

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2022

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| | |
|------------------------------------|---|
| Trustees | Heather Watts Peter Clegg (resigned 24 th November 2021) Rowena Kay Daniel Clegg (resigned 30 th 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 31 st March 2022) Sandy Hore-Ruthven (appointed 18 th July 2022) |
| 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 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.severnwyenergy.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 in place 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 Criad 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 miniature 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

(Incorporating an Income and Expenditure Account)

Year ended 31 March 2022

| | 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.

Severn Wye Energy Agency Ltd

Statement of Financial Activities (Continued)

(Incorporating an Income and Expenditure Account)

Year ended 31 March 2022

| | 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 | | <u>765,868</u> | <u>2,998,525</u> | <u>3,764,393</u> |
| 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 | | <u>646,246</u> | <u>2,739,100</u> | <u>3,385,346</u> |
| 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 | | <u>94,462</u> | <u>284,585</u> | <u>379,047</u> |
| 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 | <u>511,226</u> | <u>686,722</u> | <u>1,197,948</u> |

Balance Sheet

As at 31 March 2022

| | Note | 2022 | 2021 |
|--|-------------|-------------------------|-------------------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible assets | 9 | <u>11,434</u> | <u>12,878</u> |
| | | 11,434 | 12,878 |
| Current Assets | | | |
| Debtors | 10 | 1,121,266 | 725,282 |
| Cash at bank & in hand | | <u>833,587</u> | <u>638,648</u> |
| | | 1,954,853 | 1,363,930 |
| Current Liabilities | | | |
| Creditors: Amounts falling due within one year | 11 | <u>(379,479)</u> | <u>(178,860)</u> |
| Net Current Assets | | <u>1,575,374</u> | <u>1,185,070</u> |
| Net Assets | | <u>1,586,808</u> | <u>1,197,948</u> |
| 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 | | <u>1,586,808</u> | <u>1,197,948</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 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) |
| <i>Investing activities</i> | | | |
| 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

| | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| Governance costs included within administration are made up as follows: | | |
| 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

| | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| To institutions by Projects: | | |
| Rural Futures Grants | 3,186 | 665 |
| Target 2030 Wiltshire | 246,581 | 3,045 |
| Target 2030 Gloucestershire | 235,080 | 207,777 |
| | 484,847 | 211,487 |

| | 2022 | 2021 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| To individuals by Projects: | | |
| 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 |
| | <u>1,301,872</u> | <u>954,139</u> |

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 | - |
| | <u>95,246</u> | <u>-</u> |
| Donations & Government Furlough Scheme | 2,650 | 128,346 |
| Other Income | 9,974 | 3,429 |
| Investment income | 310 | 297 |
| Total Unrestricted Income | <u>840,834</u> | <u>765,868</u> |

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 |
| | <u>198,868</u> | <u>493,262</u> | <u>(286,970)</u> | <u>(49,533)</u> | <u>355,627</u> |

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 |
| | <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) | - |
| Llandrindod Wells Covid-19 | - | 43,268 | (43,169) | (99) | - |
| | <u>173,784</u> | <u>792,547</u> | <u>(606,129)</u> | <u>(6,307)</u> | <u>353,895</u> |
| Sustainable Technologies | | | | | |
| Three C | - | 29,618 | (57,032) | 27,414 | - |
| | <u>-</u> | <u>29,618</u> | <u>(57,032)</u> | <u>27,414</u> | <u>-</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)

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 emissions.

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 committed 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 |
| | <u>28,428</u> | <u>42,848</u> | <u>35,524</u> | <u>35,643</u> |

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 | <u>199,533</u> | <u>(17,793)</u> |

Analysis of cash and bank deposits

| | 2022 | 2021 |
|---------------|-----------------------|----------------|
| | £ | £ |
| Cash in hand | - | - |
| Bank deposits | 833,587 | 638,648 |
| | <u>833,587</u> | <u>638,648</u> |

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.