

Registered number: 03830608
Charity number: 1083812

SEVERN WYE ENERGY AGENCY LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Page

1

2 - 9

10

11 - 14

15

16

17

18 - 37

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SEVERN WYE ENERGY AGENCY LTD

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

Trustees

Mareike Schmidt, Chair
Christopher Bierley (resigned 1 December 2024)
Louise Cooke (resigned 21 May 2024)
Vilislava Ivanova
Rowena Kay
Martin Smith Lomas (appointed 1 May 2023)
Emma Voss (appointed 1 May 2023)
Christopher Welby
Jamie Abbott (appointed 1 May 2025)
Catherine Cheetham (appointed 2 May 2025)
Amie Robinson (appointed 2 May 2025)
Dapo Fakorede (appointed 3 May 2025)

Company registered number 03830608

Charity registered number 1083812

Registered office 3rd Floor Pillar & Lucy House
Merchants Road
Gloucester
England
GL2 5RG

Chief Executive Officer Sandy Ruthven

Independent auditors Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
10 North Place
Cheltenham
GL50 4DW

Bankers HSBC
The Cross
Gloucester
GL1 2AP

**CHAIRPERSON STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

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

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

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

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

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

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

Mareike Schmidt

Chair of Trustees

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

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

Objectives and Activities

Severn Wye's objects are:-

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

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

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

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

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

The trustees confirm that they refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Severn Wye's activities. To achieve the above objectives and public benefit Severn Wye has developed and implemented a range of projects which are noted within this report and further detailed in the annual Impact Report, which is published on Severn Wye's website at www.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 members of the Council of Management retire each year by rotation and are eligible to be re-elected. The Council of Management is in effect another name for the Board of Trustees.

Induction and Training of Trustees

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

Code of Practice

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

purpose

risk and control
process

accountability

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

Structure and Decision Making

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

The CEO manages the day to day operations of Severn Wye.

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

Severn Wye has adequate procedures in place to mitigate the risks to which Severn Wye is

exposed;

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

The Biochar project is being managed by the following actions;

- Secured the services of a consultant to provide additional development and construction management. This significantly reduces the risk to the project as Severn Wye now has overall control of the project.

- Reviewing our existing recruitment processes as well as reviewing the reasons why staff leave the organisation. We will be carrying out a staff survey in the summer that will hopefully identify areas where staff experience can be improved.

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

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

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

Achievements and Performance

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

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

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

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

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

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

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

Sandy Ruthven MBE

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

A year in review

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

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

Advice & Support

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

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

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

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

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

Home Energy Services

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

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

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

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

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

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

Business Energy Services

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

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

Energy & Communities

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

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

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

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

Energised Communities

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

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

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

Innovation

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

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

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

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

Financial Review

Results for the Year

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

Funding Sources

The main funding sources in the year are:

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

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

Reserves policy and going concern

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

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

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

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

Investment Policy

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

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

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

Future Developments

The new strategic plan was approved by the trustees at their meeting in February and has been implemented from the start of April 2025. The budget based on that plan was agreed at the trustee meeting in May and it anticipates an increase in Unrestricted Funds of £248k and we are currently in line with that budget.

This year we aim to have confirmed funding of over £5.5m of which £1.5m are grants to be allocated;

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

Provision of Information to the Auditor

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

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

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

Auditor

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

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



Mareike Schmidt
Trustee

Date: 10/09/2025

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

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

OPINION

We have audited the financial statements of Severn Wye Energy Agency Ltd (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

SEVERN WYE ENERGY AGENCY LTD

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

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

USE OF OUR REPORT

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

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Audit Limited

Chartered Accountants

Statutory Auditors

10 North Place

Cheltenham

GL50 4DW

Date:

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

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

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

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

SEVERN WYE ENERGY AGENCY LTD
REGISTERED NUMBER:03830608

BALANCE SHEET
AS AT 31 MARCH 2025

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

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

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

Mareike Schmidt
Trustee

Date:

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

SEVERN WYE ENERGY AGENCY LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. GENERAL INFORMATION

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

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 GOING CONCERN

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

Grants Income

The charity receives two main types of grants:

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

Capital Grants Grants - received for the purchase and installation of equipment at client premises are recognised as income when the funds have been received by the charity. This may occur either:

- As an upfront lump sum payment, or
- Upon submission and approval of drawdown requests

Income is recognised at the point of receipt regardless of whether the equipment has been purchased or installed.

Timing of Recognition

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

Measurement

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

Government Grant Income:

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

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

2.4 EXPENDITURE

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (continued)

2.4 EXPENDITURE (CONTINUED)

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional, regulatory and 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.

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

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 TAXATION

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

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Depreciation is provided on the following basis:

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

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

2.8 DEBTORS

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

2.9 CASH AT BANK AND IN HAND

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. ACCOUNTING POLICIES (continued)

2.10 LIABILITIES AND PROVISIONS

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

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

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

2.11 FINANCIAL INSTRUMENTS

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

2.12 OPERATING LEASES

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

2.13 PENSIONS

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

2.14 FUND ACCOUNTING

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. INCOME FROM CHARITABLE ACTIVITIES

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

4. INVESTMENT INCOME

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	33,530	33,530	23,160
	<u>33,530</u>	<u>33,530</u>	
TOTAL 2024	<u>23,160</u>	<u>23,160</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

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

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

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

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

7. ANALYSIS OF GRANTS PAID

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**
8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

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

9. STAFF COSTS

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

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

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

	2025	2024
	No.	No.
Average head count	94	80
	<hr/>	<hr/>

The average headcount expressed as full-time equivalents was:

	2025	2024
	No.	No.
Average full time equivalent	78.2	68.8
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

9. STAFF COSTS (CONTINUED)

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

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

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

10. TRUSTEES' REMUNERATION AND EXPENSES

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**
11. TANGIBLE FIXED ASSETS

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

PRINCIPAL SUBSIDIARIES

The following was a subsidiary undertaking of the Charity:

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

The financial results of the subsidiary for the year were:

Name	Net assets £
Mersey Biochar Limited	1

12. DEBTORS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	391,188	1,488,929
Other taxation and social security	160,442	155,822
Other creditors	32,551	72,640
Accruals and deferred income	688,088	147,179
	1,272,269	1,864,570
	2025	2024
	£	£
Balance at 1 April 2024	59,239	29,640
Amount deferred in the year	672,691	59,139
Amounts released in the year	(59,239)	(29,540)
Balance as at 31 March 2025	672,691	59,239

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

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

Purpose of restricted Funds

Energy Advice

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

Energy Services Domestic

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

Energy Advocacy

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

Energy Services Non Domestic

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

Grant Making

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. STATEMENT OF FUNDS (CONTINUED)

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

Wales

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

Innovation

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

Transfer between Funds

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

14. STATEMENT OF FUNDS (CONTINUED)**STATEMENT OF FUNDS - PRIOR YEAR**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

15. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

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

SUMMARY OF FUNDS - PRIOR YEAR

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

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

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

19. ANALYSIS OF CHANGES IN NET DEBT

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

20. PENSION COMMITMENTS

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

21. OPERATING LEASE COMMITMENTS

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

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

22. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

