued)

c Income (continued)

Income received in advance of the provisions of a specified service or performance conditions is deferred until the criteria for income recognition are met (see note 12).

d Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT where VAT cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However the costs of the overall direction and administration of each activity is apportioned on the basis of the staff time directly attributable to that activity.

Grants paid are included in the Grant Making, in the period defined by the rules of the relevant scheme. Normally this is when the agreed work has been carried out, certified and paid for.

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and statutory requirements and are included within administration.

Administration include support and central functions and have been allocated to the activities on a basis consistent with the use of resources.

e Financial Instruments

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

f *Significant Judgements and Estimates*

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Deferred Income:

Income is only deferred where it is clear that Severn Wye does not have legal entitlement to that income until the terms and conditions of the contract or agreement are satisfied.

Depreciation:

As described in note 2h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

g *Fund Accounting*

Unrestricted funds are expendable at the discretion of trustees in furtherance of the objects or the administration of the charity.

Restricted funds are to be used for the specific purposes laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Principal Accounting Policies (continued)

h Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. As a general guide expenditure of less than £750 is not capitalised.

Depreciation is provided at rates to write off the cost of the asset over its estimated useful lives, as follows:

Computer Equipment	33% straight line
Office & General Equipment	20% straight line

i Cash at Bank and in Hand

Cash at bank and in hand includes current and short term liquid deposit accounts with a short maturity.

j Debtors

Trade debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discount due.

k Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for trade discounts.

l Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the Balance Sheet date and the gains or losses recognised in the Statement of Financial Activities (SOFA) in administration.

***m* Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

n Pensions

The charity contributes to a group and individual stakeholder pension scheme for some of its employees. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

o Operating Leases

Operating lease rentals are charged to the SOFA on a straight line basis over the period of the lease.

p Redundancy and settlement

Redundancy costs arise from the periodic reviews of staffing levels and are charged to the SOFA in the year in which the company is demonstrably committed to the employee leaving the charity.

q Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

3 Government Grant Income

The company had the following grants from the Government which were obtained through a bid / tendering process -the Big Lottery Fund , (Llandrindod Wells, Rural Futures, Create), South Gloucestershire CC (SGC Grants, Health Grants, GEEG SGC Grants), Clinical Commissioning Group (CCG Grants), Warm Homes Fund (Warm Homes Grants), ERDF (Target 2030 Grants), Herefordshire Council (Hereford Winter Grants), BEIS (GHG LAD 1a and LAD 1b Glos), Stroud District Council (Winter Grants, Park Home Grants).

Further details of these grants are given in note 13 and 14. The grants are recognised when the charity is in receipt of the grant, is entitled to that funding and there are no specific contingencies.

4 Total Expenditure

Expenditure 2022	**Salaries**	**Grants**	**Direct costs**	**Overheads**	**2022**
	£	**£**	**£**	**£**	**£**
Affordable Warmth	622,561	-	113,796	158,801	895,158
Business	197,670	-	42,047	51,987	291,704
Grant Making	-	2,535,180	-	-	2,535,180
Communities	248,493	-	125,396	64,561	438,450
Sustainable Technologies	112,719	-	209,039	30,856	352,614
Administration	120,429	-	185,776	(306,205)	-
Total 2022	**1,301,872**	**2,535,180**	**676,054**	**-**	**4,513,106**

Expenditure 2021	**Salaries**	**Grants**	**Direct costs**	**Overheads**	Restated **2021**
	£	**£**	**£**	**£**	**£**
Affordable Warmth	301,491	-	77,832	115,812	495,135
Business	97,675	-	34,162	37,520	169,357
Grant Making	-	1,783,522	-	-	1,783,522
Communities	256,765	-	351,843	98,631	707,239
Sustainable Technologies	44,999	-	2,578	17,286	64,863
Government Furlough Scheme	165,230	-	-	-	165,230
Administration	87,979	-	181,270	(269,249)	-
Total 2021	954,139	1,783,522	647,685	-	3,385,346

Expenditure is allocated to a particular project where the costs relate directly to that project. All other costs are allocated to each project on the basis of the staff time attributable to that project.

The prior period comparatives have been restated to allocate all Administration expenditure between SOFA headings in line with the charity's policy of allocating all support and governance costs. The prior period comparatives have also been restated to reclassify the 3C project expenditure from Communities to Sustainable Technologies SOFA headings. There is no impact on total expenditure.

5 Governance Costs

Governance costs included within administration are made up as follows:	2022 £	2021 £
Audit	**8,200**	7,825
Accountancy	**-**	850
Salaries	**13,428**	12,317
Trustee Expenses & recruitment	**-**	201
Impact reporting	**-**	935
Share of overheads & travel	**41**	1,448
Total costs	**21,669**	23,576

6 Analysis of Grants Paid

To institutions by Projects:	2022 £	2021 £
Rural Futures Grants	**3,186**	665
Target 2030 Wiltshire	**246,581**	3,045
Target 2030 Gloucestershire	**235,080**	207,777
	484,847	211,487

To individuals by Projects:	2022 £	2021 £
GEEG SGC	**17,340**	9,461
CCG	**187,947**	72,923
Warm Homes Fund	**383,185**	775,379
FOD, CDC & SDC Park Homes	**-**	34,100
Crisis Fund Fuel vouchers Grants	**51,072**	187,413
GHG LAD Grants	**433,352**	380,456
Park Homes 2020 BTC Grants	**15,059**	110,288
Stroud District Council Winter Grants	**7,585**	1,015
Herefordshire Winter Grants	**8,820**	-
Warm & Well	**2,082**	-
Redress Herefordshire	**900**	-
LAD1B Grants	**942,991**	-
Llandrindod Wells	**-**	1,000
	2,050,333	**1,572,035**

Total grants paid	**2,535,180**	**1,783,522**

The grants are paid out in respect of work done for individuals and institutions, who qualify under the criteria of each project. The reimbursement of part of the cost of work are paid to the contractor once the work has been approved, completed, certified and the recipient's contribution paid by the recipient.

The support costs for the above are included in charitable activities expenditure. Please refer to the charity website for further details of grants awarded in the year. Examples of grant recipients can be found at https://target2030.co.uk/case-studies/. There were no material grants paid to any individual institution.

7 Analysis of Staff Costs

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	**1,155,864**	849,317
National insurance costs	**98,419**	71,838
Pension costs	**47,589**	32,984
	1,301,872	954,139

The total employee benefits of the key management personnel of the charity, who comprise the Senior Management Team, were £174,343 (2021: £169,306).

During the year 1 employee earned between £60,000 and £70,000 (2021 - 1). Redundancy and settlement costs for the year were £6,707 (2021: £Nil).

The average number of employees during the year was as follows:

	2022	2021
	Nos	Nos
Average full time equivalent	**39.6**	28.2
Average head count	**46.5**	33.0

8 Net Income for the Year

	2022	2021
This is stated after charging:	£	£
Depreciation	**6,348**	5,597
Auditor's fees for audit	**8,200**	7,825
Auditor's fees for non-audit services	**0**	850
Operating lease payments in respect of land & property	**41,314**	41,314
Operating lease payments in respect of equipment	**34,932**	52,613

9 Tangible Fixed Assets

	Office & General Equipment	Computer Equipment	Total
Cost	**£**	**£**	**£**
Brought forward	6,217	21,781	27,998
Additions	2,480	2,424	4,904
At 31 March 2022	**8,697**	**24,205**	**32,902**
Depreciation			
Brought forward	1,331	13,789	15,120
Charge for year	1,599	4,749	6,348
At 31 March 2022	**2,930**	**18,538**	**21,468**
Net book value			
At 31 March 2022	**5,767**	**5,667**	**11,434**
At 31 March 2021	4,886	7,992	12,878

10 Debtors

	2022	2021
	£	£
Trade debtors	**677,078**	428,960
Prepayments	**23,551**	16,342
Accrued income	**420,637**	279,980
	1,121,266	725,282

11 Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	**59,080**	37,916
Social security and other taxes	**116,517**	61,328
Accruals	**87,860**	55,548
Other creditors	**51,272**	14,274
Deferred income (note 12)	**64,751**	9,794
	379,479	178,860

12 Deferred Income

	2022	2021
	£	£
Balance at 1 April 2021	**9,794**	12,285
Amount released in the year	**(9,794)**	(12,285)
Amount deferred in the year	**64,751**	9,794
Balance as at 31 March 2022	**64,751**	9,794

12 Deferred Income (continued)

Deferred income comprises income received under a contract which relates to work to be completed in future accounting periods and initial up front payments, where the work has yet to be performed or completed. The charity has no entitlement to these funds at the 31 March 2022 and they have therefore been deferred.

13 Analysis of Movements in Unrestricted Funds

	As at 1 April 2021	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2022
	£	£	£	£	£
Unrestricted Funds	**511,226**	**823,109**	**(671,837)**	**(88,929)**	**573,569**
Designated Funds	**-**	**17,725**	**-**	**-**	**17,725**
Total Unrestricted Funds	**511,226**	**840,834**	**(671,837)**	**(88,929)**	**591,294**

	As at 1 April 2020	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2021
	£	£	£	£	£
Total Unrestricted Funds	416,764	765,868	(646,246)	(25,160)	511,226

Analysis of Unrestricted Income

	2022	2021
	£	£
Affordable Warmth		
Keep Herefordshire Warm	**62,178**	59,108
Warm & Well	**208,445**	200,077
CCG / SDC Grant Management	**10,500**	6,000
LAD 2 Herefordshire	**54,800**	-
Warm Homes Fund	**44,000**	80,000
CDC Park Home Management	-	12,000
Energy Redress	-	60,113
Green Homes Grant Advice	-	40,000
Powys CRF	**46,217**	-
SHDF SDC	**41,300**	-
GHD LAD1B Admin	**72,000**	-
GHD LAD Admin	**54,055**	31,039
Various small projects	**52,979**	-
	646,474	488,337
Business Energy	**60,573**	20,036
Communities		
Create your Space	**22,083**	23,333
Waterfalls Country Future	**26,850**	15,615
Llandrindod Wells - The Hive	**15,075**	62,096
Various projects	**(38,401)**	24,379
	25,607	125,423

13 Analysis of Movements in Unrestricted Funds (continued)

Analysis of Unrestricted Income (continued)

	2022	2021
	£	£
Sustainable Technologies		
Welsh Water	**48,746**	-
Gwent Green Grids	**15,000**	-
Rhonda Skyline	**31,500**	-
	95,246	-
Donations & Government Furlough Scheme	**2,650**	128,346
Other Income	**9,974**	3,429
Investment income	**310**	297
Total Unrestricted Income	**840,834**	765,868

Designated Funds

The Hive (£15,075) - Whilst the running costs of the Hive are covered by the Llandrindod Wells BLF project, the income generated by the utilisation of the building is being set aside to meet the future costs of running the Hive once the BLF funding ceases.

Donations (£2,650) - The funds freely donated to the charity have not been used in this year and are thus carried forward to be used in the next year.

14 Analysis of Movements in Restricted Funds

Analysis of Movements in Restricted Funds - Current Year

	At 1 April 2021	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2022
	£	£	£	£	£
Affordable Warmth					
Build 2 Low Carbon	-	1,030	-	(1,030)	-
Redress South Glos	-	57,676	(60,615)	2,939	-
Redress Herefordshire	-	41,571	(41,200)	71	442
Redress Glos 2	-	138,908	(140,735)	1,827	-
W&W Referral Fees	60,063	66,895	(6,869)	(10,000)	110,089
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
Crisis Fund Fuel Vouchers	63,805	3,135	(23,573)	(43,367)	-
WPD Energy	-	7,994	(3,324)	-	4,670
SWC LAD & HUG Ancillary	-	10,000	-	-	10,000
GCF Care Bags	-	4,000	(4,027)	27	-
CCG Advocacy	-	150,000	-	-	150,000
MEA Redress	-	2,363	(2,363)	-	-
Stonehouse Demonstrator	-	4,690	-	-	4,690
Summerfield Trust	-	5,000	(4,264)	-	736
	198,868	493,262	(286,970)	(49,533)	355,627

14 Analysis of Movements in Restricted Funds (continued)

Analysis of Movements in Restricted Funds - Current Year

	At 1 April 2021	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2022
	£	£	£	£	£
Business					
Target 2030 Wilts	-	127,251	(147,930)	20,679	-
Target 2030 Glos	-	86,387	(102,322)	15,935	-
					-
	-	213,638	(250,252)	36,614	-
Grant Making					
SWC LAD Grants	-	40,000	-	-	40,000
SWC HUG Grants	-	40,000	-	-	40,000
GEEG SGC Grants	16,832	20,000	(17,340)	-	19,492
CCG Grants	23,098	164,848	(187,947)	1	-
Warm Homes Fund Grants	-	383,185	(383,185)	-	-
Rural Futures Grants	34,308	-	(3,186)	-	31,122
Target 2030 Glos	-	235,080	(235,080)	-	-
Target 2030 Wilts	-	246,581	(246,581)	-	-
SDC Park Homes Grants	7,896	-	-	-	7,896
GHG LAD 1A Grants	19,544	413,808	(433,352)	-	-
Park Homes 2020 Grants	19,296	-	(15,059)	-	4,237
SDC Winter Grants	3,985	10,000	(7,585)	-	6,400
S. Glos Household Support Fund	-	25,000	-	-	25,000
Hereford Winter Grants	9,000	17,000	(8,820)	-	17,180
Redress Herefordshire	-	600	(900)	300	-
Crisis Fund Fuel Vouchers	-	-	(51,072)	51,072	-
LAD 1B Grants	-	942,991	(942,991)	-	-
Warm and Well	-	-	(2,082)	2,082	-
Glos Household Support Fund	-	205,000	-	-	205,000
	133,959	2,744,093	(2,535,180)	53,455	396,327
Communities					
Rural Futures	196,189	182,716	(304,115)	-	74,790
Llandrindod Wells	157,706	131,238	(120,174)	-	168,770
Sustainable Community Wales	-	(2,126)	-	2,126	-
Foundational Economy	-	1,298	(22)	(1,276)	-
	353,895	313,126	(424,311)	850	243,560
Sustainable Technologies					
Three C	-	55,998	(99,063)	43,065	-
Mersey Biochar	-	241,015	(245,493)	4,478	-
	-	297,013	(344,556)	47,543	-
Total Restricted Funds	**686,722**	**4,061,132**	**(3,841,269)**	**88,929**	**995,514**

14 Analysis of Movements in Restricted Funds (Continued)

Analysis of Movements in Restricted Funds - Previous Year

	At 1 April 2020	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2021
	£	£	£	£	£
Affordable Warmth					
Ennerfund	-	172	-	(172)	-
Build 2 Low Carbon	-	5,081	(9,936)	4,855	-
ASSIST	1,069	3,645	(8,899)	4,185	-
Redress South Glos	-	48,442	(47,452)	(990)	-
Redress Herefordshire	-	16,742	(17,405)	663	-
Redress Glos 2	-	18,247	(17,728)	(519)	-
W&W Referral Fees	43,418	30,145	(13,500)	-	60,063
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
Crisis Fund Fuel Vouchers	-	107,481	(43,676)	-	63,805
	119,487	229,955	(158,596)	8,022	198,868
Business					
Target 2030 Wilts	-	50,069	(53,830)	3,761	-
Target 2030 Glos	-	73,721	(80,991)	7,270	-
Target 2030 Support	-	15,000	-	(15,000)	
	-	138,790	(134,821)	(3,969)	-
Grant Making					
GEEG SGC Grants	6,292	20,001	(9,461)	-	16,832
CCG Grants	16,021	80,000	(72,923)	-	23,098
Warm Homes Fund Grants	-	775,379	(775,379)	-	-
Rural Futures Grants	34,973	-	(665)	-	34,308
Target 2030 Glos	-	207,777	(207,777)	-	-
Target 2030 Wilts	-	3,045	(3,045)	-	-
SDC Park Homes Grants	51,580	(9,584)	(34,100)	-	7,896
Crisis Fund Fuel Vouchers Grants	-	187,413	(187,413)	-	-
GHG LAD Grants	-	400,000	(380,456)	-	19,544
Park Homes 2020 Grants	-	129,584	(110,288)	-	19,296
SDC Winter Grants	-	5,000	(1,015)	-	3,985
Hereford Winter Grants	-	9,000	-	-	9,000
	108,866	1,807,615	(1,782,522)	-	133,959
Communities					
Rural Futures	60,117	376,555	(240,483)	-	196,189
Re Direct	-	(63)	-	63	-
Llandrindod Wells	87,847	147,605	(77,746)	-	157,706
Sustainable Community Wales	-	172,413	(175,243)	2,830	-
Foundational Economy	25,820	52,769	(69,488)	(9,101)	-
Llandrindod Wells Covid-19	-	43,268	(43,169)	(99)	-
	173,784	792,547	(606,129)	(6,307)	353,895
Sustainable Technologies					
Three C	-	29,618	(57,032)	27,414	-
	-	29,618	(57,032)	27,414	-
Total Restricted Funds	**402,137**	**2,998,525**	**(2,739,100)**	**25,160**	**686,722**

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds

Affordable Warmth

CCG Advocacy - Working across Gloucestershire our energy advocates are working with local inclusion services to make sure everyone receives energy advice.

Build 2 Low Carbon - is to add value and strengthen collaboration between public, private and third sector to efficiently and effectively retrofit domestic properties to relieve fuel poverty and reduce carbon emmissions.

Stonehouse Demonstrator - is to make recommendations for the improvement of the Stonehouse Pavilion, it will also assist with funded energy efficiency support to 10 example homes in the area.

Summerfield Trust - to provide winter care packages for people living in Gloucestershire.

GCF Care Bags - to provide winter care bags for people living in Gloucestershire.

ASSIST - policy orientation project to tackle fuel poverty and support vulnerable customers addressing both energy and social issues.

W&W Referral Fees - each year agreement is reached with the W&W funders as to how these fees are best utilised to help with our Affordable Warmth programme.

Revolving Retrofit Guarantee Fund - the fund was established by Stroud District Council for historic reasons, discussions are taking place to agree a future purpose.

Redress - working across Gloucestershire, South Gloucestershire & Herefordshire our energy advocates are working with local inclusion services to make sure everyone receives energy advice they understand.

MEA Redress - to work in partnership with MEA and others to provide mainly retrofit surveys in Herefordshire and Powys.

Crisis Fund Fuel Voucher - the fund was set up in response to Covid-19 to help families in fuel poverty by allocating fuel vouchers to households referred to us by trusted third parties.

SWC LAD & HUG Ancillary - funding to compliment the main project to fund small enabling works.

CCG Energy Advocacy - to provide Energy Advocacy services to vulnerable groups via a variety of initiatives in Gloucestershire.

WPD Energy - to undertake 35 household visits, 12 community events and install small measures.

Grant Making

GEEG SGC Grants - these are funds received from South Gloucestershire Council (SGC) and Stroud District Council (SDC) for households meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

CCG Grants - these are funds received from the CCG through SDC for households in Gloucestershire meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

Warm Home Funds Grants - are funded by SDC providing grants to private tenants, owner occupiers and social housing for central heating systems and insulation to improve energy efficiency.

Rural Futures Grants - micro grants made to communities supported through the Rural Futures project.

Target 2030 Gloucestershire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Gloucestershire and up to 35% financial assistance to help install energy saving measures.

Target 2030 Wiltshire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Swindon & Wiltshire and up to 35% financial assistance to help install energy saving measures.

SDC Park Homes & Park Homes 2020 Grants - to support residents of park homes in Gloucestershire to become more energy efficient by administering grants to fund energy saving measures.

Green Homes Grant LAD 1A & 1B - fund provided to insulate park homes and assist with the installation of air sourced heat pumps in Gloucestershire.

Stroud District Council & Hereford Winter Grants - to support vulnerable residents affected by Covid-19 by making small cash payments to assist with food and essential items, such as fuel bills.

14 Analysis of Movements in Restricted Funds (Continued)

Grant Making (continued)

Crisis Fund Fuel Voucher - See Affordable Warmth.

SWC LAD & HUG Fund - to provide energy efficient retrofit works to low income homes in Gloucestershire and South Gloucestershire.

SGC & Glos Household Support Fund - to provide winter care bags, vouchers for Pre Paid Meters, energy debt write off and top up energy credits in the respective counties.

Business

Target 2030 Gloucestershire - see Grant Making.

Target 2030 Wiltshire - see Grant Making.

Communities

Rural Futures - Big Lottery Fund grant to support rural communities to co-produce sustainable local projects and help those communities harness their potential and build a lasting future.

Sustainable Community Wales - to provide resource efficiency advice for communities across Wales and setting up a Wales wide installer network.

Foundational Economy - to pilot a project to realise the potential to rebuild community wealth, working with local anchor institutions in all sectors for the benefit of the community, local business and anchor institutions.

Llandrindod Wells - together for Wellbeing, working with families who are in employment , but struggling to make ends meet and balance the needs of their families. Through the project families will be enabled to co-design and co-deliver projects that can improve the quality of their lives.

Sustainable Technologies

Three C - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks. The 3C project has been moved from Communities to the new Sustainable Technologies theme as it is a more appropriate classification.

Mersey Biochar - to carry out a feasibility study into using a pyrolysis plant to develop a community-owned, carbon-negative energy solution.

Transfers between Funds

W&W Referral fees - the funders agreed that £10,000 could be used to fund our business support services.

Crisis Fund Fuel Vouchers - the £51,072 deficit in Grant making was funded partly by a transfer of £43,367 from the related restricted reserve in Affordable Warmth and the balance from General Reserves.

Target 2030 Wilts & Glos - this is an EU funded project that only funds a 15% overhead charge, this is insufficient. The balance is therefore met from General Reserves.

Three C - There is matched funding for this project from Welsh Water in Unrestricted Income that more than covers this transfer to General Reserves.

15 Analysis of Net Assets Between Funds

	General	Designated	Restricted	Total
	£	£	£	£
Fixed assets	**11,434**	**-**	**-**	**11,434**
Other net current assets	**562,135**	**17,725**	**995,514**	**1,575,374**
Net assets at 31 March 2022	**573,569**	**17,725**	**995,514**	**1,586,808**
Fixed assets	12,878	-	-	12,878
Other net current assets	498,348	-	686,722	1,185,070
Net assets at 31 March 2021	511,226	-	686,722	1,197,948

16 Operating Lease Commitments

At the 31 March 2022 the charity had the following total minimum lease payments commited under operating leases.

	Other		Land & Buildings	
	2022	2021	**2022**	2021
	£	£	**£**	£
Operating leases which expire:				
Within one year	**22,998**	32,219	**35,511**	35,642
Within two to five years	**5,430**	10,629	**13**	1
	28,428	42,848	**35,524**	35,643

17 Related Parties

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity in this year or the previous one.

18 Pension Commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs charge represents contributions payable by the charity to the fund and amounted to £42,589 (2021: £32,984). There was a liability at the end of the year of £801 (2021: £Nil).

19 Trustees' Remuneration

No remuneration has been paid to the trustees of the charity in the year under review or the prior year other than the reimbursement of mileage expenses and training costs of £Nil (2021: £Nil).

20 Reconciliation of Surplus for the year to Net Operating Cash Flows

	2022	2021
	£	£
Net Movement of Funds as per the SOFA	**388,860**	379,047
Depreciation charges	**6,348**	5,597
Less interest received	**(310)**	(297)
Decrease/(Increase) in debtors	**(395,984)**	(315,523)
Increase/(Decrease) in creditors	**200,619**	(86,617)
Net Operating Cash Flows	**199,533**	(17,793)

Analysis of cash and bank deposits	**2022**	2021
	£	£
Cash in hand	**-**	-
Bank deposits	**833,587**	638,648
	833,587	638,648

21 Post Balance Sheet Event

The trustees have reviewed the business plan and the budgets for 2022/23 and believe that on current projections the charity is a going concern.

SEVERN WYE ENERGY AGENCY

England & Wales - Charity number 1083812

Accounts

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2021

Charity Registration Number: 1083812
Company Registration Number: 03830608

Contents

	Page number
Reference and administrative information	1
Trustees' Report	2
Independent auditor's report to the members of Severn Wye Energy Agency Ltd	10
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17-30

Trustees	Heather Watts (Chair) David Hardie (Resigned 10th December 2020) Peter Clegg Andrew Lichnowski (Resigned 10th December 2020) Rowena Kay Daniel Clegg Simon Burgess Andrew Bull Eileen Kinsman (Appointed 18th January 2021) Mareike Schmidt (Appointed 18th January 2021) Vilislava Ivanova (Appointed 18th January 2021) Christopher Welby (Appointed 18th January 2021) Louise Cooke (Appointed 18th January 2021) Anna Griffin (Appointed 18th January 2021) Leah Grint (Appointed 18th January 2021)
Company Registered Number	03830608
Charity Registration Number	1083812
Registered Office	Unit 15 Highnam Business Centre Highnam Gloucestershire GL2 8DN
CEO	Simone Lowthe-Thomas
Company Secretary	Hugh Boyes
Independent Auditor	Godfrey Wilson Limited 5th Floor, Mariner House 62 Prince Street Bristol BS1 4QD
Bankers	HSBC The Cross Gloucester GL1 2AP

The trustees, who are also the directors of Severn Wye Energy Agency Ltd (Severn Wye) for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 March 2021. They confirm that the trustees' report and financial statements comply with Charities Act 2011, Companies Act 2006 and Severn Wye's memorandum and articles of association. They also conform to the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102) applicable in the United Kingdom and Republic of Ireland. On the advice of the new auditors the accounts for the previous year have been restated to reflect the change in the interpretation of the Charity SORP in regard to the deferred grant income.

Objectives and Activities

Severn Wye's objects are:-

"The advancement of education for the public benefit in particular but not exclusively in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy" and

"The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and the utilisation of renewable sources of energy"

"To promote sustainable development for the benefit of the public by:

I. The preservation, conservation and the protection of the environment and the prudent use of resources.
II. The relief of poverty and the improvement of the conditions of life for those socially and economically disadvantaged.
III. The promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs"."

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.severnwye.org.uk.

Structure, Governance and Management

Governing Documents

Severn Wye is a company limited by guarantee, governed by its memorandum and articles of association, incorporated on the 24th August 1999 and registered with the Charity Commission on the 27th November 2000. If Severn Wye is wound up, its members are liable to pay the sum £1 each.

Method of Appointment or Election of Trustees

The directors of Severn Wye are also trustees of Severn Wye for the purposes of charity law and under the Article of Association are also members of the Council of Management.

New trustees are appointed either by the members of Severn Wye at a general meeting or by the Council of Management. One third of the member of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees

New trustees are provided with appropriate information, induction and training, taking into account the nature of Severn Wye and their previous experience in the charity sector.

Charity Governance Code of Practice

The Trustees have resolved to comply with the Charity Commission's code of practice for good governance. There are seven principles which are considered to be necessary to qualify as a well governed charity. The trustees have formed a sub-committee who have assessed the evidence for performance of the Board of Trustees (the Board) against each of these principles:

1. Organisational purpose 2. Leadership 3. Integrity 4. Decision making, risk and control 5. Board effectiveness 6. Diversity 7. Openness and accountability

Following this assessment, the trustees concluded that the Board was broadly compliant with the principles. The ethos of the code of practice is to promote continual improvement and to that end the sub-committee highlighted areas for further improvement which have been addressed. The trustees have resolved to continue to embed this cycle of review and improvement on an annual basis.

Organisational Structure and Decision Making

The Board administers Severn Wye, meets quarterly and is responsible for the strategic direction and policy of Severn Wye. A minimum of three trustees is required for a meeting to be quorate. At present there are thirteen trustees from a variety of professional backgrounds. There are three sub-committees responsible for Audit, People & Welfare and Governance.

The Board appoints the CEO who manages the day to day operations of Severn Wye.

Risk Management

The trustees have a risk management strategy that comprises;

- reviewing Severn Wye's risk register at least once a year;
- receiving general risk report and register at each quarterly Council of Management meeting;
- establishing policies, systems and procedures to mitigate risks identified in the register; and
- devising procedures designed to minimise the potential impact should those risks materialise.

The trustees believe they have adequate procedures in place to mitigate the risks to which Severn Wye is exposed.

The main risks identified are;

- A level of uncertainty around obtaining funding for new projects in the medium term, given the current effect on the economy of both the Covid-19 pandemic and Brexit;
- A decline in staff wellbeing due to the long-term effect of the pandemic and changes in working practices;
- An increased probability of highly skilled or experienced staff leaving the organisation and being unable to replace them;

These risks are being managed by the following actions;

- We are investing both time and resources in developing our services and staff skills so that we are capable of responding to opportunities in the future. This will help both in obtaining funding for 21/22 and also in expanding into new areas and opportunities as they arise;
- We have re-focussed the attention of the trustee People & Welfare sub-committee onto welfare issues, conducted a staff survey on remote working and will be implementing reviews and changes in staff welfare in the coming year;
- We are training up staff in areas where there is high demand for specific skills, reviewing pay levels in light of current demand for certain skills and recruiting an additional senior member of staff to provide more continuity and assistance to the senior team.

Pay Policy

The trustees do not receive any remuneration from Severn Wye, but can claim reasonable costs for travel, sustenance and training (see Note 19).

Severn Wye has a remuneration policy to ensure fair pay and to retain suitably qualified staff to lead, manage, support and deliver its aims. The People & Welfare Committee oversees the implementation of the policy.

Achievements and Performance

Severn Wye has had a good year building on the foundation of changes made in the previous year, which has resulted in the running of over 30 different projects. There are no specific overall organisational KPIs as each project has its own KPIs and these will vary year on year by project.

Sustainable Home Energy

2020-21 was another year of significant growth for our Domestic Energy projects, despite the considerable challenges presented by the Coronavirus lockdown that prevented many of our face-to-face support activities such as home visits, community engagement, training and networking events. Despite this, over 6,500 households received energy efficiency advice and support to prevent and address fuel poverty across (predominantly) Gloucestershire, South Gloucestershire and Herefordshire. With lockdown impacting contractors' and installers' freedoms to operate, the number of energy efficiency measures installed was reduced slightly on the previous year, with just under 750 measures installed. However, these measures will be responsible for over 20,000 tonnes CO2 saved over their lifetime, 1,700 tonnes per year. By levering in additional funding to our flagship Warm and Well and Keep Herefordshire Warm programmes, we were able to deliver fuel poverty alleviation activities such as Emergency Fuel Vouchers for vulnerable customers on prepayment meters; Green Homes Grant Local Authority Delivery schemes to retrofit park homes and rural properties; and expand our Energy Advocacy service to serve hard-to-reach communities with the appointment of additional community engagement personnel.

In a year which saw change to the UK Government's Sustainable Warmth strategy and fuel poverty calculations, the retrofit demand expansion with the introduction of the Green Homes Grant, and the enforcement of PAS2035 and MEES standards across the industry, Severn Wye has greatly expanded its domestic energy efficiency retrofit services, trained up advisors to new PAS2035 roles and delivered pilot retrofit projects such as the Social Housing Decarbonisation Demonstrator Fund to ensure that the region is ready to take advantage of future standards and address current and future net zero commitments.

2020-21 also saw the successful completion of our European Build to Low Carbon (Interreg) and ASSIST2gether (Horizon 2020) projects.

Sustainable Organisations

A year of transition and success in our Sustainable Organisations team saw the Gloucestershire Target 2020 project extended as Gloucestershire Target 2030, and owing to the waiting list for grants and a healthy reputation and lead-generation engine – the programme allocated it's new grant funding within 9 months. MHCLG therefore offered an additional £300k of grant funding to maximise the impact of this successful programme. All this despite impacts from the Coronavirus lockdown preventing on-site surveys and limiting contractor availability for carbon-saving measures to be installed. 52 new clients joined the programme during recruitment periods throughout the year, receiving new energy saving plans and along with existing clients (264 total within the programme) grant-funded energy saving improvements led to over £100k of annual financial savings to businesses, and 460 tonnes of CO2 saved each year.

With the success of the Gloucestershire Target 2030 project, Swindon and Wiltshire LEP procured Severn Wye to deliver an equivalent ESIF programme across their region, commencing in October and launching to applicants in January 2021. At the reporting period the programme is in its infancy but is already seeing similar demand levels to Gloucestershire at the lead generation stage. SWLEP have indicated the importance of supporting rural businesses in Wiltshire, so there will be an initial recruitment focus on these harder-to-reach SMEs. The business energy advisors continued to deliver the Business Energy Efficiency Programme on behalf of Worcestershire County Council in Herefordshire.

This year saw the conclusion of the Sustainable Communities Wales programme, supporting 198 Welsh community organisations by offering free energy efficiency surveys, reports and roadmaps, feasibility studies and grant application support. This programme oversaw the installation of 117 energy-saving measures for organisations who traditionally find it hard to invest in energy efficiency. Over £1m of energy efficiency improvements were made, with contracts going to Welsh energy efficiency installers. Severn Wye led a consortium approach, partnering with energy efficiency experts across the country to provide tailored, local advice and support. The programme also established Link to Energy Wales, an online network of energy efficiency installers based in Wales.

Sustainable Communities

Severn Wye's Powys-based community support project, Llandrindod Wells Working Together (LWWT), has been running to support families experiencing in-work poverty in Llandrindod to develop sustainable community-led projects, with seed funding from The National Lottery Community Fund (TNLCF). From its co-production work, three community circular-economy projects have been established: a Baby Bank, a Uniform Exchange, and a Library of Things. In addition, Severn Wye run a programme of free and low-cost family activities during the summer holidays in partnership with providers from across Powys, in order to provide stimulating experiences for local children with otherwise limited summer opportunities and raise the profile of local businesses and support services. During the Coronavirus pandemic, the team partnered with local support services, schools and businesses to provide activity packs, video tutorials and craft boxes for local children isolated at home. £40,000 of additional funding was awarded by TNLCF for this Covid-support project.

Severn Wye partnered with Llandrindod Wells Town Council and was awarded over £300k by Welsh Government to buy a sustainability hub in the town centre in Llandrindod. The hub will become a home for promoting energy efficiency and deliver green skills training as well as practical advice and workshops for the local community. It will become the home of the community projects and the local Repair and Reuse team at Transition Llandrindod.

Our TNLCF-funded projects Create Your Space and Rural Futures continued this year, with the latter introducing four new communities into the programme across Wales. Impacted significantly by the pandemic, no face-to-face events were possible, and as a result the level of community engagement possible was reduced. Nevertheless, valuable progress has been made with community projects across this range of projects.

During 2020-21 our Sustainable Communities team also worked with a consortium of local authorities and community councils in the so-called Waterfall Country of the Brecon Beacons, to develop a plan for sustainable tourism that benefits the area. We also concluded the Welsh Government Foundational Economy project, looking at community wealth building in Llandovery, focussing particularly on opportunities to develop local supply chains and strengthen the local economy for the sustainability of the town and surrounding areas.

Sustainable Technologies

2020-21 was a transition year for our Sustainable Technologies team following, with the beginning of the Three-C and Rhondda Skyline projects. THREE-C is a €5.6 million cooperation project funded by the European Union Interreg North West Europe Programme. The partnership encompasses organisations from Germany, France, Netherlands, Belgium, Ireland, and the UK. Our forerunner project, RE-DIRECT, has clearly shown that waste biomass (e.g. from semi-natural grasslands, roadside verges, grass, leaves and shrubs) can produce high quality feedstock for various types of carbon (biochar and activated carbon) products. We have identified numerous applications for products made from biochar, for instance in the waste and water sectors, for environmental and filtration technologies; in horticulture, agriculture and animal husbandry; as well as for carbon sequestration. Within this project, Severn Wye will utilise their extensive experience of innovation, biogas, biomass and biochar projects to evaluate the potential for pyrolysis and biochar adoption as a viable, environmental and economical process within the UK.

In the Rhondda Skyline project, established towards the end of the year, Severn Wye is researching the implementation of biochar production and application for long term carbon sequestration in building materials (to improve interior air quality and energy efficiency of social housing), in soil (to improve nutrient retention, water holding capacity and plant health) and within contaminated soil (to filter out toxic pollutants, restore soil quality and prevent contaminated run-off). Severn Wye will support the community forestry enterprise to investigate feedstocks available for biochar production, e.g. harvested timber as well as offcuts / waste wood or even alternative biomass resources identified within the area.

Investment and Progress in Delivery of our Strategic Enablers

During 2019 we agreed a new Strategic Plan which redefined our mission, vision, values and strategic objectives. This document also identified 8 priority areas for investment of our resources to enable the growth and delivery of Severn Wye as an organisation ready for the future: 1) Increased Strategic Partnerships, 2) Making Severn Wye a great place to work, 3) Marketing & Communications, 4) Finance, Governance and Compliance, 5) Diversifying our services, 6) Investing in our digital future, 7) Capacity building and training and, 8) Partnerships in Europe.

Throughout the year the trustees received quarterly updates on planning and delivery against these enablers. Progress has been made on all and will continue during the next few years. Achievements of note are:

1. Members of staff from most teams have received training and mentoring and we have a rolling programme of CPD e.g., several staff have studied the NEA level 3 course, trained as retrofit coordinators and assessor and started ILM level 3 studies during 2020/21.

2. We have invested in our marketing and communications and have built our network of partners, collaborators and funders during 2020/21 which has enabled us to deliver services in response to the Covid-19 pandemic, explore new areas, pilot new services and respond to opportunities presented by the recent increased public and political interest in carbon and climate change.
3. The transition from our office-based server onto the cloud with Microsoft TEAMs and 365, which took place in early 2020, went well. This move along with the provision of laptops and a move to VOIP telephones has proved invaluable in enabling home working for staff during the Covid-19 shutdowns and staff continue to work at home for a significant part of the week and will do so for the foreseeable future.
4. During 2020/21 we have continued our Vice-Presidency of Fedarené, the network of European Energy Agencies. This has been a key role for us during Brexit and as a link with our European colleagues during this uncertain time.

Financial Review

Results for the Year

The increase in the unrestricted funds in the year of £94,462 (2020: £42,286) shows consolidation on the progress made over the last two years. Overall income has increased to £3.76m (2020: £2.92m), the income excluding grants has also increased to £1.96m (2020: £1.74m). On the expenditure side the grants made have increased along with the increased income, and expenditure elsewhere has increased slightly to £1.60m (2020: £1.54m).

Funding Sources

The main funding sources are:

- Local Authorities (Cheltenham Borough, Cotswold District, Forest of Dean District, Gloucester City, Gloucester County, Herefordshire, South Gloucestershire, Stroud District, Tewkesbury Borough, Wiltshire and Worcestershire) for Warm & Well and other programmes;
- European Regional Development Fund (ERDF) via Wiltshire and Gloucestershire CC for T2030 projects and via the Welsh Government for the Sustainable Community Wales project;
- European Commission for a number of smaller projects;
- National Lottery Community Fund for CREATE Your Space, Rural Futures and Working Together for Llandrindod Wells;
- Welsh Government for the Foundational Economy project;
- HMRC for the Government Furlough Scheme;
- Department for Business, Energy & Industrial Strategy (BEIS) for the GHG LAD funding, via local authority;
- Clinical Commissioning Group for Warm Homes Fund, Build 2 Low Carbon and EST Redress projects;
- Private sector and small local bodies for one off services.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Reserves policy and going concern

The purpose of the Reserves Policy is to ensure the stability of the ongoing operations of Severn Wye and to enable the ongoing future of Severn Wye.

Severn Wye's unrestricted funds on the 31st March 2021 amounted to £511,226 (2020: £416,764). Severn Wye's free reserves on the 31st March 2021 were £498,348 (2020: £404,991). The trustees expect to maintain or increase those reserves to try to achieve the target set in the Reserves Policy.

The Reserves Policy target is to have sufficient reserves to meet three months running costs, plus meet all the liabilities of the organisation and to provide sufficient cash to fund the organisation's activities. Whilst falling short of the overall target of £585,000, the reserves are more than sufficient to meet the latter two aspirations.

The charity is currently projected to increase the unrestricted funds in 2021/22 by a further £90,000. A draft budget has been drawn up for the succeeding year. The position here is less certain but with prudent assumptions it is hoped to achieve a breakeven position for that year. The position will be under regular review by the trustees.

The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and business plan put in place to meet the challenges of Covid-19, that Severn Wye is a going concern.

Investment Policy

Severn Wye is committed to maintaining sufficient funds in instant access or short notice period accounts to meet its ongoing expenditure and cashflow requirements. Any funds beyond this will be invested in low risk deposit accounts or fixed-term bonds, with notice periods not exceeding one year.

The Trustees are satisfied with the investment returns in the current year, the policy will be reviewed annually.

Future Developments

The Business Plan was reviewed by Board at their meeting in April and a revised budget was approved at the meeting in June. That budget anticipates an increase in Unrestricted Funds by £90,000 and we are currently in line with that budget.

This year we have successfully applied for funding of over £2.68m (£1.73m grants), for a number of projects, spread over a number of years, the main ones being;

- Wiltshire T2030, energy consultancy & grants to small & medium enterprises;
- GHG LAD 1 & 2 Gloucestershire, funds for insulation and assist with air sourced heat pumps for domestic properties;
- Redress Community Awareness project in Gloucestershire, employing energy advocates to provide energy advice to vulnerable or in need people;
- LAD 2 Herefordshire, to provide a customer journey support for householders in fuel poverty undertaking energy efficiency measures;
- Social Housing Demonstrator Fund, to provide retrofit PAS 2035 services to support the delivery of the Whole House Retrofit Demonstrator project in Stroud and Cheltenham;
- Mersey Biochar, to lead the feasibility study into biochar production from forestry waste for carbon capture, sequestration and utilisation in district heating scheme;

Statement of Trustees' Responsibilities in respect of the Financial Statements

The trustees, who are the directors of Severn Wye for the purposes 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 and charity law require the trustees to prepare financial statements for each financial year that give a true and fair view of Severn Wye's state of affairs and of its incoming and outgoing resources, including the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Statement of Recommended Practice 'Accounting and Reporting by Charities';
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Severn Wye will continue in operation.

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

Provision of Information to the Auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are aware:

- there is no relevant audit information of which Severn Wye's auditor is unaware; and
- they have taken all the steps that they ought to have taken, as trustees, to make themselves aware of any relevant audit information and to establish that Severn Wye's auditor is aware of that information.

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

Auditor

The auditor is Godfrey Wilson Limited.

Approval

The trustees have prepared this report in accordance with the provisions applicable to companies subject to the small companies regime. This report was approved by the trustees on 5th November 2021 and signed on their behalf by.

Heather J Watts

Heather Watts - Trustee

Simon Burgess

Simon Burgess - Trustee

Opinion

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 opinions

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

Conclusions relating to going concern

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

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.
(2) We reviewed the charity's policies and procedures in relation to:
    - Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
    - Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
    - Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.
(3) We inspected the minutes of trustee meetings.
(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.
(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.
(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.
(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:
    - Testing the appropriateness of journal entries;
    - Assessing judgements and accounting estimates for potential bias;
    - Reviewing related party transactions; and
    - Testing transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: Nov 10, 2021

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:
GODFREY WILSON LIMITED
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Severn Wye Energy Agency Ltd

Statement of Financial Activities **Year ended 31 March 2021**

(Incorporating an Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2021	Restated Total 2020
		£	£	£	£
Income from:					
Charitable Activities					
Education	14	**-**	**-**	**-**	24,944
Affordable Warmth	13 & 14	**488,337**	**229,955**	**718,292**	629,758
Business	13 & 14	**20,036**	**138,790**	**158,826**	214,367
Grant Making	13 & 14	**-**	**1,807,615**	**1,807,615**	1,176,358
Communities	13 & 14	**125,423**	**822,165**	**947,588**	871,380
Donations: Government Furlough Scheme		**128,346**	**-**	**128,346**	-
Investment Income		**297**	**-**	**297**	1,106
Other Income		**3,429**	**-**	**3,429**	-
Total Income		**765,868**	**2,998,525**	**3,764,393**	2,917,913
Expenditure on:					
Charitable activities					
Education	4	**-**	**-**	**-**	40,667
Affordable Warmth	4	**293,922**	**158,596**	**452,518**	466,921
Business	4	**19,191**	**134,821**	**154,012**	212,158
Grant Making	4	**1,000**	**1,782,522**	**1,783,522**	1,618,700
Communities	4	**53,026**	**663,161**	**716,187**	740,790
Administration	4	**279,107**	**-**	**279,107**	77,506
Total Expenditure		**646,246**	**2,739,100**	**3,385,346**	3,156,742
Net Income / (Expenditure) for the year		**119,622**	**259,425**	**379,047**	(238,829)
Transfer In / (Out) between Funds	13 & 14	25,160	(25,160)	**-**	-
Net Movement in Funds		**94,462**	**284,585**	**379,047**	(238,829)
Reconciliation of Funds					
Funds brought forward at 01 April 2020	13 & 14	**416,764**	**402,137**	**818,901**	1,057,730
Funds Carried Forward at 31 March 2021	13 & 14	**511,226**	**686,722**	**1,197,948**	818,901

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

The notes on pages 17 to 30 form part of these financial statements.

The reason for the Restated Total for the prior year is shown in Note 22.

Severn Wye Energy Agency Ltd

Companies House Registered Number 03830608

Balance Sheet **As at 31 March 2021**

	Note		2021		2020 Restated
			£		£
Fixed Assets					
Tangible assets	9		**12,878**		11,772
			12,878		11,772
Current Assets					
Debtors	10	**725,282**		409,759	
Cash at bank & in hand		**638,648**		662,847	
		1,363,930		1,072,606	
Current Liabilities					
Creditors: Amounts falling due within one year	11	**(178,860)**		(265,477)	
Net Current Assets			**1,185,070**		807,129
Net Assets			**1,197,948**		818,901
Funds of the Charity					
Unrestricted funds	13		**511,226**		416,764
Restricted funds	14		**686,722**		402,137
Total Charity funds			**1,197,948**		818,901

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The notes on pages 17 to 30 form part of these accounts. The financial statements were approved and authorised for issue by the Board of Trustees on the 5th November 2021 and were signed on its behalf by:

Heather J Watts

Heather Watts
Trustee

Simon Burgess

Simon Burgess
Trustee

Severn Wye Energy Agency Ltd

Cash Flow Statement **For the year ended 31 March 2021**

	Note	2021 £		2020 £
Net cash inflow from operating activities	20	**(17,793)**		25,850
Investing activities				
Returns on investments and servicing of finance				
Interest received		297	1,106	
Payments to acquire fixed assets		(6,703)	(9,905)	
Net cash outflow from investing activities		**(6,406)**		(8,799)
Increase in cash and cash equivalents		**(24,199)**		17,051
Cash or cash equivalents brought forward	20	662,847		645,796
Cash or cash equivalents carried forward	20	**638,648**		662,847

No analysis of net debt is provided as the charity does not have any long-term sources of finance.

The notes on pages 17 to 30 form part of these financial statements.

1 General Information

The company was formed on the 24th August 1999, is limited by guarantee (No 03830608) and is a registered charity (No 1083812). The company is registered in England and Wales and the registered office is Unit 15, Highnam Business Centre, Highnam, Gloucestershire, GL2 8DN.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation in the financial statements are as follows.

a Basis of Accounting

The financial statements have been prepared in accordance with;

- the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) which became effective in January 2019.
- the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102.
- the Charities Act 2011.
- the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The charity constitutes a public benefit entity as defined by FRS 102.

b Preparation of the Accounts on a going concern basis

Severn Wye has demonstrated that it was able to cope with the effects of Covid-19 over the last 18 months. However, it looks probable that there will be further disruption in the coming year to be planned for. The current budget shows a significant surplus. The trustees have also looked at three alternative scenarios, covering a further lockdown or significant reduction in income, in the year and looked at the effects on the finances. Even in the worst case, which anticipates a loss, Severn Wye has the reserves and cash to be able to cover that loss and have enough reserves and cash to go securely into 2022/23. The business plan has been rewritten and a draft budget drawn up for the succeeding year. The position here is less certain but with prudent assumptions it is hoped to achieve a breakeven position for the year. The position will be under regular review by the trustees.

The trustees are of the opinion that, in the light of the level of reserves above, the revised budget and business plan put in place to meet the possible further challenges of Covid-19, there are no material uncertainties about the charity's ability to continue as a going concern.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably.

2 Principal Accounting Policies (continued)

c Income (continued)

Income received in advance of the provisions of a specified service or performance conditions is deferred until the criteria for income recognition are met (see note 12).

d Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT where VAT cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However the costs of the overall direction and administration of each activity is apportioned on the basis of the staff time directly attributable to that activity.

Grants paid are included in the Grant Making, in the period defined by the rules of the relevant scheme. Normally this is when the agreed work has been carried out, certified and paid for.

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and statutory requirements and are included within administration.

Administration include support and central functions and have been allocated to the activities on a basis consistent with the use of resources.

e Financial Instruments

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

f *Significant Judgements and Estimates*

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Deferred Income:

Income is only deferred where it is clear that Severn Wye does not have legal entitlement to that income until the the terms and conditions of the contract or agreement are satisfied.

Depreciation:

As described in note 2h to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

g *Fund Accounting*

Unrestricted funds are expendable at the discretion of trustees in furtherance of the objects or the administration of the charity.

Restricted funds are to be used for the specific purposes laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Principal Accounting Policies (continued)

h Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. As a general guide expenditure of less than £750 is not capitalised.

Depreciation is provided at rates to write off the cost of the asset over its estimated useful lives, as follows:

Computer Equipment	33% straight line
Office & General Equipment	20% straight line

i Cash at Bank and in Hand

Cash at bank and in hand includes current and short term liquid deposit accounts with a short maturity.

j Debtors

Trade debtors and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discount due.

k Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for trade discounts.

l Foreign Currency Transactions

Transactions in foreign currrencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the Balance Sheet date and the gains or losses recognised in the Statement of Financial Activities (SOFA) in administration.

***m* Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

n Pensions

The charity contributes to a group and individual stakeholder pension scheme for some of its employees. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

o Operating Leases

Operating lease rentals are charged to the SOFA on a straight line basis over the period of the lease.

p Redundancy and settlement

Redundancy costs arise from the periodic reviews of staffing levels and are charged to the SOFA in the year in which the company is demonstrably committed to the employee leaving the charity.

q Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

3 Government Grant Income

The company had the following grants from the Government which were obtained through a bid / tendering process - Welsh Government (Foundational Economy, Sustainable Community Wales), the Big Lottery Fund (Llandrindod Wells, Rural Futures, Future People, Create), South Gloucestershire CC (SGC Grants, Health Grants GEEG SGC Grants), Forest of Dean (FOD Grants), Cotswold District Council (CDC Grants), Clinical Commissioning Group (CCG Grants), Warm Homes Fund (Warm Homes Grants), ERDF (Target 2030 Grants), Herefordshire Council (Keep Herefordshire Warm, Hereford Winter Grants), BEIS (GHG LAD 1a Glos), Stroud District Council (Winter Grants, Green Homes Grant advice, Park Homes Grants), HMRC (Government Furlough Scheme).

Further details of these grants are given in note 13 and 14. The grants are recognised when the charity is in receipt of the grant, is entitled to that funding and there are no specific contingencies.

4 Total Expenditure

Expenditure 2021	**Salaries**	**Grants**	**Direct costs**	**Overheads**	**2021**
	£	**£**	**£**	**£**	**£**
Affordable Warmth	301,491	-	77,832	73,195	452,518
Business	97,675	-	34,162	22,175	154,012
Grant Making	-	1,783,522	-	-	1,783,522
Communities	301,764	-	354,421	60,002	716,187
Administration	87,979	-	181,270	(193,615)	75,634
Admin - Furlough Scheme	165,230	-	-	38,243	203,473
Total 2021	**954,139**	**1,783,522**	**647,685**	**-**	**3,385,346**

Expenditure 2020	**Salaries**	**Grants**	**Direct costs**	**Overheads**	**2020**
	£	**£**	**£**	**£**	**£**
Education	27,558	-	7,119	5,990	40,667
Affordable Warmth	317,911	-	63,893	85,117	466,921
Business	147,700	-	31,511	32,947	212,158
Grant Making	-	1,618,700	-	-	1,618,700
Communities	399,982	-	257,107	83,701	740,790
Administration	78,077	-	207,184	(207,755)	77,506
Total 2020	971,228	1,618,700	566,814	-	3,156,742

Expenditure is allocated to a particular project where the costs relate directly to that project. All other costs are allocated to each project on the basis of the staff time attributable to that project.

5 Governance Costs

Governance costs included within administration are made up as follows:	**2021** **£**	2020 £
Audit	**7,825**	8,575
Accountancy	**850**	2,250
Legal & Professional	**-**	98
Salaries	**12,317**	25,822
Trustee Expenses & recruitment	**201**	27
Impact reporting	**935**	-
Share of overheads & travel	**1,448**	851
Total costs	**23,576**	37,623

6 Analysis of Grants Paid

To institutions by Projects:	**2021** **£**	2020 £
Rural Futures Grants	**665**	7,462
Target 2030 Wiltshire	**3,045**	-
Target 2030 Gloucestershire	**207,777**	324,611
	211,487	332,073

To individuals by Projects:	**2021** **£**	2020 £
GEEG SGC	**9,461**	16,496
CCG	**72,923**	190,383
Warm Homes Fund	**775,379**	548,202
FOD, CDC & SDC Park Homes	**34,100**	530,964
Keep Herefordshire Warm	**-**	582
Crisis Fund Fuel vouchers Grants	**187,413**	-
GHG LAD Grants	**380,456**	-
Park Homes 2020 BTC Grants	**110,288**	-
SDC Winter Grants	**1,015**	-
Llandrindod Wells	**1,000**	-
	1,572,035	**1,286,627**
Total grants paid	**1,783,522**	**1,618,700**

The grants are paid out in respect of work done for individuals and institutions, who qualify under the criteria of each project. The reimbursement of part of the cost of work are paid to the contractor once the work has been approved, completed, certified and the recipient's contribution paid by the recipient.

The support costs for the above are included in charitable activities expenditure. Please refer to the charity website for further details of grants awarded in the year. Examples of grant recipients can be found at https://target2030.co.uk/case-studies/. There were no material grants paid to any individual institution.

7 Analysis of Staff Costs

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	**849,317**	859,284
National insurance costs	**71,838**	75,635
Pension costs	**32,984**	36,309
	954,139	971,228

The total employee benefits of the key management personnel of the charity, who comprise the Senior Management Team, were £169,306 (2020: £188,235).

During the year 1 employee earned between £60,000 and £70,000 (2020 - 1). Redundancy and settlement costs for the year were £Nil (2020: £21,400).

The average number of employees during the year was as follows:

	2021	2020
	Nos	Nos
Average full time equivalent	**28.2**	26.8
Average head count	**33.0**	30.5

8 Net Income for the Year

	2021	2020
This is stated after charging:	£	£
Depreciation	**5,597**	4,383
Auditor's fees for audit	**7,825**	8,575
Auditor's fees for non-audit services	**850**	2,550
Operating lease payments in respect of land & property	**41,314**	41,314
Operating lease payments in respect of equipment	**52,613**	58,038

9 Tangible Fixed Assets

	Office & General Equipment	Computer Equipment	Total
Cost	**£**	**£**	**£**
Brought forward	2,418	18,877	21,295
Additions	3,799	2,904	6,703
At 31 March 2021	**6,217**	**21,781**	**27,998**
Depreciation			
Brought forward	708	8,815	9,523
Charge for year	623	4,974	5,597
At 31 March 2021	**1,331**	**13,789**	**15,120**
Net book value			
At 31 March 2021	**4,886**	**7,992**	**12,878**
At 31 March 2020	1,710	10,062	11,772

10 Debtors

	2021	2020
	£	£
Trade debtors	**428,960**	243,533
Prepayments	**16,342**	35,294
Accrued income	**279,980**	130,932
	725,282	409,759

11 Creditors: Amounts Falling Due Within One Year

	2021	Restated 2020
	£	£
Trade creditors	**37,916**	35,672
Social security and other taxes	**61,328**	65,699
Accruals	**55,548**	73,220
Other creditors	**14,274**	78,601
Deferred income (note 12)	**9,794**	12,285
	178,860	265,477

12 Deferred Income

	2021	Restated 2020
	£	£
Balance at 1 April 2020	**12,285**	94,213
Amount released in the year	**(12,285)**	(94,213)
Amount deferred in the year	**9,794**	12,285
Balance as at 31 March 2021	**9,794**	12,285

12 Deferred Income (continued)

Deferred income comprises income received under a contract which relates to work to be completed in future accounting periods and initial up front payments, where the work has yet to be performed or completed. The charity has no entitlement to these funds at the 31 March 2021 and they have therefore been deferred.

13 Analysis of Movements in Unrestricted Funds

	Restated as at 1 April 2020	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2021
	£	£	£	£	£
Total Unrestricted Funds	**416,764**	**765,868**	**(646,246)**	**(25,160)**	**511,226**

	Restated as at 1 April 2019	Income	Expenditure	Transfer to Restricted Fund	Restated as at 31 March 2020
	£	£	£	£	£
Total Unrestricted Funds	374,478	649,288	(607,002)	-	416,764

Analysis of Unrestricted Income

	2021	2020
	£	£
Affordable Warmth		
Keep Herefordshire Warm	**59,108**	-
Warm & Well	**200,077**	209,075
CCG / SDC Grant Management	**6,000**	15,000
SGC Home Visists	**-**	15,210
Warm Homes Fund	**80,000**	149,538
CDC Park Home Management	**12,000**	41,085
Energy Redress	**60,113**	66,569
Green Homes Grant Advice	**40,000**	-
GHD LAD Admin	**31,039**	-
Various small projects	**-**	39,563
	488,337	536,040
Business Energy	**20,036**	46,829
Communities		
Create your Space	**23,333**	23,333
Waterfalls Country Future	**15,615**	-
Llandrindod Wells - The Hive	**62,096**	-
Various projects	**24,379**	41,980
	125,423	65,313
Government Furlough Support	**128,346**	-
Other income	**3,429**	-
Investment Income	**297**	1,106
Total Unrestricted Income	**765,868**	649,288

14 Analysis of Movements in Restricted Funds

Analysis of Movements in Restricted Funds - Current Year

	Restated at 1 April 2020	Income	Expenditure	Tr from/(to) Unrestricted Funds	At 31 March 2021
	£	£	£	£	£
Affordable Warmth					
Ennerfund	-	172	-	(172)	-
Build 2 Low Carbon	-	5,081	(9,936)	4,855	-
ASSIST	1,069	3,645	(8,899)	4,185	-
Redress South Glos	-	48,442	(47,452)	(990)	-
Redress Herefordshire	-	16,742	(17,405)	663	-
Redress Glos 2	-	18,247	(17,728)	(519)	-
W&W Referral Fees	43,418	30,145	(13,500)	-	60,063
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
Crisis Fund Fuel Vouchers	-	107,481	(43,676)	-	63,805
	119,487	229,955	(158,596)	8,022	198,868
Business					
Target 2030 Wilts	-	50,069	(53,830)	3,761	-
Target 2030 Glos	-	73,721	(80,991)	7,270	-
Target 2030 Support	-	15,000	-	(15,000)	
	-	138,790	(134,821)	(3,969)	-
Grant Making					
GEEG SGC Grants	6,292	20,001	(9,461)	-	16,832
CCG Grants	16,021	80,000	(72,923)	-	23,098
Warm Homes Fund Grants	-	775,379	(775,379)	-	-
Rural Futures Grants	34,973	-	(665)	-	34,308
Target 2030 Glos	-	207,777	(207,777)	-	-
Target 2030 Wilts	-	3,045	(3,045)	-	-
SDC Park Homes Grants	51,580	(9,584)	(34,100)	-	7,896
Crisis Fund Fuel Vouchers Grants	-	187,413	(187,413)	-	-
GHG LAD Grants	-	400,000	(380,456)	-	19,544
Park Homes 2020 Grants	-	129,584	(110,288)	-	19,296
SDC Winter Grants	-	5,000	(1,015)	-	3,985
Hereford Winter Grants	-	9,000	-	-	9,000
	108,866	1,807,615	(1,782,522)	-	133,959
Communities					
Rural Futures	60,117	376,555	(240,483)	-	196,189
Re Direct	-	(63)	-	63	-
Llandrindod Wells	87,847	147,605	(77,746)	-	157,706
Sustainable Community Wales	-	172,413	(175,243)	2,830	-
Foundational Economy	25,820	52,769	(69,488)	(9,101)	-
Three C	-	29,618	(57,032)	27,414	-
Llandrindod Wells Covid-19	-	43,268	(43,169)	(99)	-
	173,784	822,165	(663,161)	21,107	353,895
Total Restricted Funds	**402,137**	**2,998,525**	**(2,739,100)**	**25,160**	**686,722**

14 Analysis of Movements in Restricted Funds (Continued)

Analysis of Movements in Restricted Funds - Previous Year

	Restated at 1 April 2019 £	Income £	Expenditure £	Tr from/(to) Unrestricted Funds £	Restated at 31 March 2020 £
Education					
Our Futures	-	23,969	(23,969)	-	-
Energe	-	975	(975)	-	-
	-	24,944	(24,944)	-	-
Affordable Warmth					
Enerfund	218	3,100	(3,318)	-	-
Build 2 Low Carbon	-	9,257	(9,257)	-	-
ASSIST	125	37,943	(36,999)	-	1,069
W&W Referral Fees	-	43,418	-	-	43,418
Revolving Retrofit Guarantee Fund	75,000	-	-	-	75,000
	75,343	93,718	(49,574)	-	119,487
Business					
Target 2020 Worcs	-	50	(50)	-	-
Target 2020 Development	-	8,050	(8,050)	-	-
Target 2020 Glos	-	159,438	(159,438)	-	-
Target 2050 Loan Guarantee	42	-	(42)	-	-
	42	167,538	(167,580)	-	-
Grant Making					
GEEG SGC Grants	2,788	20,000	(16,496)	-	6,292
CCG Grants	6,404	200,000	(190,383)	-	16,021
Warm Homes Fund Grants	-	548,784	(548,784)	-	-
FOD / CDC Park Homes Grants	-	14,473	(14,473)	-	-
Rural Futures Grants	42,435	-	(7,462)	-	34,973
Target 2020 Glos	-	324,611	(324,611)	-	-
SDC Park Homes Grants	499,562	68,490	(516,472)	-	51,580
	551,189	1,176,358	(1,618,681)	-	108,866
Communities					
Rural Futures	32,840	390,770	(363,493)	-	60,117
Biogas Action	-	3,195	(3,195)	-	-
Re Direct	-	85,727	(85,727)	-	-
Llandrindod Wells	24,137	118,604	(54,894)	-	87,847
Sustainable Community Wales	(299)	172,676	(172,377)	-	-
Foundational Economy	-	29,095	(3,275)	-	25,820
Three C	-	6,000	(6,000)	-	-
	56,678	806,067	(688,961)	-	173,784
Total Restricted Funds	**683,252**	**2,268,625**	**(2,549,740)**	**-**	**402,137**

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds

Affordable Warmth

Enerfund - funded by the European Union's Horizon 2020 programme and aims to enhance funding investments for deep rennovation of buildings in Europe.

Build 2 Low Carbon - is to add value and strengthen collaboration between public, private and third sector to efficiently and effectively retrofit domestic properties to relieve fuel poverty and reduce carbon emmissions.

ASSIST - policy orientation project to tackle fuel poverty and support vulnerable customers addresssing both energy and social issues.

W&W Referral Fees - each year agreement is reached with the W&W funders as to how these fees are best utilised to help with our Affordable Warmth programme.

Revolving Retrofit Guarantee Fund - the fund was established by Stroud District Council for historic reasons, discussions are taking place to agree a future purpose.

Redress - working across Gloucestershire, South Gloucestershire & Herefordshire our energy advocates are working with local inclusion services to make sure everyone receives energy advice they understand.

Crisis Fund Fuel Voucher - the fund was set up in response to Covid-19 to help families in fuel poverty by allocating fuel vouchers to households referred to us by trusted third parties.

Grant Making

GEEG SGC Grants - these are funds received from South Gloucestershire Council (SGC) and Stroud District Council (SDC) for households meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

CCG Grants - these are funds received from the CCG through SDC for households in Gloucestershire meeting age and income criteria, with Severn Wye acting as the principal for the scheme, to assist people with health conditions with energy saving measures.

Warm Home Funds Grants - are funded by SDC providing grants to private tenants, owner occupiers and social housing for central heating systems and insulation to improve energy efficiency.

FOD / CDC Park Homes Grants - to support residents of park homes in Gloucestershire to become more energy efficient by administering grants to fund energy saving measures.

Rural Futures Grants - micro grants made to communities supported through the Rural Futures project.

Target 2030 Gloucestershire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Gloucestershire and up to 35% financial assistance to help install energy saving measures.

Target 2030 Wiltshire - offers up to 5 days energy efficiency consultation to small and medium enterprises in Swindon & Wiltshire and up to 35% financial assistance to help install energy saving measures.

SDC Park Homes & Park Homes 2020 Grants - to support residents of park homes in Gloucestershire to become more energy efficient by administering grants to fund energy saving measures.

Green Homes Grant LAD - fund provided to insulate park homes and assist with the installation of air sourced heat pumps in Gloucestershire.

Stroud District Council & Hereford Winter Grants - to support vulnerable residents affected by Covid-19 by making small cash payments to assist with food and essential items, such as fuel bills.

Crisis Fund Fuel Voucher - See Affordable Warmth.

Business

Target 2030 Gloucestershire - see Grant Making.

Target 2030 Wiltshire - see Grant Making.

Communities

Rural Futures - Big Lottery Fund grant to support rural communities to co-produce sustainable local projects and help those communities harness their potential and build a lasting future.

14 Analysis of Movements in Restricted Funds (Continued)

Communities (continued)

Llandrindod Wells - together for Wellbeing, working with families who are in employment , but struggling to make ends meet and balance the needs of their families. Through the project families will be enabled to co-design and co-deliver projects that can improve the quality of their lives.

Sustainable Community Wales - to provide resource efficiency advice for communities across Wales and setting up a Wales wide installer network.

Foundational Economy - to pilot a project to realise the potential to rebuild community wealth, working with local anchor institutions in all sectors for the benefit of the community, local business and anchor institutions.

Three C - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks.

Llandrindod Wells Covid-19 Fund - Working with local partners and families, the project provides families with a craft box once a week from April to June 2020 and access to a local food bank.

15 Analysis of Net Assets Between Funds

	Unrestricted	Restricted	Total
	£	£	£
Fixed assets	**12,878**	**-**	**12,878**
Other net current assets	**498,348**	**686,722**	**1,185,070**
Net assets at 31 March 2021	**511,226**	**686,722**	**1,197,948**
Fixed assets	11,772	-	11,772
Other net current assets (restated)	404,992	402,137	807,129
Net assets at 31 March 2020 (restated)	416,764	402,137	818,901

16 Operating Lease Commitments

At the 31 March 2021 the charity had the following total minimum lease payments commited under operating leases.

	Other		Land & Buildings	
	2021	2020	**2021**	2020
	£	£	**£**	£
Operating leases which expire:				
Within one year	**32,219**	49,761	**35,642**	41,314
Within two to five years	**10,629**	17,153	**1**	35,530
	42,848	66,914	**35,643**	76,844

17 Related Parties

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity in this year or the previous one.

18 Pension Commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension costs charge represents contributions payble by the charity to the fund and amounted to £32,984 (2020: £36,309). There was a liability at the end of the year of £Nil (2020: £2,000).

19 Trustees' Remuneration

No remuneration has been paid to the trustees of the charity in the year under review or the prior year other than the reimbursement of mileage expenses and training costs of £Nil (2020: £27 to a single trustee).

20 Reconciliation of Surplus for the year to Net Operating Cash Flows

	2021	2020
	£	£
Net Movement of Funds as per the SOFA	**379,047**	(238,829)
Depreciation charges	**5,597**	4,383
Less interest received	**(297)**	(1,106)
Decrease in debtors	**(315,523)**	233,127
(Decrease)/Increase in creditors	**(86,617)**	28,275
Net Operating Cash Flows	**(17,793)**	25,850

Analysis of cash and cash equivalents	**2021**	2020
	£	£
Cash in hand	**-**	70
Notice deposits	**638,648**	662,777
	638,648	662,847

21 Post Balance Sheet Event

There is still the potential for disruption to the business of the charity due to Covid-19. The trustees have reviewed the revised business plan and the budgets for both 2021/22 and 2022/23 and believe that on current assumptions the charity is a going concern.

22 Prior Year Restatement

The comparative financial statements have been restated due to a change in the interpretation of the Charity SORP in respect of deferred grant income on the advice of the new auditors.

Creditors	£
Deferred Income per original accounts at 31st March 2020	343,310
Reversal of Deferred Income	(331,025)
Restated Deferred Income at 31st March 2020	12,285
Other Creditors per original accounts at 31st March 2020	153,601
Recognition of income received	(75,000)
Restated Other Creditors at 31st March 2020	78,601

Funds brought forward	
Funds brought forward per original accounts at 1st April 2019	374,813
Release of Deferred Income	682,917
Restated Funds brought forward at 1st April 2019	1,057,730
Funds brought forward per original accounts at 1st April 2020	412,876
Release of Deferred Income	406,025
Restated Funds brought forward at 1st April 2020	818,901

23 Prior Year Comparative Statement of Financial Activities (restated)

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020
		£	£	£
Income from:				
Charitable Activities				
Education	14	-	24,944	**24,944**
Affordable Warmth	14	536,040	93,718	**629,758**
Business	14	46,829	167,538	**214,367**
Grant Making	14	-	1,176,358	**1,176,358**
Communities	14	65,313	806,067	**871,380**
Investment Income		1,106	-	**1,106**
Total Income		649,288	2,268,625	**2,917,913**
Expenditure on:				
Charitable activities				
Education	4	15,723	24,944	**40,667**
Affordable Warmth	4	417,347	49,574	**466,921**
Business	4	44,578	167,580	**212,158**
Grant Making	4	19	1,618,681	**1,618,700**
Communities	4	51,829	688,961	**740,790**
Administration	4	77,506	-	**77,506**
Total Expenditure		607,002	2,549,740	**3,156,742**
Net Income / (Expenditure) for the year		42,286	(281,115)	**(238,829)**
Transfer In / (Out) between Funds	14	-	-	**-**
Net Movement in Funds		42,286	(281,115)	**(238,829)**
Reconciliation of Funds				
Funds brought forward at 01 April 2019	14	374,478	683,252	**1,057,730**
Funds Carried Forward at 31 March 2020	14	416,764	402,137	**818,901**