

Company registration number: 06742270

Charity registration number: 1145675

Afonydd Cymru Cyfyngedig

(A company limited by guarantee and a registered charity)

Annual Report and Financial Statements

for the Year Ended 31 December 2017



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Afonydd Cymru Cyfyngedig

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Afonydd Cymru Cyfyngedig

Reference and Administrative Details

Trustees

Mr Huw Evans, Chair

Mr Lloyd Evans

Mr Anthony Rees

Mr Michael Morris

Mr Richard Blacklaw-Jones

Mr Alan Winstone

Mr Simon Evans

Registered Office

The Right Bank

The Square

Talgarth

LD3 0BW

Company Registration Number

06742270

Charity Registration Number

1145675

Auditor

PJE Chartered Accountants

23 College Street

Lampeter

Ceredigion

SA48 7DY

Afonydd Cymru Cyfyngedig

Trustees report

The policy of consolidation of the six Rivers trusts continues and Afonydd Cymru continues to represent them with government and with Wales' statutory environmental body, Natural Resources Wales. These trusts who are all registered charities are as follows:

- The Clwyd, Conwy and Gwynedd Rivers Trust (RT)
- The Welsh Dee RT
- The Severn RT
- The Wye and Usk Foundation
- The Southeast Wales RT
- The West Wales RT

Areas in which Afonydd Cymru is representing them include:

- The Brexit Land Use Committee
- The Brexit Regulation Committee
- The Independent Environmental Advisory Panel of Welsh Water Dwr Cymru
- The Hydropower Group (Natural Resources Wales)
- Local Fisheries Groups
- The Passport scheme
- Wales Environment Link

In addition, Afonydd Cymru has taken the lead in bidding for funding where that fund would be applied pan Wales: success so far includes The Greggs Foundation which has generously provided funds for local community projects, Leader +, an EU fund to provide funding to upgrade fisheries infrastructure. At the end of the financial year a more substantial bid to EU Maritime Fisheries fund was awaiting approval.

Afonydd Cymru had tendered for a contract to survey certain rivers and this tender was successful. The first river to be surveyed was tributaries in the Afon Teifi. This started in November and will be followed by the Tywi, Clwyd, Mawddach and Cleddaus in subsequent years.

Afonydd Cymru is supported by donations from its member trusts and continues to seek more permanent sources of funding.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Afonydd Cymru Cyfyngedig for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

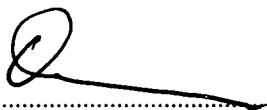
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 15.9.18 and signed on its behalf by:



Mr L Evans

Trustee

Chairman

Afonydd Cymru Cyfyngedig

Independent Examiner's Report to the trustees of Afonydd Cymru Cyfyngedig

I report on the accounts of the charity for the year ended 31 December 2017 which are set out on pages 4 to 14.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



PJE Chartered Accountants
23 College Street

Lampeter
Ceredigion
SA48 7DY

Date: 25/9/18

Afonydd Cymru Cyfyngedig

Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:					
Donations and legacies	3	1,967	132,898	134,865	64,436
Investment income	4	-	3	3	7
Other income	5	2,000	-	2,000	3,000
Total Income		3,967	132,901	136,868	67,443
Expenditure on:					
Charitable Activities	6	(4,811)	(130,478)	(135,289)	(54,634)
Total Expenditure		(4,811)	(130,478)	(135,289)	(54,634)
Net (expenditure)/income		(844)	2,423	1,579	12,809
Net movement in funds		(844)	2,423	1,579	12,809
Reconciliation of funds					
Total funds brought forward		(618)	12,500	11,882	(927)
Total funds carried forward	13	(1,462)	14,923	13,461	11,882

All of the charity's activities derive from continuing operations during the above two periods.

Afonydd Cymru Cyfyngedig

(Registration number: 06742270)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Debtors	11	12,000	13,163
Cash at bank and in hand		7,404	41,570
		<u>19,404</u>	<u>54,733</u>
Creditors: Amounts falling due within one year	12	<u>(5,944)</u>	<u>(42,851)</u>
Net assets		<u>13,460</u>	<u>11,882</u>
Funds of the charity:			
Restricted funds		14,923	12,501
Unrestricted income funds			
Unrestricted funds		<u>(1,462)</u>	<u>(619)</u>
Total funds	13	<u>13,461</u>	<u>11,882</u>

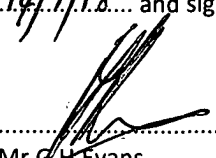
For the financial year ending 31 December 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

The financial statements on pages 4 to 14 were approved by the trustees, and authorised for issue on 14/9/18 and signed on their behalf by:


.....
Mr G H Evans
Chairman of Trustees

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

Afonydd Cymru Cyfyngedig 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 notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds		Total 2017 £	Total 2016 £
	General £	Restricted funds £		
Donations and legacies;				
Donations from individuals	200	-	200	-
Grants, including capital grants;				
Grants from other charities	1,767	132,898	134,665	64,436
	1,967	132,898	134,865	64,436

4 Investment income

	Restricted funds £	Total 2017 £	Total 2016 £
Interest receivable and similar income;			
Interest receivable on bank deposits	3	3	7

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

5

Fees and supplies

6

General Expenditure

Staff costs

Governance costs

7

Audit fees

Audit of the financial statements

Other governance costs

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	2,416	34,140

No employee received emoluments of more than £60,000 during the year.

9 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	857	2,081

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Debtors

	2017 £	2016 £
Trade debtors	12,000	13,163

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	103	657
Accruals	721	955
Deferred income	5,120	41,239
	5,944	42,851

Afonydd Cymru Cyfyngedig

Notes to the Financial Statements for the Year Ended 31 December 2017

13 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
General	(618)	3,967	(4,811)	(1,462)
Restricted funds	12,500	132,901	(130,478)	14,923
Total funds	<u>11,882</u>	<u>136,868</u>	<u>(135,289)</u>	<u>13,461</u>

14 Analysis of net assets between funds

	Unrestricted funds		Total funds
	General £	Restricted funds £	£
Current assets	2,141	17,263	19,404
Current liabilities	(3,603)	(2,341)	(5,944)
Total net assets	<u>(1,462)</u>	<u>14,922</u>	<u>13,460</u>