

Severn Wye Energy Agency Ltd

Trustees' Report and Audited Financial Statements

For the year ended 31 March 2023

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

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

Objectives and Activities

Severn Wye's objects are:-

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

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

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

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

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

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.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 ten trustees from a variety of professional backgrounds. There are three sub-committees responsible for Finance, People & Welfare and Governance.

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

Risk Management

The trustees have a risk management strategy that comprises;

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

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

The main risks identified are;

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

These risks are being managed by the following actions;

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

Pay Policy

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

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

Achievements and Performance

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

Sustainable Home Energy

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

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

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

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

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

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

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

Sustainable Organisations

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

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

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

Sustainable Communities

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

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

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

Sustainable Technologies

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

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

Investment and Progress in Delivery of our Strategic Aims

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

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

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

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

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

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

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

Financial Review

Results for the Year

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

Funding Sources

The main funding sources in the year are:

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

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

Reserves policy and going concern

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

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

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

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

Investment Policy

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

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

Future Developments

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

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

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

Statement of Trustees' Responsibilities in respect of the Financial Statements

The trustees, who are the directors of Severn Wye for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

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

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

- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Severn Wye will continue in operation.

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

Provision of Information to the Auditor

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

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

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

Auditor

The auditor is Godfrey Wilson Limited.

Approval

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



Mareike Schmidt - Trustee



Simon Burgess – Trustee

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinions

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Alison Godfrey

Date: 24th August 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

Severn Wye Energy Agency Ltd

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

Year ended 31 March 2023

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

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

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

Severn Wye Energy Agency Ltd

Statement of Financial Activities (Continued)

(Incorporating an Income and Expenditure Account)

Year ended 31 March 2023

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

Balance Sheet

As at 31 March 2023

	Note	2023	2022
		£	£
Fixed Assets			
Tangible assets	9	<u>6,001</u>	<u>11,434</u>
		6,001	11,434
Current Assets			
Debtors	10	1,272,733	1,121,266
Cash at bank & in hand		<u>1,107,085</u>	<u>833,587</u>
		2,379,818	1,954,853
Current Liabilities			
Creditors: Amounts falling due within one year	11	<u>(433,910)</u>	<u>(379,479)</u>
Net Current Assets		<u>1,945,908</u>	<u>1,575,374</u>
Net Assets		<u>1,951,909</u>	<u>1,586,808</u>
Funds of the Charity			
Unrestricted funds	13	652,643	573,569
Designated funds	13	70,763	17,725
Restricted funds	14	1,228,503	995,514
Total Charity funds		<u>1,951,909</u>	<u>1,586,808</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 18 to 32 form part of these accounts. The financial statements were approved and authorised for issue by the Board of Trustees on the 22nd August 2023 and were signed on its behalf by:

Mareike Schmidt

Mareike Schmidt
Trustee

Simon Burgess

Simon Burgess
Trustee

Severn Wye Energy Agency Ltd

Cash Flow Statement

For the year ended 31 March 2023

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

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

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

1 General Information

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

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

2 Accounting Policies

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

a Basis of Accounting

The financial statements have been prepared in accordance with;

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

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

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

b Preparation of the Accounts on a going concern basis

Severn Wye has demonstrated that it was able to cope with the effects of Covid-19 over the last two years. The war in Ukraine and the subsequent increase in utility costs has resulted in high demand for our services. The current budget for 2023/24 anticipates a reasonable unrestricted surplus.

Even if the unforeseen happens and a loss is incurred, Severn Wye has the reserves and cash to be able to cover a loss and have enough reserves and cash to go securely into 2023/24.

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

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

c Income

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

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

2 Principal Accounting Policies (continued)

c Income (continued)

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

d Expenditure

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

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

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

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

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

e Financial Instruments

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

f Significant Judgements and Estimates

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

Deferred Income:

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

Depreciation:

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

Costs incurred during the feasibility phase of a project:

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

g Fund Accounting

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

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

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

2 Principal Accounting Policies (continued)

h Tangible Fixed Assets

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

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

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

i Cash at Bank and in Hand

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

j Debtors

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

k Creditors

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

l Foreign Currency Transactions

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

m Interest receivable

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

n Pensions

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

o Operating Leases

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

p Redundancy and settlement

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

q Taxation

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

3 Government Grant Income

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

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

4 Total Expenditure

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

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

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

5 Governance Costs

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

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

6 Analysis of Grants Paid

	2023	2022
To institutions by Projects:	£	£
Rural Futures Grants	4,149	3,186
Target 2030 Wiltshire	235,069	246,581
Target 2030 Gloucestershire	435,993	235,080
	675,211	484,847
To individuals by Projects:	£	£
CCG	54,538	187,947
GEEG SGC	2,941	17,340
Crisis Fund Fuel vouchers Grants	-	51,072
Gloucestershire Household Support Fund	419,773	-
GHG LAD Grants	-	433,352
Herefordshire Winter Grants	98,060	8,820
LAD1B Grants	-	942,991
Park Homes 2020 BTC Grants	-	15,059
Redress Herefordshire	-	900
South Gloucestershire Household Support Fund	73,449	-
Stroud District Council Winter Grants	6,400	7,585
SWC HUG Grants	470,924	-
SWC LAD Grants	175,523	-
Warm & Well	-	2,082
Warm Homes Fund 6	22,543	-
Warm Homes Fund	63,498	383,185
Warmth on Prescription Grants	69,641	-
	1,457,290	2,050,333
Total grants paid	2,132,501	2,535,180

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

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

7 Analysis of Staff Costs

Staff costs were as follows:

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

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

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

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

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

8 Net Income for the Year

This is stated after charging:

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

9 Tangible Fixed Assets

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

10 Debtors

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

11 Creditors: Amounts Falling Due Within One Year

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

12 Deferred Income

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

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

13 Analysis of Movements in Unrestricted Funds

	As at 1 April 2022	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2023
	£	£	£	£	£
Unrestricted Funds	573,569	1,204,168	(1,058,668)	(66,426)	652,643
Designated Funds	17,725	189,703	(91,135)	(45,530)	70,763
Total Unrestricted Funds	591,294	1,393,871	(1,149,803)	(111,956)	723,406
	As at 1 April 2021	Income	Expenditure	Transfer to Restricted Fund	As at 31 March 2022
	£	£	£	£	£
Unrestricted Funds	511,226	823,109	(671,837)	(88,929)	573,569
Designated Funds	-	17,725	-	-	17,725
Total Unrestricted Funds	511,226	840,834	(671,837)	(88,929)	591,294

Analysis of Unrestricted Income

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

13 Analysis of Movements in Unrestricted Funds (continued)

Analysis of Unrestricted Income (continued)

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

Designated Funds

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

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

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

14 Analysis of Movements in Restricted Funds

Analysis of Movements in Restricted Funds - Current Year

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

14 Analysis of Movements in Restricted Funds (continued)

Analysis of Movements in Restricted Funds - Current Year

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

14 Analysis of Movements in Restricted Funds (Continued)

Analysis of Movements in Restricted Funds - Previous Year

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

14 Analysis of Movements in Restricted Funds (Continued)

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

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

Purpose of Restricted Funds

Affordable Warmth

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

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

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

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

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

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

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

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

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

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

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

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

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

Warmth on Prescription - see Grants section.

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

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds (continued)

Affordable Warmth (continued)

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

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

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

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

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

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

Grant Making

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

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

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

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

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

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

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

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

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

Crisis Fund Fuel Voucher - See Affordable Warmth.

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

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

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

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

14 Analysis of Movements in Restricted Funds (Continued)

Purpose of Restricted Funds (continued)

Business

Target 2030 Gloucestershire - see Grant Making.

Target 2030 Wiltshire - see Grant Making.

Communities

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

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

Energy Advocates Powys - Energy Advocacy work across Powys.

Sustainable Technologies

Three C - to promote innovation and business development in the circular economy based on alternative carbon products, technologies and services, using local carbon feedstocks. The 3C project has been moved from Communities to the new Sustainable Technologies theme as it is a more appropriate classification.

CapCall Re-Direct - to build a timber framed, green roof and living wall community structure.

Mersey Biochar - to carry out a feasibility study into using a pyrolysis plant to develop a community-owned, carbon-negative energy solution. Now commissioned to build a prototype plant to demonstrate feasibility.

Transfers between Funds

W&W Referral fees - the funders agreed that £10,000 could be used to fund our business support services.

SWC LAD & HUG - the loss on these projects will be met from General Reserves.

Target 2030 Wilts & Glos - this is an EU funded project that only funds a 15% overhead charge, this is insufficient.

The balance is therefore met from General Reserves.

Three C - There is matched funding for this project from Welsh Water and Gwent Green Grids in Unrestricted Income that more than covers most of the costs, the rest is met from General Reserves.

15 Analysis of Net Assets Between Funds

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

16 Operating Lease Commitments

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

	Other 2023 £	2022 £	Land & Buildings 2023 £	2022 £
Operating leases which expire:				
Within one year	10,706	22,998	35,461	35,511
Within two to five years	15,309	5,430	38	13
	<u>26,016</u>	<u>28,428</u>	<u>35,499</u>	<u>35,524</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 £47,589 (2022: £42,589). There was a liability at the end of the year of £1,857 (2022: £801).

19 Trustees' Remuneration

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

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

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

Analysis of cash and bank deposits

	2023 £	2022 £
Cash in hand	-	-
Bank deposits	1,107,085	833,587
	<u>1,107,085</u>	<u>833,587</u>

21 Post Balance Sheet Event

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