

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2021

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|------------------------------------|--|
| Trustees | Heather Watts (Chair) David Hardie (Resigned 10 th December 2020) Peter Clegg Andrew Lichnowski (Resigned 10 th December 2020) Rowena Kay Daniel Clegg Simon Burgess Andrew Bull Eileen Kinsman (Appointed 18 th January 2021) Mareike Schmidt (Appointed 18 th January 2021) Vilislava Ivanova (Appointed 18 th January 2021) Christopher Welby (Appointed 18 th January 2021) Louise Cooke (Appointed 18 th January 2021) Anna Griffin (Appointed 18 th January 2021) Leah Grint (Appointed 18 th 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 5 th 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.severnwe.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 leveraging 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 MEEES 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 its 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

(Incorporating an Income and Expenditure Account)

Year ended 31 March 2021

| | 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.

Balance Sheet

As at 31 March 2021

| | Note | 2021 | 2020 |
|--|-------------|-------------------------|-----------------------|
| | | £ | Restated £ |
| Fixed Assets | | | |
| Tangible assets | 9 | <u>12,878</u> | <u>11,772</u> |
| | | 12,878 | 11,772 |
| Current Assets | | | |
| Debtors | 10 | 725,282 | 409,759 |
| Cash at bank & in hand | | <u>638,648</u> | <u>662,847</u> |
| | | 1,363,930 | 1,072,606 |
| Current Liabilities | | | |
| Creditors: Amounts falling due within one year | 11 | <u>(178,860)</u> | <u>(265,477)</u> |
| Net Current Assets | | <u>1,185,070</u> | <u>807,129</u> |
| Net Assets | | <u>1,197,948</u> | <u>818,901</u> |
| Funds of the Charity | | | |
| Unrestricted funds | 13 | 511,226 | 416,764 |
| Restricted funds | 14 | 686,722 | 402,137 |
| Total Charity funds | | <u>1,197,948</u> | <u>818,901</u> |

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 |
| <i>Investing activities</i> | | | |
| 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 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 - 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

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Governance costs included within administration are made up as follows: | | |
| 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

| | 2021 | 2020 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| To institutions by Projects: | | |
| 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: | | |
| 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 |
| | <u>954,139</u> | <u>971,228</u> |

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 Visits | - | 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 |
| | <u>119,487</u> | <u>229,955</u> | <u>(158,596)</u> | <u>8,022</u> | <u>198,868</u> |
| 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) | - |
| | <u>-</u> | <u>138,790</u> | <u>(134,821)</u> | <u>(3,969)</u> | <u>-</u> |
| 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 |
| | <u>108,866</u> | <u>1,807,615</u> | <u>(1,782,522)</u> | <u>-</u> | <u>133,959</u> |
| 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) | - |
| | <u>173,784</u> | <u>822,165</u> | <u>(663,161)</u> | <u>21,107</u> | <u>353,895</u> |
| Total Restricted Funds | <u>402,137</u> | <u>2,998,525</u> | <u>(2,739,100)</u> | <u>25,160</u> | <u>686,722</u> |

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 renovation 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 emissions.

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.

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 committed under operating leases.

| | Other 2021 £ | 2020 £ | Land & Buildings 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 payable 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 |

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |