

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales · Charity number 1010721

Details

Status Registered

Legal form Charitable company

Company number [02704407](#)

Registered 1992-04-24

Register [View on the Charity Commission register](#)

Contact

Address Malswick House
Malswick
Newent
GL18 1HE

Phone 07526 254809

Email information@h-g-canal.org.uk

Website www.h-g-canal.org.uk

Activities

Objects: TO TAKE OVER THE ASSETS AND LIABILITIES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL SOCIETY AND TO ENTER INTO SUCH AGREEMENTS AND TO TAKE ALL SUCH STEPS AS MAY BE NECESSARY FOR THAT PURPOSE. TO PROMOTE THE RESTORATION TO GOOD AND NAVIGABLE ORDER OF AS MUCH AS IS CONSIDERED POSSIBLE OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL (HEREINAFTER TOGETHER CALLED THE WATERWAY) AND TO MAINTAIN AND IMPROVE THE WATERWAY FOR THE USE AND BENEFIT OF THE PUBLIC.

Activities: The trust's vision is of a sustainable, fully navigable waterway, with towpaths, reconnecting the rural communities between the cities of Hereford and Gloucester to bring environmental and economic benefits to both counties as well as recreational opportunities for local people and visitors alike.

Classification

- **How:** Provides Human Resources
- **What:** Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** HEREFORDSHIRE AND GLOUCESTERSHIRE
- Gloucestershire
- Herefordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£194,797	£109,297	-	-
2023-12-31	£153,474	£104,584	-	-
2022-12-31	£146,234	£111,508	-	-
2021-12-31	£105,032	£89,027	-	-
2021-02-28	£152,136	£77,144	-	-

Trustees

Name	Role	Appointed
Anthony Richard Higgins		2022-06-22
Deborah Elaine Barber		2019-06-27
Dr Joe Davey		2025-06-25
Dr Roger Morgan		2024-06-26
Edward John Helps		2017-06-27
Philip Marshall		2018-10-18
RALPH BARBER		2018-10-18
Robert Moreland		2021-06-23
Robert Quentin Hargreaves		2022-04-20

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales - Charity number 1010721

Accounts

Charity registration number 1010721

Company registration number 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Eamonn McGurk	
	Philip Marshall	
	Ralph Barber	
	Edward Helps	
	Deborah Barber	
	Richard Appleton	
	Robert Moreland	
	Robert Hargreaves	
	David Goff	
	Antony Higgins	
	Roger Morgan	(Appointed 26 June 2024)
Secretary	P Marshall	
Charity number	1010721	
Company number	02704407	
Registered office	4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	
Independent examiner	Griffiths Marshall 4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their report and financial statements for the year ended 31 December 2024 for the Trust which is a non-profit distributing company no. 2704407, formed in April 1992, and a registered charity no. 1010721, which replaced the Herefordshire and Gloucestershire Canal Society launched in 1983.

Governing document

The charity is a company, limited by guarantee as defined in the Companies Act 2006, and as such is governed by its Memorandum and Articles of Association.

Organisational structure

A team of volunteers runs the charity. It is managed by the Trustees who meet regularly, supported by site-based groups of volunteers and committees responsible for promotion and other commercial activities. The Board appoint trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to twelve trustees to be in place but allows for the co-option of two more to cover special projects. One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees can be elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM. When new Trustees join, they are provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Risk management.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are put in place to reduce risks of fraud error or unsafe acts.

The Board of Trustees are aware of the general guidance issued by the Charity Commission on public benefit. The Trustees have regard to this guidance and consider the activities of the charity are conducted demonstrably for the public benefit and this applies also to their plans for future action. The charitable objects are the rebuilding a sustainable canal between Hereford and Gloucester.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Richard Appleton

Ralph Barber

Deborah Barber

Dave Goff (resigned June 2024)

Bob Hargreaves

Edward Helps

Tony Higgins

Phillip Marshall

Eamonn McGurk (resigned Aug 2024)

Robert Moreland

Keith Vaughan Welch (resigned Aug 2024)

Roger Morgan (Appointed June 2024)

Objectives and activities:

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all

Integrating the canal corridor as a sustainable resource into the life of the communities along its route Endeavouring to complete the work in partnership with all other interested parties.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Interested Parties

This reporting period we have engaged further with the neighbourhood in Newent. Also, further engagement with councillors in local, district and county wide government including an open day for members and the public at Malswick.

Voluntary help and gifts in kind

The volunteers form a critical part of the trust, not just in restoring the canal but also maintaining the restored sections and promoting the restoration widely through local and national events. All these aspects have continued throughout the year in question and are set to expand. The monetary value of the volunteer work that we have recorded in the year adds up £232,850 but we know this does not reflect all the time dedicated to the business of H&G CT by all our hardworking volunteers.

Risks to the Charity

The Trust continues to negotiate new sites and to rejuvenate former sites with developers and landowners at various places along the line of the canal - including locations in Hereford, Ledbury and Gloucestershire. These can take years to conclude but we continue with an on-going diverse portfolio of negotiations so that a flow of announcements can realistically come over the coming years.

Reserves Policy

The charity aims to hold funds that are to cover the normal operating costs for 12 months.

Charitable activities and achievements

Chairman's Report:

My thanks go to all Trustees and Volunteers for their ongoing support and involvement in the Trust.

We have had a year of working parties at restoration sites, promotional events attended, and social evenings. The AGM in June was held at the Royal Oak, Much Marcle, with some members connecting over the internet.

We also celebrated further opening of new canal at Malswick with a Public Open Day held there in September. It was good that so many people came to see the work that had occurred and take a walk along the new canal, then enjoying a chat whilst having a cup of tea (with cake) and review the plans going forward for the site.

This report now covers both the complete calendar and Herefordshire and Gloucestershire Canal Trust Financial year.

With a new trustee joining the board we continued the work on the strategy. The Board signed off on a high-level strategy of 'joining the dots' - looking at the sites, connecting them and further restoration on the sites that we have control over. As the year finished, we started pulling together the project plans to support the strategy and this will help support the overall business plan for the next period.

Work continues in many areas. A planning application has created an opportunity to look at the terminus of the canal at Hereford, the planning for which is now going ahead, and some funds have been assigned to the H&G Canal Trust. Work is ongoing with the planners as to how we can develop the basin in Hereford. The housing development at Holmer has restarted after the site owner appointed another construction company, and we will be following up with them to ensure the line of the canal as agreed in the initial planning application is to still be transferred to us. We continue to develop plans around Aylestone Park. Discussions are ongoing with the council linking in with their city plans for the development of a Green Corridor along the canal line out to Aylestone Park and ensuring the route continues to be protected in the Herefordshire Local Plan that is currently under review.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Kymin: Ongoing site maintenance continued.

Yarkhill: Regular maintenance and vegetation clearance continued to keep the volunteers busy on this stretch of canal.

Adjoining Yarkhill: The team have gained access to the site next to Yarkhill and have done an excellent job of clearing the site. Unfortunately, we are finding that several landowners are happy to let us work sites but are not allowing the general public on to the site.

Ledbury: As mentioned in the last annual report the planning decision for the development of 625 houses and several factory units was given the go ahead to the north of the viaduct. Support for the H&G Canal Trust in land and money was also awarded. However, discussions are still under way with the developer and Herefordshire Council to agree a way forward. We have had progress, but it is proving to be very slow.

Dymock: Following issues with the pump reported in last year's report this has now been resolved, and the water level has been maintained to a suitable level and is continuing to be monitored.

Oxenhall: A small group of volunteers with help from Malswick volunteers are keeping the public footpath and the permissive way clear for the local walkers.

Newent: Whilst not a lot has happened on site, we now have a model of the proposed inclined plane that has proved to be a good discussion point at several of the shows the promotions team managed to get to throughout the year. We are also starting the process of applying for planning permission along this length of the canal corridor, having now had pre-application advice from the Forest of Dean District Council planners.

Malswick: Work has continued with new canal coming online and filled with water. We have submitted a planning application for the next length of canal to be restored that will create a long length of canal in water.

Moat Farm: Routine maintenance, including mowing of the grassy areas, continued to be the focus of work here. The 'wilder' areas occasionally needed intervention to enhance the habitats that have been created.

Over: The land slippage at Vineyard Hill - the area is pegged out and continues to be monitored. Last check showed the slip was occurring, but not into the canal. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. The team is working with the other users on site. Several of the containers have been moved to enhance the look of the area as well as improving the storage of equipment for the H&G Canal Trust and Sailing4Disabled and all of them painted making the site very presentable.

Heritage Boats: Alder was lifted out of the water this year. The hull, for a boat almost 100 years old, was in a very good state. The team at Over cleaned and applied several coats of blacking. The aim was to then work on the cabin. Unfortunately, Renton had an issue taking on water and sinking. The team quickly responded to the issue, and we lifted Renton out in the New Year as we put Alder back in and work is planned to check the hull once Alder is completed.

Apart from the existing users of the basin, the model boaters and Sailing4Disabled, H&G have run boat trips at the weekend over the summer. Everyone involved enjoyed the trips up and down the canal either as a passenger or one of the crew involved.

Mill Barn: We have a design; the original planned location has had to change due to underground pipes. We are getting the paperwork aligned ready to apply for planning permission when time is suitable.

Llanthony: Both properties are let, and the lock basin is maintained by the Community Payback Team.

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. Work has occurred to continue to ensure the canal route is protected and supported by all. Positive comments have been received about the change in direction the trust is now taking, after a few years of some negative comments. The sharing of ideas and use of social media with Facebook and the many videos that have been published on YouTube as well as extra local signage have helped with the messaging.

Membership: Although we sadly lose members each year, the overall figure has this year increased to 1132. With the ability to get out to shows to promote the Trust we have had a good increase in new members. We thank members for their generosity with all their donations.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

Volunteers: A steady increase and interest in getting involved in the restoration work although we always need more. Volunteers who would be able to take on extra responsibility around the sites or get involved in the promotion of the H&G Trust at sales events or presenting at talks would be very useful. We have seen a big increase in talks this past year which has provided a useful income and also with getting the message out.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proof-readers, layout and delivery. We have increased the use of electronic distribution of the Wharfinger to all District and Parish Councillors along the route.

Walks Leaflets: these have been selling well. A further walk leaflet was started and should be ready in the new year taking a walker around Hereford.

Website: This is constantly running behind the scenes. Queries are passed to the relevant H&G Trust member for a response. The work done by our webmaster with the tickets process for supporting the boat trips proved very successful in helping to get people to attend the boat trips.

Sales & Promotion: A very full calendar of promotion events, with visits to the Ledbury Community Day, Hereford Waterworks Museum, heritage events at Newent and Ledbury, Braunston Historic Boat event, and Tibberton village fair have all proved busy days. The Winter Fayre at Newent was a very successful promotion and fundraising event seeing so many volunteers being involved.

Socials: A number held with talks covering a number of areas. It was interesting to hear how a fellow Canal Trust was moving forward with their restoration.

The Grand Holiday Draw did well raising £1272 and our gratitude goes to those who donate all the prizes.

Financial review, Achievements and Performance

This was another good year financially. The income for the Trust and its subsidiary (The Wharf House Co Ltd) (excluding Restricted income) was £204k (2023 £180k) including rental income of £103k (2023 £110k). Costs were kept under control, with £107k spent including £62k on sites (2023 £62k). In consequence the companies recorded a useful surplus together totalling about £97k (2023 £75K). It should be noted that a one-off grant of £50k was received in respect of a site yet to be worked.

The Wharf House Co Ltd trades profitably enabling it to pass over £40k to the Trust during the year to further the restoration projects. The Balance Sheets of both companies continued to strengthen and bank debt in the Trust continues to be repaid, with the long-term bank loan being repaid by £16k during the year and which now stands at £101k.

We continue to build up the Land Fund towards land purchases that we are planning for as we join the dots. Opportunities for land purchases do occur and we must have funds available, and it is intended to continue to build the Land Fund.

The Trustees' report was approved by the Board of Trustees.

Ralph Barber
Trustee

14 April 2025

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

I report on the financial statements of the H&G CT for the year ended 31 December 2024, which are set out on pages 6 to 21.

Respective responsibilities of Trustees and examiner

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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 next statement.

Under Part 16 of the Companies Act 2006 the charity is taking advantage of its exception from have an audit.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Griffiths Marshall
4th Floor
Llanthony Warehouse
The Docks
Gloucester
Gloucestershire
GL1 2EH

Dated: 25 April 2025

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Income from:</u>							
Donations and legacies	3	84,492	36,510	121,002	56,074	26,476	82,550
Other trading activities	4	67,074	-	67,074	68,350	-	68,350
Investments	5	4,011	2,710	6,721	876	1,698	2,574
Total income		155,577	39,220	194,797	125,300	28,174	153,474
<u>Expenditure on:</u>							
Raising funds	6	14,500	-	14,500	12,976	-	12,976
Charitable activities	7	88,490	6,307	94,797	79,617	11,991	91,608
Total expenditure		102,990	6,307	109,297	92,593	11,991	104,584
Net income for the year/ Net movement in funds		52,587	32,913	85,500	32,707	16,183	48,890
Fund balances at 1 January 2024		889,666	81,945	971,611	856,959	65,762	922,721
Fund balances at 31 December 2024		942,253	114,858	1,057,111	889,666	81,945	971,611

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	12		335,090		332,882
Current assets					
Stocks	13	4,186		5,214	
Debtors	14	525,674		567,081	
Cash at bank and in hand		306,535		210,462	
		<u>836,395</u>		<u>782,757</u>	
Creditors: amounts falling due within one year	15	<u>(28,264)</u>		<u>(42,193)</u>	
Net current assets			808,131		740,564
Total assets less current liabilities			1,143,221		1,073,446
Creditors: amounts falling due after more than one year	16		(86,110)		(101,835)
Net assets			<u>1,057,111</u>		<u>971,611</u>
Income funds					
Restricted funds	18		114,858		81,945
Unrestricted funds			942,253		889,666
			<u>1,057,111</u>		<u>971,611</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 14 April 2025

Philip Marshall
Trustee

Company registration number 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	23		114,457		116,614
Investing activities					
Purchase of tangible fixed assets		(9,380)		(3,195)	
Investment income received		6,721		2,574	
Net cash used in investing activities			(2,659)		(621)
Financing activities					
Repayment of bank loans		(15,725)		(14,960)	
Net cash used in financing activities			(15,725)		(14,960)
Net increase in cash and cash equivalents			96,073		101,033
Cash and cash equivalents at beginning of year			210,462		109,429
Cash and cash equivalents at end of year			306,535		210,462

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

The Herefordshire and Gloucestershire Canal Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 4th Floor, Llanthony Warehouse, The Docks, Gloucester, Gloucestershire, GL1 2EH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the H&G CT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the H&G CT has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. Interest received on restricted funds is apportioned on a pro-rata basis.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the H&G CT.

1.4 Incoming resources

Income is recognised when the H&G CT is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the H&G CT has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the H&G CT has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and machinery	20% on cost
Fixtures, fittings & equipment	10% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the H&G CT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The H&G CT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the H&G CT's balance sheet when the H&G CT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the H&G CT's contractual obligations expire or are discharged or cancelled.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

In the application of the H&G CT's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Membership Subscriptions	7,331	-	7,331	7,180
Donations - General	20,353	-	20,353	9,282
Tax on Gift Aid Reclaimed	6,808	-	6,808	3,698
Highleadon grants	50,000	-	50,000	-
Oxenhall Covenants	-	802	802	1,147
Dymock Covenants	-	1,320	1,320	2,656
Over Covenants	-	6,977	6,977	6,673
Over Link	-	1,180	1,180	2,000
Hereford Covenants	-	3,373	3,373	2,736
Donations - Land Fund	-	21,308	21,308	11,264
Monkhide	-	50	50	-
Yarkhill	-	1,500	1,500	-
Legacies	-	-	-	35,914
For the year ended 31 December 2024	84,492	36,510	121,002	82,550
For the year ended 31 December 2023	56,074	26,476		

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Other trading activities

	2024	2023
	£	£
Social events & donations	215	1,368
Over Fishing	120	-
Rental income (Llanthony)	24,400	26,668
Rental income (Hereford)	15,500	15,000
Rental income (Newent site)	14,400	14,000
Boat rental	215	-
Advertisement signs	1,607	2,073
Advertising - Wharfinger	2,013	1,790
Sales	200	2,543
Income from sites	2,580	3,250
Draws	1,272	1,658
Sale and shows	2,129	-
Income from talks and walks	1,463	-
Stamps	650	-
Sundry	310	-
	<u>67,074</u>	<u>68,350</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Interest receivable	<u>4,011</u>	<u>2,710</u>	<u>6,721</u>	<u>876</u>	<u>1,698</u>	<u>2,574</u>

6 Raising funds

	2024	2023
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	9,515	8,611
Stocks for events	568	645
Support costs (note 8)	4,417	3,720
	<u>14,500</u>	<u>12,976</u>
Fundraising and publicity	<u>14,500</u>	<u>12,976</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6	Raising funds	(Continued)	
7	Charitable activities		
		2024	2023
		£	£
	Site costs	61,561	62,066
	Property Maintenance costs	2,576	1,593
	Health, Safety & Welfare	2,214	2,166
	RBS Loan Interest	8,918	9,043
		75,269	74,868
	Share of support costs (see note 8)	17,668	14,880
	Share of governance costs (see note 8)	1,860	1,860
		94,797	91,608
	Analysis by fund		
	Unrestricted funds	88,490	79,617
	Restricted funds	6,307	11,991
		94,797	91,608

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation	7,172	-	7,172	6,155	-	6,155
Insurance	8,785	-	8,785	7,497	-	7,497
Administration	2,445	-	2,445	826	-	826
Legal & Professional	3,683	-	3,683	4,122	-	4,122
Audit fees	-	1,860	1,860	-	1,860	1,860
	<u>22,085</u>	<u>1,860</u>	<u>23,945</u>	<u>18,600</u>	<u>1,860</u>	<u>20,460</u>
Analysed between						
Fundraising	4,417	-	4,417	3,720	-	3,720
Charitable activities	17,668	1,860	19,528	14,880	1,860	16,740
	<u>22,085</u>	<u>1,860</u>	<u>23,945</u>	<u>18,600</u>	<u>1,860</u>	<u>20,460</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the H&G CT during the year. Expenses are reimbursed to Trustees and officers as appropriate and when requested but the amounts involved are not material.

10 Employees

	2024 Number	2023 Number
Total	-	-

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1982 to the extent that these are applied to its charitable objects.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2024	338,178	63,971	7,456	409,605
Additions	-	9,380	-	9,380
At 31 December 2024	338,178	73,351	7,456	418,985
Depreciation and impairment				
At 1 January 2024	5,296	63,971	7,456	76,723
Depreciation charged in the year	5,296	1,876	-	7,172
At 31 December 2024	10,592	65,847	7,456	83,895
Carrying amount				
At 31 December 2024	327,586	7,504	-	335,090
At 31 December 2023	332,882	-	-	332,882

13 Stocks

	2024 £	2023 £
Raw materials and consumables	4,186	5,214

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	-	27
Prepayments and accrued income	-	560
	-	587
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	525,674	566,494
Total debtors	525,674	567,081

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	17	15,226	15,226
Other creditors		10,000	25,107
Accruals and deferred income		3,038	1,860
		<u>28,264</u>	<u>42,193</u>

16 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	17	<u>86,110</u>	<u>101,835</u>

17 Loans and overdrafts

	2024 £	2023 £
Bank loans	<u>101,336</u>	<u>117,061</u>
Payable within one year	15,226	15,226
Payable after one year	<u>86,110</u>	<u>101,835</u>

All loans are secured by fixed charges over the land and property. There are also floating charges held over all of the charity assets.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2024	Incoming resources	Resources expended	Interest on funds	Balance at 31 December 2024
	£	£	£	£	£
Perpetual Endowment	10,259	-	-	286	10,545
Land Fund	12,078	21,308	-	634	34,020
Mill Barn	27,691	-	-	773	28,464
Dymock Covenants	484	1,319	(1,789)	7	21
Hereford Covenants	17,204	3,373	-	528	21,105
Over Covenants	7,100	6,977	(3,009)	254	11,322
Radcliffe Trust	5,129	-	-	143	5,272
Over Link	2,000	1,180	(373)	67	2,874
Oxenhall/Newent Project	-	803	(679)	2	126
Yarkhill	-	1,500	(458)	15	1,057
Monkhide	-	50	-	1	51
	<u>81,945</u>	<u>36,510</u>	<u>(6,307)</u>	<u>2,710</u>	<u>114,858</u>

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	<u>889,666</u>	<u>155,577</u>	<u>(102,990)</u>	<u>942,253</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	<u>856,959</u>	<u>125,300</u>	<u>(92,593)</u>	<u>889,666</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Tangible assets	335,090	-	335,090	332,882	-	332,882
Current assets/(liabilities)	693,273	114,858	808,131	658,619	81,945	740,564
Long term liabilities	(86,110)	-	(86,110)	(101,835)	-	(101,835)
	<u>942,253</u>	<u>114,858</u>	<u>1,057,111</u>	<u>889,666</u>	<u>81,945</u>	<u>971,611</u>

21 Related party transactions

As detailed in note 15 at 31 December 2024 the charity is owed £525,674 (2023 - £566,494) from The Wharf House Company Limited as an intercompany loan. The full value of the loan is £625,674 less a provision of £100,000 considered irrecoverable. In the period the Trust did not charge interest on the loan (2023 - Nil)

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for repaying loans for purchase of Malswick House.

22 Subsidiaries

These financial statements are separate H&G CT financial statements at 31 December 2023.

Details of the H&G CT's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
The Wharf House Co Ltd		Property rental	Ordinary £1	100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
The Wharf House Co Ltd	44,822	(276,950)

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

23	Cash generated from operations		2024 £	2023 £
	Surplus for the year		85,500	48,890
	Adjustments for:			
	Investment income recognised in statement of financial activities		(6,721)	(2,574)
	Depreciation and impairment of tangible fixed assets		7,172	6,155
	Movements in working capital:			
	Decrease/(increase) in stocks		1,028	(4,967)
	Decrease in debtors		41,407	78,389
	(Decrease) in creditors		(13,929)	(9,279)
	Cash generated from operations		114,457	116,614

24	Analysis of changes in net funds	At 1 January 2024	Cash flows	At 31 December 2024
	Cash at bank and in hand	210,462	96,073	306,535
	Loans falling due within one year	(15,226)	-	(15,226)
	Loans falling due after more than one year	(101,835)	15,725	(86,110)
		93,401	111,798	205,199

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales - Charity number 1010721

Accounts

Charity registration number 1010721

Company registration number 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

K V Welch
Eamonn McGurk
Philip Marshall
Ralph Barber
Edward Helps
Deborah Barber
Richard Appleton
Robert Moreland
Robert Hargreaves
David Goff
Antony Higgins

Secretary

P Marshall

Charity number

1010721

Company number

02704407

Registered office

Beaumont House
172 Southgate Street
Gloucester
Glos
GL1 2EZ

Independent examiner

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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Balance sheet	7 - 8
Statement of cash flows	9
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THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and financial statements for the year ended 31 December 2023 for the Trust which is a non-profit distributing company no. 2704407, formed in April 1992, and a registered charity no. 1010721, which replaced the Herefordshire and Gloucestershire Canal Society launched in 1983.

Governing document

The charity is a company, limited by guarantee as defined in the Companies Act 2006, and as such is governed by its Memorandum and Articles of Association.

Organisational structure

A team of volunteers runs the charity. It is managed by the Trustees who meet regularly, supported by site-based groups of volunteers and committees responsible for promotion and other commercial activities. The board appoint trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to twelve trustees to be in place but does allow for the co-option of two more to cover special projects. One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees can be elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM. When new Trustees join, they are provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are put in place to reduce risks of fraud error or unsafe acts.

The Board of Trustees are aware of the general guidance issued by the Charity Commission on public benefit. The Trustees have regard to this guidance and consider the activities of the charity are conducted demonstrably for the public benefit and this applies also to their plans for future action. The charitable objects are the rebuilding a sustainable canal between Hereford and Gloucester.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Richard Appleton

Ralph Barber

Deborah Barber

Dave Goff

Bob Hargreaves

Edward Helps

Tony Higgins

Phillip Marshall

Eamonn McGurk

Robert Moreland

Keith Vaughan Welch

Objectives and activities:

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all

Integrating the canal corridor as a sustainable resource into the life of the communities along its route Endeavouring to complete the work in partnership with all other interested parties.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Interested Parties

This reporting period we have engaged further with the Neighbourhood Plans under development in Newent. Also, further engagement with councillors in local, district and county wide government including an open evening for local councillors at Malswick.

Voluntary help and gifts in kind

The volunteers form a critical part of the trust, not just in restoring the canal but also maintaining the restored sections and promoting widely through local and national events. All these aspects have continued throughout the year in question and are set to expand. The monetary value of the volunteer work that we have recorded adds up £188,150 but we know this does not reflect all the time dedicated to the business of H&G CT by all our hardworking volunteers.

Risks to the Charity

The Trust continues to negotiate new sites and to rejuvenate former sites with developers and landowners at various places along the line of the canal - including locations in Hereford, Gloucestershire and Ledbury. These can take years to conclude but we continue with an on-going diverse portfolio of negotiations so that a flow of announcements can realistically come over the coming years.

Reserves Policy

The charity aims to hold funds that are to cover the normal operating costs for 12 months.

Charitable activities and achievements

Chairman's Report:

My thanks go to all Trustees and Volunteers for their ongoing support and involvement in the Trust.

We are back to a normal operating environment after the past few years of Covid impacts, with working parties at restoration sites, promotional events attended, and social evenings continuing throughout the year. The AGM in June was face to face in at the Royal Oak, Much Marcle, with many attending.

We also celebrated the opening of new canal at Malswick. A Members' Open Day was held there in September. It was very good that so many people came to see the work that has occurred and take a walk along the new canal, then enjoy a chat while having a cup of tea with cake and review the plans going forward for the site.

This report now covers both the complete calendar and Herefordshire and Gloucestershire Canal Trust Financial year.

Work continues in many areas. A planning application has created an opportunity to look at the terminus of the canal at Hereford, the planning for which is now going ahead, and some funds have been assigned to the H&G Canal Trust. Work continues with the planners as to how we can develop the basin in Hereford. The housing development at Holmer has hit some financial issues due to the developer going into receivership. In November we heard that the site owner has appointed another developer, and we will be following up with them to ensure the line of the canal as agreed in the initial planning application is still to be transferred to us. We continue to develop plans around Aylestone Park. Discussions are ongoing with the council linking with their city plans for the development of a Green Corridor along the canal line out to Aylestone Park and ensuring the route continues to be protected in the Herefordshire Local Plan that is currently under review.

Kymin: Ongoing site maintenance continued.

Yarkhill: Regular maintenance and vegetation clearance continued to keep the volunteers busy on this stretch of canal.

Adjoining Yarkhill: The team have gained access to the site next to Yarkhill and have done an excellent job of clearing the site. Unfortunately, we are finding that a number of landowners are happy to let us work sites but are not allowing the general public on to the site.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Ashperton: Some further work occurred but until we can get permission from the next landowners to reduce the level of the water we cannot do much further work on the site.

Ledbury: As mentioned in the last annual report the planning decision for the development of 625 houses and a number of factory units was given the go ahead to the north of the viaduct. Support for the H&G Canal Trust in land and money was also awarded. Unfortunately, discussions are still under way with the developer and Herefordshire Council to agree a way forward.

Dymock: The pump failed, was replaced and all well for a while, unfortunately it failed again. A further pump via a donation was supplied and this has worked well over the summer months. It will continue to be monitored.

Oxenhall: It was very pleasing to be involved in the replacement of the Stop Lock at the top of House Lock. The teamwork was excellent using skills across several sites. A small group of volunteers with help from Malswick volunteers are keeping the public footpath and the permissive way clear for the local walkers.

Newent: Whilst not a lot has happened on site, we now have a model of the proposed inclined plane that proved to be a good discussion point at a number of the shows the promotions team managed to get to throughout the year.

Malswick: With the planning permission finally received in November 2021, the team, with support from the Inland Waterways Association Waterways Recovery Groups, often known as WRGs, in 2022, enabled us to dig the canal and the first brand new piece of canal was filled with water in July 2023. With the next section of land purchased at the start of the year the team is preparing to submit a planning application for this section and is looking at the longer-term plans for getting under the Newent to Gloucester road.

Moat Farm: Routine maintenance, including mowing of the grassy areas, continued to be the focus of work here. The 'wilder' areas occasionally needed intervention to enhance the habitats that have been created.

Over: The land slippage at Vineyard Hill - the area is pegged out and continues to be monitored. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. The team is working with the other users on site. A number of the containers were moved around to enhance the look of the area as well as improving the storage of equipment for the H&G Canal Trust and Sailing4Disabled.

Heritage Boats: The boats continue to be worked on.

Apart from the existing users of the basin, the model boaters and Sailing4Disabled, we have had new users. We have had further visits by the fire brigade to practice their boating skills, and they also visited Aylestone Park to test out their pumps, the Brownies visited Malswick to do some planting.

Mill Barn: As reported in editions of the Wharfinger throughout the year we are continuing to work this forward. We have a design; the original planned location has had to change due to underground pipes. We are getting the paperwork aligned ready to apply for planning permission when time is suitable.

Llanthony: Both properties are let, and the lock basin has had a couple of visits for volunteers to keep the Wysis Way footpath open which runs through the lock. We have also reached out to the Community Payback Team who have continued this work.

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. Work has occurred to continue to ensure the canal route is protected and supported by all. Positive comments have been received about the change in direction the trust is now taking, after a few years of some negative comments. The sharing of ideas and use of social media with Facebook and the many videos that have been published on YouTube as well as extra local signage have helped with the messaging.

Membership: Although we sadly lose members each year, the overall figure has this year increased to 1125. With the ability to get out to shows to promote the Trust we have had a steady increase in new members. We thank members for their generosity with all their donations.

Volunteers: A steady increase and interest in getting involved in the restoration work. We always need more including volunteers who would be able to take on extra responsibility around the sites or get involved in the promotion of the H&G Trust at sales events or presenting at talks.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proof-readers, layout and delivery.

~~Walks Leaflets: these have been selling well. A new walk at Ledbury was created.~~

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Website: This is constantly running behind the scenes. Queries are passed to the relevant H&G Trust member for a response.

Sales & Promotion: A very full calendar of promotion events, starting in Hereford with the Water Works Museum, Ledbury Community Day, Volunteer days at Malswick, Newent and Hereford, Braunston, Tibberton. Retro on the Water at Gloucester. The Winter Fayre at Newent was a very successful promotion and fundraising event seeing so many volunteers being involved and an increase in money to the H&G Trust even better than the 2022 splendid event.

Socials: A full calendar was undertaken, talks on many subjects, canal related, Rail related and another subject that Herefordshire is famous for, apples.

Grand Holiday Draw raised £2,000 Our gratitude goes to those who donate all the prizes.

Financial review, Achievements and Performance

We can report another good year financially. The income for the Trust and its subsidiary (The Wharf House Co Ltd) (excluding Restricted Income) was £180k (2022 £162k) and rental income was £110k (2022 £104k). Costs were kept under control, with £82k spent including £82k on sites (2022 £70k). In consequence the companies recorded a useful surplus together totalling about £75k (2022 £30k). It was especially pleasing to receive a large, £35k, legacy which was much appreciated.

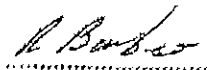
The Wharf House Co Ltd continued to trade profitably enabling it to pass over £60k to the Trust during the year to further the restoration projects. The Balance Sheets of both companies continued to strengthen and bank debt in the Trust continues to be repaid, with the long term bank loan being repaid by £15k during the year and now stands at £117k.

This year for the first time recently it was decided not to charge interest on the borrowings by The Wharf House Co Ltd from the Trust on the basis that it's a paper transaction and fairly meaningless. As a result the inter-company account should be reduced quicker over time.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Ralph Barber
Trustee

Date: 10/11/2024

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

I report on the financial statements of the H&G CT for the year ended 31 December 2023, which are set out on pages 6 to 21.

Respective responsibilities of Trustees and examiner

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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 next statement.

Under Part 16 of the Companies Act 2006 the charity is taking advantage of its exception from have an audit.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Griffiths Marshall

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 24 April 2024

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	56,074	26,476	82,550	19,441	33,844	53,285
Other trading activities	4	68,350	-	68,350	64,291	-	64,291
Investments	5	876	1,698	2,574	28,386	272	28,658
Total Income		125,300	28,174	153,474	112,118	34,116	146,234
Expenditure on:							
Raising funds	6	12,976	-	12,976	12,701	-	12,701
Charitable activities	7	79,617	11,991	91,608	90,560	8,247	98,807
Total expenditure		92,593	11,991	104,584	103,261	8,247	111,508
Net gains/(losses) on investments	11	-	-	-	(6,500)	-	(6,500)
Gross transfers between funds		-	-	-	16,323	(16,323)	-
Net Income for the year/ Net movement in funds		32,707	16,183	48,890	18,680	9,546	28,226
Fund balances at 1 January 2023		856,959	65,762	922,721	838,280	56,215	894,495
Fund balances at 31 December 2023		889,666	81,945	971,611	856,960	65,761	922,721

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		332,882		335,842
Current assets					
Stocks	14	5,214		247	
Debtors	16	567,081		645,470	
Cash at bank and in hand		210,462		109,429	
		<u>782,757</u>		<u>755,146</u>	
Creditors: amounts falling due within one year	17	<u>(42,193)</u>		<u>(52,870)</u>	
Net current assets			740,564		702,276
Total assets less current liabilities			<u>1,073,446</u>		<u>1,038,118</u>
Creditors: amounts falling due after more than one year	18		(101,835)		(115,397)
Net assets			<u>971,611</u>		<u>922,721</u>
Income funds					
Restricted funds	19		81,945		65,761
Unrestricted funds			889,666		856,960
			<u>971,611</u>		<u>922,721</u>

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 10/4/24

Philip Marshall

Philip Marshall
Trustee

Company registration number 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	23		116,614		56,866
Investing activities					
Purchase of tangible fixed assets		(3,195)		(75,657)	
Proceeds from disposal of investment property		-		(6,500)	
Investment income received		2,574		28,658	
Net cash used in investing activities			(621)		(53,499)
Financing activities					
Repayment of bank loans		(14,960)		(16,042)	
Net cash used in financing activities			(14,960)		(16,042)
Net Increase/(decrease) in cash and cash equivalents			101,033		(12,675)
Cash and cash equivalents at beginning of year			109,429		122,104
Cash and cash equivalents at end of year			210,462		109,429

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company Information

The Herefordshire and Gloucestershire Canal Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaumont House, 172 Southgate Street, Gloucester, Glos, GL1 2EZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the H&G CT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the H&G CT has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. Interest received on restricted funds is apportioned on a pro-rata basis.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the H&G CT.

1.4 Incoming resources

Income is recognised when the H&G CT is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the H&G CT has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the H&G CT has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and machinery	20% on cost
Fixtures, fittings & equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the H&G CT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial Instruments

The H&G CT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the H&G CT's balance sheet when the H&G CT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the H&G CT's contractual obligations expire or are discharged or cancelled.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the H&G CT's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Membership Subscriptions	7,180	-	7,180	8,218
Donations - General	9,282	-	9,282	7,594
Tax on Gift Aid Reclaimed	3,698	-	3,698	3,429
Oxenhall Covenants	-	1,147	1,147	803
Dymock Covenants	-	2,656	2,656	1,225
Over Covenants	-	6,673	6,673	6,062
Over Link	-	2,000	2,000	-
Hereford Covenants	-	2,736	2,736	8,302
Donations -Braunston Marina	-	-	-	200
Donations - Land Fund	-	11,264	11,264	17,562
Donations - Mill Barn	-	-	-	104
Perpetual Endowment	-	-	-	39
Radcliffe Trust	-	-	-	19
Legacies	35,914	-	35,914	-
For the year ended 31 December 2023	56,074	26,476	82,550	53,557
For the year ended 31 December 2022	19,441	34,116		

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other trading activities

	2023	2022
	£	£
Social events & donations	1,368	892
Over Fishing	-	120
Rental income (Llanthony)	26,668	23,597
Rental income (Hereford)	15,000	15,000
Rental income (Newent site)	14,000	15,200
Advertisement signs	2,073	2,198
Advertising - Wharfinger	1,790	2,072
Sales	2,543	1,139
Income from sites	3,250	2,634
Draws	1,658	1,439
	<u>68,350</u>	<u>64,291</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Interest receivable	<u>876</u>	<u>1,698</u>	<u>2,574</u>	<u>28,386</u>	<u>272</u>	<u>28,658</u>

6 Raising funds

	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	8,611	8,356
Stocks for events	645	280
Support costs (note 8)	3,720	4,065
	<u>12,976</u>	<u>12,701</u>
Fundraising and publicity	<u>12,976</u>	<u>12,701</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	2023 £	2022 £
Site costs	62,066	70,083
Property Maintenance costs	1,593	2,721
Health, Safety & Welfare	2,166	2,063
RBS Loan Interest	9,043	5,911
	<u>74,868</u>	<u>80,778</u>
Share of support costs (see note 8)	14,880	16,259
Share of governance costs (see note 8)	1,860	1,770
	<u>91,608</u>	<u>98,807</u>
Analysis by fund		
Unrestricted funds	79,617	90,560
Restricted funds	11,991	8,247
	<u>91,608</u>	<u>98,807</u>

8 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Depreciation	6,155	-	6,155	4,939	-	4,939
Insurance	7,497	-	7,497	5,135	-	5,135
Administration	826	-	826	1,246	-	1,246
Legal & Professional	4,122	-	4,122	9,004	-	9,004
Audit fees	-	1,860	1,860	-	1,770	1,770
	<u>18,600</u>	<u>1,860</u>	<u>20,460</u>	<u>20,324</u>	<u>1,770</u>	<u>22,094</u>
Analysed between						
Fundraising	3,720	-	3,720	4,065	-	4,065
Charitable activities	14,880	1,860	16,740	16,259	1,770	18,029
	<u>18,600</u>	<u>1,860</u>	<u>20,460</u>	<u>20,324</u>	<u>1,770</u>	<u>22,094</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the H&G CT during the year. Expenses are reimbursed to Trustees and officers as appropriate and when requested but the amounts involved are not material.

10 Employees

	2023 Number	2022 Number
Total	-	-

11 Net gains/(losses) on Investments

	Total	Unrestricted funds
	2023 £	2022 £
Gain/(loss) on sale of investment properties	-	(6,500)

The loss in 2022 comprised a payment made under an overage agreement which became due following the sale of 10 Winding Pool Close, Dymock in 2021

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2023	334,983	63,971	7,456	406,410
Additions	3,195	-	-	3,195
At 31 December 2023	338,178	63,971	7,456	409,605
Depreciation and Impairment				
At 1 January 2023	-	63,112	7,456	70,568
Depreciation charged in the year	5,296	859	-	6,155
At 31 December 2023	5,296	63,971	7,456	76,723
Carrying amount				
At 31 December 2023	332,882	-	-	332,882
At 31 December 2022	334,983	859	-	335,842

14 Stocks

	2023 £	2022 £
Raw materials and consumables	5,214	247

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	27	23,500
Prepayments and accrued income	560	-
	587	23,500
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	566,494	621,970
Total debtors	567,081	645,470

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Loans and overdrafts

	2023 £	2022 £
Bank loans	117,061	132,021
Payable within one year	15,226	16,624
Payable after one year	101,835	115,397

All loans are secured by fixed charges over the land and property. There are also floating charges held over all of the charity assets.

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	16	15,226	16,624
Other creditors		25,107	30,000
Accruals and deferred income		1,860	6,246
		42,193	52,870

18 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	16	101,835	115,397

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2023	Incoming resources	Resources expended	Interest on funds	Balance at 31 December 2023
	£	£	£	£	£
Perpetual Endowment	10,042	-	-	217	10,259
Land Fund	562	11,264	-	252	12,078
Mill Barn	27,106	-	-	585	27,691
Oxenhall Covenants	-	1,147	(1,147)	-	-
Dymock Covenants	18	2,656	(2,211)	21	484
Hereford Covenants	14,109	2,736	-	359	17,204
Over Covenants	8,904	6,673	(8,634)	157	7,100
Radcliffe Trust	5,021	-	-	108	5,129
Over Link	-	2,000	-	-	2,000
	<u>65,762</u>	<u>26,476</u>	<u>(11,992)</u>	<u>1,699</u>	<u>81,945</u>

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Tangible assets	332,882	-	332,882	335,842	-	335,842
Current assets/(liabilities)	658,619	81,945	740,564	636,515	65,761	702,276
Long term liabilities	(101,835)	-	(101,835)	(115,397)	-	(115,397)
	<u>889,666</u>	<u>81,945</u>	<u>971,611</u>	<u>856,960</u>	<u>65,761</u>	<u>922,721</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Related party transactions

As detailed in note 15 at 31 December 2023 the charity is owed £566,494 (2022 - £621,970) from The Wharf House Company Limited as an intercompany loan. The full value of the loan is £666,494 less a provision of £100,000 considered irrecoverable. In the period the Trust did not charge interest on the loan (2021 - 29,833)

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for repaying loans for purchase of Malswick House.

22 Subsidiaries

These financial statements are separate H&G CT financial statements at 31 December 2022.

Details of the H&G CT's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Wharf House Co Ltd		Property rental	Ordinary £1	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
The Wharf House Co Ltd	41,964	(321,772)

23 Cash generated from operations

	2023 £	2022 £
Surplus for the year	48,890	28,226
Adjustments for:		
Investment income recognised in statement of financial activities	(2,574)	(28,658)
(Gain)/loss on disposal of investment property	-	6,500
Depreciation and impairment of tangible fixed assets	6,155	4,939
Movements in working capital:		
(Increase)/decrease in stocks	(4,967)	158
Decrease in debtors	78,389	16,435
(Decrease)/increase in creditors	(9,279)	29,267
Cash generated from operations	116,614	56,867

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

24 Analysis of changes in net funds/(debt)

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	109,429	101,033	210,462
Loans falling due within one year	(16,624)	1,398	(15,226)
Loans falling due after more than one year	(115,397)	13,562	(101,835)
	<u>(22,592)</u>	<u>115,993</u>	<u>93,401</u>

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales - Charity number 1010721

Accounts

Charity registration number 1010721

Company registration number 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K V Welch	
	Eamonn McGurk	
	Philip Marshall	
	Ralph Barber	
	Edward Helps	
	Deborah Barber	
	Richard Appleton	
	Robert Moreland	
	P Hargreaves	(Appointed 20 April 2022)
	David Goff	(Appointed 22 June 2022)
	Antony Higgins	(Appointed 22 June 2022)
Secretary	P Marshall	
Charity number	1010721	
Company number	02704407	
Registered office	Beaumont House 172 Southgate Street Gloucester GL1 2EZ	
Independent examiner	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ	

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and financial statements for the year ended 31 December 2022. A non-profit distributing company no. 2704407, formed in April 1992, and a registered charity no. 1010721, which replaced the Herefordshire and Gloucestershire Canal Society launched in 1983.

Governing document

The charity is a limited company, limited by guarantee as defined in the Companies Act 2006, and as such is governed by its Memorandum and Articles of Association.

Organisational structure

A team of volunteers runs the charity. Managed by the Trustees who meet regularly, supported by site-based groups of volunteers and committees responsible for promotion and other commercial activities. The board appoint trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to ten trustees to be in place but does allow for the co-option of two more to cover special projects. One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees can be elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM. When new Trustees join, they are provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are put in place to reduce risks of fraud error or unsafe acts.

The Board of Trustees is aware of the general guidance issued by the Charity Commission on public benefit. The Trustees have regard to this guidance and consider the activities of the charity have been carried out demonstrably for the public benefit and this applies also to their plans for future action. The charitable objects are defined as rebuilding a sustainable canal between Hereford and Gloucester.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ralph Barber
Nigel Jefferies (resigned 22 June 2022)
Philip Marshall
Edward Helps
Eamonn McGurk
Keith Vaughan Welch
Deborah Barber
Robert Moreland
Richard Appleton
Robert Hargreaves
David Goff
Antony Higgins

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all

Integrating the canal corridor as a sustainable resource into the life of the communities along its route
Endeavouring to complete the work in partnership with all other interested parties.

Interested Parties

This reporting period we have engaged further with the Neighbourhood Plans under development in Newent, via Zoom meetings due to Covid-19. Also, further engagement with councillors in local, distant and county wide government.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Voluntary help and gifts in kind

The volunteers form a critical part of the trust, not just in restoring the canal but also maintaining the restored sections and promoting widely through local and national events. All these aspects have continued throughout the year in question and are set to expand. The monetary value of the volunteer work that we have recorded adds up to **£207,966.75** but we know this does not reflect all the time dedicated to the business of H&GCT by all our hardworking volunteers.

Risks to the Charity

The Trust continues to negotiate new sites and to rejuvenate former sites with developers and landowners at various places along the line of the canal - including locations in Hereford and Ledbury. These can take years to conclude but we continue with an on-going diverse portfolio of negotiations so that a flow of announcements can realistically be expected over the coming years.

Reserves Policy

The charity aims to hold funds that are at least anticipated to cover the normal operating costs for 12 months.

Chairman's Report:

My thanks go to all Trustees and Volunteers for their ongoing support and involvement in the Trust.

With Covid restrictions eased we were back to almost a normal operating environment. Working parties attended restoration sites, the first promotional event was held at Oxenhall (supporting the local Daffodil Day) in March and social evenings continued throughout the year. The AGM in June was back meeting face to face in Ledbury, with many attending.

We also celebrated our 30 years as a trust with a day that was held in September at Over. It was very good to see so many people come to see old friends, take a walk along the canal and also enjoy the boat trips as well as having a cup of tea with cake while talking about the last 30 years. An exhibition was also held showing the plans going forward.

This report now covers both the complete calendar and Herefordshire and Gloucestershire Canal Trust Financial year as changed previously .

Work continues in many areas. A planning application has created an opportunity to look at the terminus of the canal at Hereford. With the next bit of land to be owned by the H&G Trust and then the canal line in place around the adjacent business park we have a good opportunity to push further along this part towards Aylestone Tunnel. With the housing development at Holmer we have further opportunity to connect to the restored section in Aylestone Park. Discussions are ongoing with the council linking with their city plans for the development of a Green Corridor along the canal line out to Aylestone Park and ensuring the route continues to be protected in the Herefordshire Plan that is currently under review.

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. Work has occurred to continue to ensure the canal route is protected and supported by all. Positive comments have been received about the change in direction the trust is now taking, after a few years of some negative comments. The sharing of ideas and use of social media with Facebook, YouTube and Twitter now used for interaction is seen as a positive.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Continuing the report from the Hereford end:-

Burcott Road: Ongoing tree pruning and maintenance of the site.

Holmer: We are in discussions with the current landowner supported by Herefordshire Council with a view to agreeing a transfer of the land on the canal corridor to a new subsidiary company.

Aylestone Park: The reed boats visited again, and the canal had a good year reasonably free from reed growth. A number of working parties attended on a Sunday as part of the development of the roving Herefordshire volunteer team. A large tree was successfully removed, another left due to a bees' nest in found in the trunk. The H&G Trust also started discussions with the local park users, the Aylestone Park Association and the council, both parish and district, about the development of a Community Basin. Feedback was positive, but lots to do to move this forward.

Kymin: Ongoing site maintenance continued. Several trees that came down in storms continued to create work for the volunteers. To help those who would like to volunteer but who work in the week we are meeting on the 2nd Sunday of each month. We sadly heard of the death of the land owner and as a new lease was in negotiation at the time we currently have no formal agreement and are only visiting occasionally to keep the tow path clear.

Yarkhill: Regular maintenance and vegetation clearance continued to keep the volunteers busy on this stretch of canal.

Adjoining Yarkhill: The team have gained access to the site next to Yarkhill and have done an excellent job of clearing the site. Unfortunately, we are finding that a number of landowners are happy to let us work sites but are not allowing the general public on to the site.

Ashperton: In the canal restoration world, things typically move slowly, but in January, whilst walking the new Ashperton walk, I met the new owners of the cottage that overlooks the eastern portal of Ashperton Tunnel. Some working parties were then arranged that helped clear access to the flooded tunnel portal.

Ledbury: As mentioned in the last annual report the planning decision for the development of 625 houses and a number of factory units was given the go ahead to the north of the viaduct. Support for the canal trust in land and money was also awarded. Unfortunately, discussions are still under way with the developer and Herefordshire Council to agree a way forward.

Dymock: The pump failed, was replaced and all well for a while, unfortunately it has failed again and we are looking at a further options.

Oxenhall: Unfortunately, the site leader who replaced the previous very long serving leader has stepped away from the site. A small group of volunteers with help from Malswick volunteers are keeping the national footpath and the permissive way clear for the local walkers.

Newent: Whilst not a lot has happened on site, we now have a model of the proposed inclined plane that proved to be a good discussion point at a number of shows the promotions team managed to get to throughout the year.

Malswick: Planning permission was finally received in November 2021. Over the winter the team did a fantastic job installing a small culvert. They also got the large culvert ready for final installation with the help of the Inland Waterways Association Waterways Recovery Groups, often known as WRGs. They had planned for three weeks of camps on site in the summer - unfortunately this was partly affected by Covid during the first week. Work has continued on site. The opportunity arose to purchase the next piece of land heading east, enabling us to connect with another section of Trust land. The response to the request for funds to enable us to purchase was great. The legal transfer of this new piece of land was finally completed in February at a cost of £72k and the team has started the process of applying for planning permission for a 450 yard section that this purchase allows.

Moat Farm: Routine maintenance, including mowing of the grassy areas, continued to be the focus of work here. The 'wilder' areas occasionally needed intervention to enhance the habitats that have been created.

Over: The land slippage at Vineyard Hill - the area is pegged out and continues to be monitored. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. Ongoing maintenance occupied the team, including the clearance of weeds by the reed boats that were used at Aylestone Park.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Heritage Boats: The boats continue to be worked on. Mr Maysey was put back in the water. A slight leak was found, but quickly resolved.

Apart from the existing users of the basin, the model boaters and the Sailing4Disabled, we have had new users. We have had further visits by the fire brigade to practice their boating skills, the Brownies visited and a local business of Paddleboarding is running sessions as well as Yoga on a paddleboard during the week.

Mill Barn: As reported in editions of the Wharfinger throughout the year we are continuing to work this forward. We have a design; the original planned location has had to change due to underground pipes. We are getting the paperwork aligned ready to apply for planning permission.

Llanthony: Both properties are let, and the lock basin has had a couple of visits for volunteers to keep the Wysis Way footpath open, that run through the lock. We have also reached out to the Community Payback Team who have continued this work.

Membership: Sadly, we lose members each year, the overall figure has increased to 1120. With the ability to get out to shows to promote the Trust we have had a steady increase in new members. We thank members for their generosity with all their donations.

Volunteers: A steady increase and interest in getting involved in the restoration work. We always need more including volunteers who would be able to take on extra responsibility around the sites or get involved in the promotion of the H&G Trust at sales events or presenting at talks would be useful.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proofreaders, layout and delivery.

Walks Leaflets: these have been selling well. A new walk at Ashperton was created. A guided walk of this was done by one of our members and then a further walk was done as part of the Herefordshire Walking Festival that enabled a walk taking in parts of the canal that is not normally accessible. Thank you to the five landowners who gave us access.

Website: This is constantly running behind the scenes. Queries are passed to the relevant Trust member for a response.

Sales & Promotion: Follow the slow year previously we did manage to get to a full calendar of promotion events, starting in Oxenhall, Ledbury, and Tibberton. Out of the area we attended Droitwich and Braunston. The very successful promotion and fundraising event Winter Fayre at Newent was a great event seeing so many volunteers been involved.

Socials: A full calendar was undertaken, talks on many subjects, canal related, Rail related and another subject that Herefordshire is famous for, apples.

Grand Holiday Draw raised £1,439. Our gratitude goes to those who donate all the prizes.

Financial review, Achievements and Performance

2022 was another successful year financially. The Trust group (H & G Canal Trust and Wharf House Co Ltd) earned rent of £104k compared with nearly £75k in the previous accounting period (which covered 10 months). The combined surplus for the year was about £39k after spending £50k on the restoration at Malswick, to which should be added over £6k in respect of equipment maintenance, much of which applied to that site.

The Wharf House Co Ltd showed another profit (continuing the upwards trend of recent years) of £11,420 after interest paid to the Trust of over £28k. Costs continued to reduce and turnover increased. During the year the company was able to repay £42k to the Trust to facilitate the purchase of the new land at Malswick.

Donations to the Land Fund contributed £17k which was also used to buy the land at Malswick. The Land Fund has been invaluable in enabling the Trust to acquire the land that is essential to the continuing restoration of the canal and the donations to the Fund are much appreciated. Overall, the Trust's financial position is stable and improving steadily, which we hope will continue but which is heavily reliant on rental income continuing on all sites. In these difficult trading times this cannot be guaranteed.

Gradually the long-term loan from the bank is being paid off, in the 2022 year £16k having been repaid.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2022*

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Ralph Barber

Trustee

Dated: 19 April 2023

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

I report on the financial statements of the H&G CT for the year ended 31 December 2022, which are set out on pages 7 to 22.

Respective responsibilities of Trustees and examiner

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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 next statement.

Under Part 16 of the Companies Act 2006 the charity is taking advantage of its exception from have an audit.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 19 April 2023

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>							
Donations and legacies	3	19,441	33,844	53,285	14,876	14,614	29,490
Other trading activities	4	64,291	-	64,291	45,683	-	45,683
Investments	5	28,386	272	28,658	29,836	23	29,859
Total income		<u>112,118</u>	<u>34,116</u>	<u>146,234</u>	<u>90,395</u>	<u>14,637</u>	<u>105,032</u>
<u>Expenditure on:</u>							
Raising funds	6	12,701	-	12,701	12,796	-	12,796
Charitable activities	7	90,560	8,247	98,807	67,343	8,888	76,231
Total expenditure		<u>103,261</u>	<u>8,247</u>	<u>111,508</u>	<u>80,139</u>	<u>8,888</u>	<u>89,027</u>
Net gains/(losses) on investments	11	(6,500)	-	(6,500)	30,087	-	30,087
Net incoming resources before transfers		<u>2,357</u>	<u>25,869</u>	<u>28,226</u>	<u>40,343</u>	<u>5,749</u>	<u>46,092</u>
Gross transfers between funds		16,323	(16,323)	-	(107)	107	-
Net income for the year/ Net movement in funds		<u>18,680</u>	<u>9,546</u>	<u>28,226</u>	<u>40,236</u>	<u>5,856</u>	<u>46,092</u>
Fund balances at 1 January 2022		<u>838,280</u>	<u>56,215</u>	<u>894,496</u>	<u>798,044</u>	<u>50,360</u>	<u>848,404</u>
Fund balances at 31 December 2022		<u><u>856,960</u></u>	<u><u>65,761</u></u>	<u><u>922,721</u></u>	<u><u>838,280</u></u>	<u><u>56,216</u></u>	<u><u>894,496</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		335,842		265,124
Current assets					
Stocks	13	247		405	
Debtors	14	645,470		661,905	
Cash at bank and in hand		109,429		122,104	
		<u>755,146</u>		<u>784,414</u>	
Creditors: amounts falling due within one year	16	<u>(52,870)</u>		<u>(21,447)</u>	
Net current assets			702,276		762,967
Total assets less current liabilities			1,038,118		1,028,091
Creditors: amounts falling due after more than one year	17		(115,397)		(133,595)
Net assets			<u>922,721</u>		<u>894,496</u>
Income funds					
Restricted funds	18	65,761		56,216	
Unrestricted funds		856,960		838,280	
		<u>922,721</u>		<u>894,496</u>	

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 April 2023

Philip Marshall
Trustee

Company registration number 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		56,866		(136,945)
Investing activities					
Purchase of tangible fixed assets		(75,657)		-	
(Expenditure)/Proceeds from disposal of tangible fixed assets		(6,500)		260,000	
Investment income received		28,658		29,859	
Net cash (used in)/generated from investing activities			(53,499)		289,859
Financing activities					
Repayment of bank loans		(16,042)		(77,896)	
Net cash used in financing activities			(16,042)		(77,896)
Net (decrease)/increase in cash and cash equivalents			(12,675)		75,018
Cash and cash equivalents at beginning of year			122,104		47,086
Cash and cash equivalents at end of year			109,429		122,104

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

The Herefordshire and Gloucestershire Canal Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaumont House, 172 Southgate Street, Gloucester, GL1 2EZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the H&G CT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the H&G CT has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. Interest received on restricted funds is apportioned on a pro-rata basis.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the H&G CT.

1.4 Incoming resources

Income is recognised when the H&G CT is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the H&G CT has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the H&G CT has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and machinery	20% on cost
Fixtures, fittings & equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the H&G CT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The H&G CT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the H&G CT's balance sheet when the H&G CT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the H&G CT's contractual obligations expire or are discharged or cancelled.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the H&G CT's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Membership Subscriptions	8,218	-	8,218	6,584
Donations - General	7,594	-	7,594	5,264
Tax on Gift Aid Reclaimed	3,429	-	3,429	2,029
Oxenhall Covenants	-	803	803	683
Dymock Covenants	-	1,225	1,225	1,363
Over Covenants	-	6,062	6,062	4,500
Hereford Covenants	-	8,302	8,302	2,884
Donations -Braunston Marina	200	-	200	-
Donations - Land Fund	-	17,562	17,562	2,183
Donations - Mill Barn	-	104	104	-
Perpetual Endowment	-	39	39	3,000
Radcliffe Trust	-	19	19	-
Legacies	-	-	-	1,000
For the year ended 31 December 2022	19,441	34,116	53,557	29,490
For the ten month period to 31 December 2021	14,876	14,614		

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other trading activities

	2022	2021
	£	£
Social events & donations	892	566
Over Fishing	120	-
Rental income (Llanthony)	23,597	16,900
Rental income (Hereford)	15,000	11,750
Rental income (Newent site)	15,200	8,500
Boat rental	-	195
Advertisement signs	2,198	1,721
Advertising - Wharfinger	2,072	820
Sales	3,773	3,446
Draws	1,439	1,786
	<u>64,291</u>	<u>45,684</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Interest receivable	<u>28,386</u>	<u>272</u>	<u>28,658</u>	<u>29,836</u>	<u>23</u>	<u>29,859</u>

6 Raising funds

	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	8,356	4,011
Stocks for events	280	173
Support costs (note 8)	4,065	8,612
	<u>12,701</u>	<u>12,796</u>
Fundraising and publicity	<u>12,701</u>	<u>12,796</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	2022 £	2021 £
Site costs	70,083	30,894
Property Maintenance costs	2,721	1,970
Health, Safety & Welfare	2,063	1,049
RBS Loan Interest	5,911	6,129
	<u>80,778</u>	<u>40,042</u>
Share of support costs (see note 8)	16,259	34,449
Share of governance costs (see note 8)	1,770	1,740
	<u>98,807</u>	<u>76,231</u>
Analysis by fund		
Unrestricted funds	90,560	67,343
Restricted funds	8,247	8,888
	<u>98,807</u>	<u>76,231</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Depreciation	4,939	-	4,939	4,326	20/80% Fund/CA
Insurance	5,135	-	5,135	6,212	20/80% Fund/CA
Administration	1,246	-	1,246	6,905	20/80% Fund/CA
Repairs & Maintenance	-	-	-	3,797	20/80% Fund/CA
Legal & Professional	9,004	-	9,004	21,821	20/80% Fund/CA
Independent Examiner's fees	-	1,770	1,770	1,740	Governance
	<u>20,324</u>	<u>1,770</u>	<u>22,094</u>	<u>44,801</u>	
Analysed between					
Fundraising	4,065	-	4,065	8,612	
Charitable activities	16,258	1,770	18,029	36,189	
	<u>20,323</u>	<u>1,770</u>	<u>22,094</u>	<u>44,801</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the H&G CT during the year. Expenses are reimbursed to Trustees and officers as appropriate and when requested but the amounts involved are not material.

10 Employees

	2022 Number	2021 Number
Total	-	-

11 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Gain/(loss) on sale of investment properties	(6,500)	30,087

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Net gains/(losses) on investments

(Continued)

The loss in 2022 comprised a payment made under an overage agreement which became due following the sale of 10 Winding Pool Close, Dymock in 2021

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	262,383	60,914	7,456	330,753
Additions	72,600	3,057	-	75,657
	<u>334,983</u>	<u>63,971</u>	<u>7,456</u>	<u>406,410</u>
At 31 December 2022	334,983	63,971	7,456	406,410
Depreciation and impairment				
At 1 January 2022	-	61,029	7,352	68,381
Depreciation charged in the year	-	2,083	104	2,187
	<u>-</u>	<u>63,112</u>	<u>7,456</u>	<u>70,568</u>
At 31 December 2022	-	63,112	7,456	70,568
Carrying amount				
At 31 December 2022	<u>334,983</u>	<u>859</u>	<u>-</u>	<u>335,842</u>
At 31 December 2021	<u>262,383</u>	<u>2,637</u>	<u>104</u>	<u>265,124</u>

13 Stocks

	2022 £	2021 £
Raw materials and consumables	<u>247</u>	<u>405</u>

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	<u>23,500</u>	<u>30,000</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	<u>621,970</u>	<u>631,905</u>
Total debtors	<u>645,470</u>	<u>661,905</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Loans and overdrafts

	Dec 2022 £	Feb 2021 £
Bank loans	132,021	148,063
Payable within one year	16,624	14,468
Payable after one year	115,397	133,595

All loans are secured by fixed charges over the land and property. There are also floating charges held over all of the charity assets.

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	16,624	14,468
Trade creditors		-	11
Other creditors		30,000	-
Accruals and deferred income		6,246	6,968
		52,870	21,447

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	15	115,397	133,595

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022	Incoming resources	Resources expended	Interest on funds	Transfer to Unrestricted funds	Balance at 31 December 2022
	£	£	£	£	£	£
Perpetual Endowment	10,003	-	-	39	-	10,042
Land Fund	-	17,544	-	18	(17,000)	562
Mill Barn	27,002	-	-	104	-	27,106
Oxenhall Covenants	-	803	(1,480)	-	677	-
Dymock Covenants	700	1,220	(1,907)	5	-	18
Hereford Covenants	6,842	8,252	(1,035)	50	-	14,109
Over Covenants	6,667	6,025	(3,825)	37	-	8,904
Radcliffe Trust	5,002	-	-	19	-	5,021
	<u>56,215</u>	<u>33,844</u>	<u>(8,247)</u>	<u>272</u>	<u>(16,323)</u>	<u>65,762</u>

19 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	335,842	-	335,842	265,124	-	265,124
Current assets/(liabilities)	636,515	65,761	702,276	706,751	56,216	762,967
Long term liabilities	(115,397)	-	(115,397)	(133,595)	-	(133,595)
	<u>856,960</u>	<u>65,761</u>	<u>922,721</u>	<u>838,280</u>	<u>56,216</u>	<u>894,496</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Related party transactions

As at 31 December 2022 the charity is owed £621,970 (2021 - £631,905) from The Wharf House Company Limited as an intercompany loan. In the period the Trust charged interest on the loan of £28,386 (2021 - 29,833)

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for repaying loans for purchase of Malswick House.

21 Subsidiaries

These financial statements are separate H&G CT financial statements at 31 December 2022.

Details of the H&G CT's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Wharf House Co Ltd		Property rental	Ordinary £1	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
The Wharf House Co Ltd	11,420	(363,736)

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22	Cash generated from operations	2022 £	2021 £	
	Surplus for the year	28,226	46,092	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(28,658)	(29,859)	
	Loss/(gain) on disposal of investment property	6,500	(30,087)	
	Depreciation and impairment of tangible fixed assets	4,939	4,326	
	Movements in working capital:			
	Decrease in stocks	158	117	
	Decrease/(increase) in debtors	16,435	(93,412)	
	Increase/(decrease) in creditors	29,266	(34,122)	
	Cash generated from/(absorbed by) operations	56,866	(136,945)	
23	Analysis of changes in net (debt)/funds			
		At 1 January 2022 £	Cash flows £	At 31 December 2022 £
	Cash at bank and in hand	122,104	(12,675)	109,429
	Loans falling due within one year	(14,468)	(2,156)	(16,624)
	Loans falling due after more than one year	(133,595)	18,198	(115,397)
		(25,959)	3,367	(22,592)

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales - Charity number 1010721

Accounts

Charity Registration No. 1010721

Company Registration No. 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Nigel Jefferies	
	K V Welch	
	Eamonn McGurk	
	Philip Marshall	
	Ralph Barber	
	Edward Helps	
	Deborah Barber	
	Richard Appleton	(Appointed 18 August 2021)
	Robert Moreland	(Appointed 23 June 2021)
Secretary	P Marshall	
Charity number	1010721	
Company number	02704407	
Registered office	Beaumont House 172 Southgate Street Gloucester GL1 2EZ	
Independent examiner	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ	

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2021

The Trustees present their report and financial statements for the period ended 31 December 2021. A non-profit distributing company no. 2704407, formed in April 1992, and a registered charity no. 1010721, which replaced the Herefordshire and Gloucestershire Canal Society launched in 1983.

Governing document

The charity is constituted as a limited company, limited by guarantee as defined in the Companies Act 2006, and as such is governed by its Memorandum and Articles of Association.

Organisational structure

A team of volunteers runs the charity. Managed by the Trustees who meet regularly, supported by site-based groups of volunteers and committees responsible for promotion and other commercial activities. The board appoint trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to ten trustees to be in place but does allow for the co-option of two more to cover special projects. One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees can be elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM. When new Trustees join, they are provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are put in place to reduce risks of fraud error or unsafe acts.

The Board of Trustees is aware of the general guidance issued by the Charity Commission on public benefit. The Trustees have regard to this guidance and consider the activities of the charity have been carried out demonstrably for the public benefit and this applies also to their plans for future action. The charitable objects are defined as rebuilding a sustainable canal between Hereford and Gloucester.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ralph Barber
Nigel Jefferies
Philip Marshall
Edward Helps
Eamonn McGurk
Anthony Sellwood
Keith Vaughan Welch
Deborah Barber
Robert Moreland
Richard Appleton

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2021

Chairman's Report:

As the Covid-19 pandemic continued it made it a difficult year. All the promotional events we had planned to attend throughout the year faced changes, but we did manage to get out on the road in the summer. Our own social events were also cancelled until later in the year and again we went virtual with our AGM in June.

My thanks go to all Trustees and Volunteers for their ongoing support and involvement in the Trust.

This is a shortened report, ten months, as we have changed our financial year to align with the yearly calendar.

An ongoing strategy review continues. This has further brought together a number of groups looking at sections of the canal. A team in Hereford are looking at the start of the canal and discussion and work is occurring with Herefordshire Council on several sites in Hereford city and further afield in Herefordshire.

The concept of an inclined plane for Newent continues in model form and we managed to present this at the IWA event in August that gained lots of interest from the national canal press as well.

The Wharf House Company operation having changed from a directly managed to a leased operation (now The Lock Keepers and The Moorings) the lockdown continued to affect our tenants. Just before the end of the year, Malswick House also reopened as a pub managed under the same arrangement as the Lock Keepers. We wish both organisations well as lockdown lifts and all gets back to normal.

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. Work has occurred to continue to ensure the canal route is protected and supported by all. Positive comments have been received about the change in direction the trust is now taking, after a few years of some negative comments. The sharing of ideas and use of social media with Facebook, YouTube and Twitter now used for interaction is seen as a positive.

Looking further forward, like every other person and organisation, the coronavirus has had and is having its effect on the Trust. Work slowed down, but volunteers continue to progress matters where they can.

Objectives and activities:

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all;
Integrating the canal corridor as a sustainable resource into the life of the communities along its route;
Endeavouring to complete the work in partnership with all other interested parties.

Interested Parties

This reporting period we have engaged further with the Neighbourhood Plans under development in Newent via Zoom meetings due to Covid-19.

Voluntary help and gifts in kind

The volunteers form a critical part of the Trust, not just in restoring the canal but also in maintaining the restored sections and promoting it widely through local and national events. All these aspects have continued throughout the year in question and are set to expand. The value of the volunteer work that we have recorded adds up to around £118,672, but we know this does not reflect all the time dedicated to the business of H&GCT by all our hardworking volunteers.

Risks to the Charity

The Trust continues to negotiate new sites and to rejuvenate former sites with developers and landowners at various places along the line of the canal - including locations in Hereford and Ledbury. These can take years to conclude but we continue with an on-going diverse portfolio of negotiations so that a flow of announcements can realistically be expected over the coming years.

Reserves Policy

The charity aims to hold funds that are at least anticipated to cover the normal operating costs for 12 months.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 31 DECEMBER 2021

Charitable activities and achievements

With the ongoing restrictions due to Covid-19 site work was a challenge through out the year.

Burcott Road: Ongoing tree pruning and maintenance of the site.

Holmer: A lot has happened with Holmer, which has been reported in the press over the years. We are currently in discussions with the current landowner supported by Herefordshire Council with a view to agreeing a transfer of the land on the canal corridor.

Aylestone Park: The reed boats reported in last years report were well worth the expense and we will look at doing the same in the new year.

Kymin: Ongoing site maintenance continued. Several trees that came down in storms continued to create work for the volunteers. To help those who would like to volunteer but who work in the week we are meeting at weekends on this site. The site is extremely popular with local walkers.

Yarkhill: Regular maintenance and vegetation clearance continued to keep the volunteers busy on this stretch of canal.

Adjoining Yarkhill: The team have gained access to the site next to Yarkhill and have done an excellent job of clearing the site. Unfortunately, we are finding that a number of landowners are happy to let us work sites but are not allowing the general public onto the site.

Ledbury: As reported in the last annual report the decision for the development of 625 houses and a number of factory units was given the go ahead and support for the canal in land and money was also awarded. Discussions are underway with the developer and Herefordshire Council to agree a way forward.

Dymock: The pump replaced last year is working well with ongoing monitoring to ensure the water levels in the winding pool are correct.

Oxenhall: As reported last year we lost the site leader and during the Covid restrictions we had many Zoom calls to agree a way forward with the team and a new site leader has taken on the role and is getting to know the site well.

Newent: Whilst not a lot has happened on site, we now have a model of the proposed inclined plane that proved to be a good discussion point at the IWA show in August and was very successful at Newent Fayre event.

Malswick: We finally got planning permission in November. A very frustrating slow process for the team who did a fantastic job of getting all the work done. This included obtaining over one hundred documents to get this past the planning authority. It is going to be a busy year coming up to turn open fields into six hundred metres of canal.

Moat Farm: Routine maintenance including mowing of the grassy areas continued to be the focus of work here. The 'wilder' areas occasionally needed intervention to enhance the habitats that have been created.

Over: Regarding the land slippage at Vineyard Hill - the area is pegged out and continues to be monitored. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. Ongoing maintenance occupied the team, including the clearance of weeds by the boats that we used at Aylestone Park.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE PERIOD ENDED 31 DECEMBER 2021*

Heritage Boats: The boats continue to be worked on. Mr Maysey was lifted out of the water last year. Repairs are now underway and with the Covid-19 restrictions the work has been slow. The superstructure was replaced and extra work was required when a volunteer discovered the steps did not do what they should do, new steps now in place.

Apart from the existing users of the basin, the model boaters and the Sailing4Disabled, we have had new users. We have had the fire brigade practicing their boating skills, the Scouts made some boats and tested them in the basin and a local paddleboarding business is running sessions.

Mill Barn: As reported in editions of the Wharfinger throughout the year we are continuing to work this forward. We have a design; the original planned location has had to change due to underground pipes. We are getting the paperwork aligned ready to apply for planning permission.

Llanthony: Both properties are let, and the lock basin has had a couple of visits for volunteers to keep the Wysis Way footpath open, that runs through the lock.

Membership: Sadly, we lose members each year, and this year the overall figure decreased to 1114. We missed being able to get out to shows in the early part of the year. The events at the end of the year brought in several new members, who are also getting involved in work on the sites. We thank members for their generosity with all their donations.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proofreaders, layout and delivery.

Walks Leaflets: These have been selling well.

Website: This is constantly running behind the scenes. Queries are passed to the relevant Trust member for a response.

Sales & Promotion: As mentioned above we managed to get to a couple of shows at the end of the year. We have plans to attend many shows next year.

Socials: Went the same way as the Sales and Promotion due to Covid-19. We did get a social in the later part of the year. A full calendar has been worked for the year to come. We will continue to go to the Royal Oak, unfortunately we are having to move to a Thursday in the New Year (2022). We are also looking at remote connection for people who are unable to attend the evening.

Grand Holiday Draw raised £1,746 which was very good as no tickets sold at Open Days. Our gratitude goes to those who donated all the prizes.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2021

Financial review, Achievements and Performance

During this shortened 10 month financial period the companies showed a combined surplus of £47k compared with £43k for the previous 12 month accounts. The position therefore continued to strengthen. As in the previous year the results are combined to avoid confusing matters with the inter-company interest charges.

The main source of funds remains the rental stream. For the Trust rentals totalled £37k, which compares well with the £46.8k in the year to 28 February 2021, especially in view of the loss of income of £4k in Dymock as a result of the need to sell the property there. In cash terms rental income since 2018 has remained broadly static in spite of the loss of income from Dymock, which in ye 2018 and 2019 amounted to more than £10k. For Wharf House Co Ltd rentals totalled £37.5k compared with £28.7k for the 12 months to 28/2/2021, £28.1k in ye 28/2/20 and nothing before that. During the latest period about £5k was lost because of Covid. Since both properties are now let on long-term leases and providing full rents can be achieved (with no hiccups from Covid or other issues), in a full year significantly more rent will be received.

Overall, other income has dropped, entirely as a result of a reduction in legacies by £15k.

Expenditure at sites has increased slightly to £31k (for a 10 month period), and will be expected to rise significantly in the current year as a result of work at Malswick.

Overhead costs for the Trust include a book profit of £30k on the sale of the house at Dymock, the main object of that (which was achieved) being to realise cash.

Wharf House Co Ltd costs continue to reduce, this period being at £13k compared with £15k for the full previous year. In future in the absence of unexpected events/costs they should not be more than £3k in a full year.

The Balance Sheets of both companies continue to strengthen. From the sale of the house at Dymock, our solicitors withheld £30k to settle a possible overage claim. Since it is hoped that the eventual settlement will be for much less than the amount withheld, there may be a useful injection of cash in the present financial year.

Ralph Barber

Trustee

Dated: 28 April 2022

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

I report on the financial statements of the H&G CT for the period ended 31 December 2021, which are set out on pages 7 to 22.

Respective responsibilities of Trustees and examiner

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this period 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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 next statement.

Under Part 16 of the Companies Act 2006 the charity is taking advantage of its exception from have an audit.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 28 April 2022

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2021

		Unrestricted funds	Restricted funds	Dec Total 2021	Feb Total 2021
	Notes	£	£	£	£
<u>Income from:</u>					
Donations and legacies	3	14,876	14,614	29,490	51,474
Other trading activities	4	45,683	-	45,683	55,286
Investments	5	29,836	23	29,859	45,376
Total income		<u>90,395</u>	<u>14,637</u>	<u>105,032</u>	<u>152,136</u>
<u>Expenditure on:</u>					
Raising funds	6	<u>12,796</u>	<u>-</u>	<u>12,796</u>	<u>12,199</u>
Charitable activities	7	<u>67,343</u>	<u>8,888</u>	<u>76,231</u>	<u>64,945</u>
Total resources expended		<u>80,139</u>	<u>8,888</u>	<u>89,027</u>	<u>77,144</u>
Net gains/(losses) on investments	11	<u>30,087</u>	<u>-</u>	<u>30,087</u>	<u>-</u>
Net incoming resources before transfers		<u>40,343</u>	<u>5,749</u>	<u>46,092</u>	<u>74,992</u>
Gross transfers between funds		<u>(107)</u>	<u>107</u>	<u>-</u>	<u>-</u>
Net income for the year/ Net movement in funds		<u>40,236</u>	<u>5,856</u>	<u>46,092</u>	<u>74,992</u>
Fund balances at 1 March 2021		<u>798,044</u>	<u>50,360</u>	<u>848,404</u>	<u>773,415</u>
Fund balances at 31 December 2021		<u><u>838,280</u></u>	<u><u>56,216</u></u>	<u><u>894,496</u></u>	<u><u>848,407</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

			Dec 2021		Feb 2021
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		265,124		499,363
Current assets					
Stocks	13	405		522	
Debtors	14	661,905		568,496	
Cash at bank and in hand		122,104		47,086	
		<u>784,414</u>		<u>616,104</u>	
Creditors: amounts falling due within one year	16	(21,447)		(120,489)	
Net current assets			762,967		495,615
Total assets less current liabilities			1,028,091		994,978
Creditors: amounts falling due after more than one year	17		(133,595)		(146,571)
Net assets			<u>894,496</u>		<u>848,407</u>
Income funds					
Restricted funds	18		56,216		50,362
Unrestricted funds			838,280		798,045
			<u>894,496</u>		<u>848,407</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 April 2022

Philip Marshall
Trustee

Company Registration No. 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2021

		Dec 2021		Feb 2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	22		(136,945)		(28,891)
Investing activities					
Purchase of tangible fixed assets		-		(5,400)	
Proceeds on disposal of tangible fixed assets		229,913		-	
Proceeds on disposal of investment property		30,087		-	
Investment income received		29,859		45,376	
Net cash generated from investing activities			289,859		39,976
Financing activities					
Proceeds of new bank loans		-		65,000	
Repayment of bank loans		(77,896)		(69,881)	
Net cash used in financing activities			(77,896)		(4,881)
Net increase in cash and cash equivalents			75,018		6,204
Cash and cash equivalents at beginning of period			47,086		40,882
Cash and cash equivalents at end of period			122,104		47,086

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

The Herefordshire and Gloucestershire Canal Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaumont House, 172 Southgate Street, Gloucester, GL1 2EZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the H&G CT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the H&G CT has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. Interest received on restricted funds is apportioned on a pro-rata basis.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the H&G CT.

1.4 Incoming resources

Income is recognised when the H&G CT is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the H&G CT has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the H&G CT has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and machinery	20% on cost
Fixtures, fittings & equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the H&G CT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The H&G CT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the H&G CT's balance sheet when the H&G CT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the H&G CT's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the H&G CT's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Dec 2021	Total Feb 2021
	£	£	£	£
Membership Subscriptions	6,583	-	6,583	7,663
Donations - Cash at Events	-	-	-	100
Donations - General	5,264	-	5,264	4,470
Tax on Gift Aid Reclaimed	2,029	-	2,029	1,830
Oxenhall Covenants	-	683	683	791
Dymock Covenants	-	1,363	1,363	1,708
Over Covenants	-	4,500	4,500	5,545
Hereford Covenants	-	2,884	2,884	5,956
Donations - Land Fund	-	2,183	2,183	2,411
Perpetual Endowment	-	3,000	3,000	-
Radcliffe Trust	-	-	-	5,000
Legacies	1,000	-	1,000	16,000
For the period ended 31 December 2021	14,876	14,613	29,489	51,474
For the period ended 28 February 2021	30,063	21,411		

4 Other trading activities

	Dec 2021 £	Feb 2021 £
Social events & donations	566	244
Rental income (Llanthony)	16,900	27,195
Rental income (Dymock)	-	4,250
Rental income (Hereford)	11,750	11,167
Rental income (Newent site)	8,500	4,225
Boat rental	195	171
Advertisement signs	1,721	1,808
Advertising - Wharfinger	820	2,502
Sales	3,446	2,453
Draws	1,786	1,270
	45,683	55,286

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted 2021 £	Restricted 2021 £	Dec 2021 £	Feb 2021 £
Interest receivable from The Wharf House Co Ltd	29,833	-	29,859	45,376
Bank interest	3	23	26	-
	<u>29,836</u>	<u>23</u>	<u>29,859</u>	<u>45,376</u>
For the period ended 31 December 2021	29,836	23	29,859	45,376
	<u>45,376</u>	<u>-</u>		<u>45,376</u>
For the period ended 28 February 2021	45,376	-		45,376

6 Raising funds

	Dec 2021 £	Feb 2021 £
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	4,011	7,331
Stocks for events	173	73
Support costs (note 8)	8,612	4,795
	<u>12,796</u>	<u>12,199</u>
Fundraising and publicity	12,796	12,199
	<u>12,796</u>	<u>12,199</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

7 Charitable activities

	Dec 2021 £	Feb 2021 £
Site costs	30,894	27,596
Property Maintenance costs	1,970	3,542
Health, Safety & Welfare	1,049	1,870
RBS Loan Interest	6,129	10,562
	<u>40,042</u>	<u>43,570</u>
Share of support costs (see note 8)	34,449	19,182
Share of governance costs (see note 8)	1,740	2,193
	<u>76,231</u>	<u>64,945</u>
Analysis by fund		
Unrestricted funds	67,343	56,278
Restricted funds	8,888	8,667
	<u>76,231</u>	<u>64,945</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

8 Support costs

	Support costs	Governance costs	Dec 2021	Feb 2021	Basis of allocation
	£	£	£	£	
Depreciation	4,326	-	4,326	3,933	20/80% Fund/CA
Insurance	6,212	-	6,212	5,141	20/80% Fund/CA
Administration	6,905	-	6,905	3,128	20/80% Fund/CA
Repairs & Maintenance	3,797	-	3,797	4,895	20/80% Fund/CA
Legal & Professional	21,821	-	21,821	6,488	20/80% Fund/CA
Light & Heat	-	-	-	392	20/80% Fund/CA
Independent Examiner's fees	-	1,740	1,740	1,905	Governance
Trustees Indemnity Insurance	-	-	-	288	Usage
	<u>43,061</u>	<u>1,740</u>	<u>44,801</u>	<u>26,170</u>	
Analysed between					
Fundraising	8,612	-	8,612	4,795	
Charitable activities	34,449	1,740	36,189	21,375	
	<u>43,061</u>	<u>1,740</u>	<u>44,801</u>	<u>26,170</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the H&G CT during the period. Expenses are reimbursed to Trustees and officers as appropriate and when requested but the amounts involved are not material.

10 Employees

	Dec 2021 Number	Feb 2021 Number
Total	-	-

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

11 Net gains/(losses) on investments

	Dec 2021	Feb 2021
	£	£
Gain/(loss) on sale of properties	30,087	-

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 March 2021	492,296	60,914	7,456	560,666
Disposals	(229,913)	-	-	(229,913)
At 31 December 2021	262,383	60,914	7,456	330,753
Depreciation and impairment				
At 1 March 2021	-	54,093	7,210	61,303
Depreciation charged in the period	-	4,184	142	4,326
At 31 December 2021	-	58,277	7,352	65,629
Carrying amount				
At 31 December 2021	262,383	2,637	104	265,124
At 28 February 2021	492,296	6,821	246	499,363

13 Stocks

	Dec 2021	Feb 2021
	£	£
Raw materials and consumables	405	522

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

14 Debtors	Dec 2021 £	Feb 2021 £
Amounts falling due within one year:		
Other debtors	30,000	-
Prepayments and accrued income	-	4,373
	<u>30,000</u>	<u>4,373</u>
	Dec 2021 £	Feb 2021 £
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	631,905	564,123
	<u>631,905</u>	<u>564,123</u>
Total debtors	<u>661,905</u>	<u>568,496</u>

15 Loans and overdrafts	Dec 2021 £	Feb 2021 £
Bank loans	148,063	225,959
	<u>148,063</u>	<u>225,959</u>
Payable within one year	14,468	79,388
Payable after one year	133,595	146,571
	<u>133,595</u>	<u>146,571</u>

All loans are secured by fixed charges over the land and property. There are also floating charges held over all of the charity assets.

16 Creditors: amounts falling due within one year	Notes	Dec 2021 £	Feb 2021 £
Bank loans	15	14,468	79,388
Trade creditors		11	55
Other creditors		-	35,730
Accruals and deferred income		6,968	5,316
		<u>21,447</u>	<u>120,489</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2021 £
Bank loans	15	133,595	146,571

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 March 2021	Incoming resources	Resources expended	Interest on funds	Funded by Trust	Balance at 31 December 2021
	£	£	£	£	£	£
Perpetual Endowment	7,000	3,000	-	3	-	10,003
Land Fund	5,251	2,183	(7,436)	2	-	-
Mill Barn	26,990	-	-	12	-	27,002
Oxenhall Covenants	-	683	(790)	-	107	-
Dymock Covenants	-	1,363	(663)	-	-	700
Hereford Covenants	3,956	2,885	-	1	-	6,842
Over Covenants	2,165	4,500	-	2	-	6,667
Radcliffe Trust	5,000	-	-	2	-	5,002
	<u>50,360</u>	<u>14,614</u>	<u>(8,889)</u>	<u>22</u>	<u>107</u>	<u>56,216</u>

19 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:			
Tangible assets	265,124	-	265,124
Current assets/(liabilities)	706,751	56,216	762,967
Long term liabilities	(133,595)	-	(133,595)
	<u>838,280</u>	<u>56,216</u>	<u>894,496</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

20 Related party transactions

As at 31 December 2021 the charity is owed £631,905 (2021 - £564,123) from The Wharf House Company Limited as an intercompany loan. In the period the Trust charged interest on the loan of £29,833 (2021 - 45,376)

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for: repaying loans for purchase of Malswick House.

21 Subsidiaries

These financial statements are separate H&G CT financial statements at 31 December 2021.

Details of the H&G CT's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Wharf House Co Ltd		Property rental	Ordinary £1	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
The Wharf House Co Ltd	988	(375,156)

22 Cash generated from operations

	Dec 2021 £	Feb 2021 £
Surplus for the period	46,092	74,992
Adjustments for:		
Investment income recognised in statement of financial activities	(29,859)	(45,376)
Gain on disposal of investment property	(30,087)	-
Depreciation and impairment of tangible fixed assets	4,326	3,933
Movements in working capital:		
Decrease in stocks	117	73
(Increase) in debtors	(93,412)	(54,959)
(Decrease) in creditors	(34,122)	(7,554)
Cash absorbed by operations	(136,945)	(28,891)

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

23 Analysis of changes in net (debt)/funds

	At 1 March 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	47,086	75,018	122,104
Loans falling due within one year	(79,388)	64,920	(14,468)
Loans falling due after more than one year	(146,571)	12,976	(133,595)
	<u>(178,873)</u>	<u>152,914</u>	<u>(25,959)</u>

HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

England & Wales - Charity number 1010721

Accounts

Charity Registration No. 1010721

Company Registration No. 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST
LIMITED**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Nigel Jefferies Anthony Sellwood K V Welch Eamonn McGurk Philip Marshall Ralph Barber Edward Helps Deborah Barber
Secretary	P Marshall
Charity number	1010721
Company number	02704407
Registered office	Beaumont House 172 Southgate Street Gloucester GL1 2EZ
Independent examiner	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 28 FEBRUARY 2021

The Trustees present their report and financial statements for the year ended 28 February 2021. A non-profit distributing company no. 2704407, formed in April 1992, and a registered charity no. 1010721, which replaced the Herefordshire and Gloucestershire Canal Society launched in 1983.

Governing document

The charity is constituted as a limited company, limited by guarantee as defined in the Companies Act 2006, and as such is governed by its Memorandum and Articles of Association.

Organisational structure

The charity is run by a team of volunteers who pay an annual membership fee. It is managed by the Trustees who meet each month and are supported by site based groups and committees responsible for sales and other commercial activities. The board appoint trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to 10 trustees to be appointed but does allow for the co-option of 2 more to cover special projects. One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees are elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM. When new Trustees are appointed, they are introduced to the work of the Trust and provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are put in place to reduce risks of fraud error or unsafe acts.

The Board of Trustees is aware of the general guidance issued by the Charity Commission on public benefit. The Trustees have regard to this guidance and consider the activities of the charity have been carried out demonstrably for the public benefit and this applies also to their plans for future action. The charitable objects are defined as rebuilding a sustainable canal between Hereford and Gloucester.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ralph Barber
Nigel Jefferies
Phillip Marshall
Edward Helps
Eamonn McGurk
Tony Sellwood
Keith Vaughan Welch
Deborah Barber

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 28 FEBRUARY 2021

Chairman's Report:

A month into the year we went into Lockdown due to the Covid-19 pandemic. All the promotional events we had planned to attend throughout the year were cancelled. Our own Social events were also cancelled as well as our own event in Newent at the end of the year. We went virtual with our AGM in June. It was good to see so many attending and gave people a chance to attend from further afield.

My thanks go to all Trustees and Volunteers for their ongoing support and involvement in the Trust.

An ongoing strategy review continues. This has further brought together a number of groups looking at sections of the canal. A team in Hereford are looking at the start of the canal and discussion and work is occurring with the local council on several sites in Hereford city and further afield in Herefordshire.

The concept of an inclined plane for Newent continues in model form and we look forward to sharing it at shows once out of lock down.

The Wharf House Company operation having changed from a directly managed to a leased operation (now The Lock Keepers and The Moorings), the lockdown has affected our tenants. As the country opens further, we wish them well and we look forward to a profitable relationship for the Trust.

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. A lot of work has occurred to continue to ensure the canal route is protected and supported by all. Many positive comments have been received about the change in direction the trust is now taking, after a few years of some negative comments. The sharing of ideas and use of social media with Facebook, YouTube and Twitter now being used for interaction is seen as a positive.

Looking further forward, like every other person and organisation the Covid 19 coronavirus has had and is having its effect on the Trust. Work slowed down, but volunteers continue to progress matters where they can.

Objectives and activities:

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all
Integrating the canal corridor as a sustainable resource into the life of the communities along its route
Endeavouring to complete the work in partnership with all other interested parties.

Interested Parties

This reporting period we have engaged further with the Neighbourhood Plans under development in Newent via Zoom meetings due to Covid-19.

Voluntary help and gifts in kind

The volunteers form a critical part of the trust, not just in restoring the canal but also maintaining the restored sections and promoting widely through local and national events. All these aspects have continued throughout the year in question and are set to expand. The value of the volunteer work that we have recorded adds up to around £155,841 but we know this does not reflect all the time dedicated to the business of H&GCT by all our hardworking volunteers.

Risks to the Charity

The Trust continues to negotiate new sites and to rejuvenate former sites with developers and landowners at various places along the line of the canal - including locations in Hereford and Ledbury. These can take years to conclude but we continue with an on-going diverse portfolio of negotiations so that a flow of announcements can realistically be expected over the coming years.

Reserves Policy

The charity aims to hold funds that are at least anticipated to cover the normal operating costs for 12 months.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 28 FEBRUARY 2021

Charitable activities and achievements

With the Covid-19 lock down site work was a challenge through out the year.

Burcott Road: Ongoing tree pruning and maintenance of the site.

Holmer: A lot has happened with Holmer which has been reported in the press over the years. We are currently in discussions with the current landowner supported by Herefordshire Council with a view to agreeing a transfer of the land on the canal corridor.

Aylestone Park: We were able to hire two reed boats in this year. One uses a cutting device to cut the reeds underwater, and another uses a rake on the front to collect and move the reeds from the water. A couple of days work proved to be greatly beneficial for the canal in this part of the park. Feedback from the public walking by was very positive.

Kymin: Ongoing site maintenance carried out. Installation of bird boxes supplied by a volunteer as well as regular mowing and the removing of assorted trees that had fallen in the storms. The site is very popular with local walkers.

Yarkhill: Regular maintenance and vegetation clearance continued on this stretch of canal.

Adjoining Yarkhill: The team have gained access to the site next to Yarkhill and have been clearing the site when Covid-19 restrictions have allowed the team to work.

Ledbury: In the summer of 2020 a number of us attended a virtual appeal for the development of Site about a mixed-use development including the erection of up to 625 new homes (including affordable housing), up to 2.9 hectares of B1 employment land, a canal corridor, public open space (including a linear park). The appeal result was announced after the period of this report. For completeness the decision was for the development to go ahead and support for the canal in land and money was also awarded.

Dymock: The pump that tops up the water levels in the winding pool stopped working and the team have worked several solutions that are developing into a more flexible approach to keep the water to the right level in the pond.

Oxenhall: As with all sites we had restricted access due to Covid-19. We also lost our long-term site leader Brian Fox who over the years had been a Trustee, Volunteer and a great supporter of the trust. His knowledge of the canal and the Oxenhall site will be a great loss. His surveying career in the Ordnance Survey helped us immensely with the details of the levels of the canal.

Newent: Longer term investigations are still underway to start the process of obtaining planning permission and grants for the Station project with the inclined plane employed to carry the canal over the road from Newent to Dymock.

Malswick: An application for planning permission to build this section was submitted in October but withdrawn in January due to additional environmental considerations and requirements. The planning application was re-submitted in April 2021. Other preparation work was undertaken on site as well as building out the workshop area behind Malswick House and ensuring the wood store was kept full.

Moat Farm: Routine maintenance including mowing of the grassy areas continued to be the focus of work here. The 'wilder' areas occasionally needed some intervention to enhance the habitats that have been created.

Over: The land slippage at Vineyard Hill - the area has been pegged out and continues to be monitored. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. Ongoing maintenance occupied the team, including the clearance of weeds by the boats that we used at Aylestone Park.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 28 FEBRUARY 2021

Heritage Boats: The boats continue to be worked on. Mr Maysey was lifted out of the water. A survey was completed, and repairs are now underway. With the Covid-19 restrictions the work has been slow. The superstructure will be replaced, and the outboard motor given a full-service.

Mill Barn: As reported in editions of the Wharfinger throughout the year we are continuing to work this forward. We have a design; the original planned location has had to be changed due to underground pipes. We are getting the paperwork aligned ready to apply for planning permission,

Llanthony: The smaller property was re-let immediately following extensive refurbishment in Spring 2020. In February 2021 the tenants in the other, larger property left and that is in the process of being re-let.

Membership: Sadly, we lose a few members each year but we gained 23 new ones - the overall figure decreased slightly to 1180. We missed being able to get out to shows and events which is a good source of new members, clearly an impact due to Covid-19. We thank members for their generosity with all their donations.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proof-readers, layout and delivery. We have also had items used in national newsprint from the Wharfinger and our published walks leaflets have been selling well.

Website: This is constantly running behind the scenes. Queries are passed to the relevant Trust member for a response. Apart from the new layout and look, extra features such as payment of membership and donations can now be done online.

Sales & Promotion: With Covid-19, no shows were attended and we had also cancel our own Winter Bazaar which was to be held in Newent last year.

Socials: Went the same way as the Sales and Promotion due to Covid-19. As we move out of Lockdown, we hope we can restart them at the Royal Oak and see friends, members, and supporters of the trust to hear talks on a range of subjects from both paid speakers and our own members.

Grand Holiday Draw raised £1,300 – lower than usual as we did not hold any Open Days. Our gratitude goes to those who donate all the prizes.

Financial review, Achievements and Performance

The Trust group's financial position again strengthened during the year, showing a combined surplus of £43k compared with £26k the year before. This is on the back of increased rents although donations and legacies are down. Expenditure on sites amounted to £29k being spent (compared with £27k in the previous year) of which £16k was on the site at Malswick. The combination of the results removes any confusion that might arise with inter-company interest, which is not related to current operations.

The results of The Wharf House Co Ltd showed a profit of £13k for the year before inter-company interest (compared with a loss of £35k in 2020), with rents at a similar level to 2020 but costs dramatically reduced by more than £22k. This business has been affected by Coronavirus to the extent of at least £7.5k cash although the opportunities lost are unquantifiable but probably not insignificant. The company has been able to start repaying debt in a small way and it is expected that, subject to Coronavirus, this process will gain momentum in the current year which will provide liquidity to the Trust.

With the sale of the property in Dymock in April 2021 (after the end of the year in question) for £260k large amounts of debt has been repaid. Part of this was a requirement of the bank and part was to reduce exposure to high interest charges.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 28 FEBRUARY 2021*

Ralph Barber
Trustee
Dated: 19 May 2021

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

I report on the financial statements of the H&G CT for the year ended 28 February 2021, which are set out on pages 7 to 22.

Respective responsibilities of Trustees and examiner

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) 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
- (iii) 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 next statement.

Under Part 16 of the Companies Act 2006 the charity is taking advantage of its exception from have an audit.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements 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
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 19 May 2021

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	30,063	21,411	51,474	84,819
Other trading activities	4	55,286	-	55,286	38,449
Investments	5	45,376	-	45,376	12,665
Total income		130,725	21,411	152,136	135,933
<u>Expenditure on:</u>					
Raising funds	6	12,199	-	12,199	10,666
Charitable activities	7	56,278	8,667	64,945	50,770
Total resources expended		68,477	8,667	77,144	61,436
Net incoming resources before transfers		62,248	12,744	74,992	74,497
Gross transfers between funds		(788)	788	-	-
Net income for the year/ Net movement in funds		61,460	13,532	74,992	74,497
Fund balances at 1 March 2020		736,585	36,830	773,415	698,918
Fund balances at 28 February 2021		798,045	50,362	848,407	773,415

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		499,363		497,896
Current assets					
Stocks	12	522		595	
Debtors	13	568,496		513,537	
Cash at bank and in hand		47,086		40,882	
		<u>616,104</u>		<u>555,014</u>	
Creditors: amounts falling due within one year	15	(120,489)		(93,043)	
Net current assets			495,615		461,971
Total assets less current liabilities			<u>994,978</u>		<u>959,867</u>
Creditors: amounts falling due after more than one year	16		(146,571)		(186,452)
Net assets			<u>848,407</u>		<u>773,415</u>
Income funds					
Restricted funds	17		50,362		36,830
Unrestricted funds			798,045		736,585
			<u>848,407</u>		<u>773,415</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 28 February 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 May 2021

Philip Marshall
Trustee

Company Registration No. 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	21		(28,891)		(110,009)
Investing activities					
Purchase of tangible fixed assets		(5,400)		(560)	
Investment income received		45,376		12,665	
Net cash generated from investing activities			39,976		12,105
Financing activities					
Proceeds of new bank loans		-		65,000	
Repayment of bank loans		(4,881)		(14,417)	
Net cash (used in)/generated from financing activities			(4,881)		50,583
Net increase/(decrease) in cash and cash equivalents			6,204		(47,321)
Cash and cash equivalents at beginning of year			40,882		88,203
Cash and cash equivalents at end of year			47,086		40,882

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

Company information

The Herefordshire and Gloucestershire Canal Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beaumont House, 172 Southgate Street, Gloucester, GL1 2EZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the H&G CT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the H&G CT has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the H&G CT.

1.4 Incoming resources

Income is recognised when the H&G CT is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the H&G CT has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the H&G CT has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Plant and machinery	20% on cost
Fixtures, fittings & equipment	10% on cost
Motor vehicles	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the H&G CT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The H&G CT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the H&G CT's balance sheet when the H&G CT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the H&G CT's contractual obligations expire or are discharged or cancelled.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

2 Critical accounting estimates and judgements

In the application of the H&G CT's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Membership Subscriptions	7,663	-	7,663	8,445
Donations - Cash at Events	100	-	100	337
Donations - General	4,470	-	4,470	20,322
Tax on Gift Aid Reclaimed	1,830	-	1,830	3,286
Oxenhall Covenants	-	791	791	733
Dymock Covenants	-	1,708	1,708	1,407
Over Covenants	-	5,545	5,545	5,426
Hereford Covenants	-	5,956	5,956	7,257
Donations - Land Fund	-	2,411	2,411	12,606
Radcliffe Trust	-	5,000	5,000	
Legacies	16,000	-	16,000	25,000
For the year ended 28 February 2021	30,063	21,411	51,474	84,819
For the year ended 29 February 2020	69,073	15,746		

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

4 Other trading activities

	2021	2020
	£	£
Social events & donations	244	578
Rental income (Llanthony)	27,195	15,700
Rental income (Dymock)	4,250	3,150
Rental income (Hereford)	11,167	9,500
Rental income (Newent site)	4,225	2,450
Boat rental	171	191
Advertisement signs	1,809	1,872
Advertising - Wharfinger	2,502	2,277
Sales	2,453	1,297
Draws	1,270	1,434
	<u>55,286</u>	<u>38,449</u>

5 Investments

	2021	2020
	£	£
Interest receivable from The Wharf House Co Ltd	<u>45,376</u>	<u>12,665</u>

6 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	7,331	7,403
Stocks for events	73	1,041
Support costs (note 8)	4,795	2,222
	<u>12,199</u>	<u>10,666</u>
Fundraising and publicity	<u>12,199</u>	<u>10,666</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

7 Charitable activities

	2021 £	2020 £
Site costs	27,596	18,629
Property Maintenance costs	3,542	8,498
Health, Safety & Welfare	1,870	2,839
RBS Loan Interest	10,562	9,991
	<u>43,570</u>	<u>39,957</u>
Share of support costs (see note 8)	19,182	8,889
Share of governance costs (see note 8)	2,193	1,924
	<u>64,945</u>	<u>50,770</u>
Analysis by fund		
Unrestricted funds	56,278	50,770
Restricted funds	8,667	-
	<u>64,945</u>	<u>50,770</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Depreciation	3,933	-	3,933	2,806	20/80% Fund/CA
Insurance	5,141	-	5,141	3,765	20/80% Fund/CA
Administration	3,128	-	3,128	211	20/80% Fund/CA
Repairs & Maintenance	4,895	-	4,895	1,651	20/80% Fund/CA
Travelling	-	-	-	37	20/80% Fund/CA
Legal & Professional	6,488	-	6,488	1,980	20/80% Fund/CA
Light & Heat	392	-	392	9	20/80% Fund/CA
Rates	-	-	-	652	20/80% Fund/CA
Independent Examiner's fees	-	1,905	1,905	1,701	Governance
Trustees Indemnity Insurance	-	288	288	223	Usage
	<u>23,977</u>	<u>2,193</u>	<u>26,170</u>	<u>13,035</u>	
Analysed between					
Fundraising	4,795	-	4,795	2,222	
Charitable activities	19,182	2,193	21,375	10,813	
	<u>23,977</u>	<u>2,193</u>	<u>26,170</u>	<u>13,035</u>	

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the H&G CT during the year. Expenses are reimbursed to Trustees and officers as appropriate and when requested but the amounts involved are not material.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

11 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 March 2020	492,296	55,514	7,456	555,266
Additions	-	5,400	-	5,400
	<u>492,296</u>	<u>60,914</u>	<u>7,456</u>	<u>560,666</u>
At 28 February 2021	492,296	60,914	7,456	560,666
Depreciation and impairment				
At 1 March 2020	-	50,264	7,106	57,370
Depreciation charged in the year	-	3,829	104	3,933
	<u>-</u>	<u>54,093</u>	<u>7,210</u>	<u>61,303</u>
At 28 February 2021	-	54,093	7,210	61,303
Carrying amount				
At 28 February 2021	<u>492,296</u>	<u>6,821</u>	<u>246</u>	<u>499,363</u>
At 29 February 2020	<u>492,296</u>	<u>2,242</u>	<u>350</u>	<u>497,896</u>

12 Stocks

	2021 £	2020 £
Raw materials and consumables	<u>522</u>	<u>595</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	12,271
Other debtors	-	3,286
Prepayments and accrued income	4,373	2,607
	<u>4,373</u>	<u>18,164</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	564,123	495,373
	<u>568,496</u>	<u>513,537</u>
Total debtors		

14 Loans and overdrafts

	2021 £	2020 £
Bank loans	225,959	230,840
Payable within one year	79,388	79,388
Payable after one year	146,571	151,452

All loans are secured by fixed charges over the land and property. There are also floating charges held over all of the charity assets.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	14	79,388	79,388
Trade creditors		55	8,457
Other creditors		35,730	-
Accruals and deferred income		5,316	5,198
		<u>120,489</u>	<u>93,043</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	146,571	151,452
Other creditors		-	35,000
		<u>146,571</u>	<u>186,452</u>

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 March 2020	Incoming resources	Resources expended	Funded by the Trust	Transfers	Balance at 28 February 2021
	£	£	£	£	£	£
Perpetual Endowment	2,000	-	-	-	5,000	7,000
Land Fund	7,840	2,411	-	-	(5,000)	5,251
Mill Barn	26,990	-	-	-	-	26,990
Oxenhall Covenants	-	791	(990)	199	-	-
Dymock Covenants	-	1,708	(2,297)	589	-	-
Hereford Covenants	-	5,956	(2,000)	-	-	3,956
Over Covenants	-	5,545	(3,380)	-	-	2,165
Radcliffe Trust	-	5,000	-	-	-	5,000
	<u>36,830</u>	<u>21,411</u>	<u>(8,667)</u>	<u>788</u>	<u>-</u>	<u>50,362</u>

18 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 28 February 2021 are represented by:			
Tangible assets	499,363	-	499,363
Current assets/(liabilities)	445,253	50,362	495,615
Long term liabilities	(146,571)	-	(146,571)
	<u>798,045</u>	<u>50,362</u>	<u>848,407</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

19 Related party transactions

As at 29 February 2021 the charity is owed £564,123 (2020 - £495,373) from The Wharf House Company Limited as an intercompany loan. In the period the Trust charged interest on the loan of £45,376 (2020 - £12,665).

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for: repaying loans for purchase of Malswick House.

20 Subsidiaries

These financial statements are separate H&G CT financial statements at 29 February 2020.

Details of the H&G CT's subsidiaries at 28 February 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Wharf House Co Ltd		Property rental	Ordinary £1	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
The Wharf House Co Ltd	(31,847)	(376,144)

21 Cash generated from operations

	2021 £	2020 £
Surplus for the year	74,992	74,497
Adjustments for:		
Investment income recognised in statement of financial activities	(45,376)	(12,665)
Depreciation and impairment of tangible fixed assets	3,933	2,806
Movements in working capital:		
Decrease in stocks	73	14
(Increase) in debtors	(54,959)	(170,178)
(Decrease) in creditors	(7,554)	(4,483)
Cash absorbed by operations	(28,891)	(110,009)

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

22 Analysis of changes in net (debt)/funds

	At 1 March 2020	Cash flows	At 28 February 2021
	£	£	£
Cash at bank and in hand	40,882	6,204	47,086
Loans falling due within one year	(79,388)	-	(79,388)
Loans falling due after more than one year	(151,452)	4,881	(146,571)
	<u>(189,958)</u>	<u>11,085</u>	<u>(178,873)</u>