

COMPANY REGISTRATION NUMBER: 01605020
CHARITY REGISTRATION NUMBER: 284163

Exeter Canal and Quay Trust Limited
Company Limited by Guarantee
Financial Statements
31 March 2022

WESTCOTTS (SW) LLP

Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name Exeter Canal and Quay Trust Limited

Charity registration number 284163

Company registration number 01605020

Principal office and registered office Civic Centre
Paris Street
Exeter
EX1 1JN

The trustees

D J Harvey	(Resigned 19 July 2022)
A Williamson	
D Wood	(Resigned 19 July 2022)
R A Branston	
A Leadbetter	
A J Wardle	
R C Newby	
R H Sutton	(Resigned 1 June 2021)
R Johnson	
L C A Wright	(Appointed 1 June 2021)
C L Wyse	
J D Bell	
P M J Bialyk	
J C M Parkhouse	(Appointed 19 July 2022)
R T Williams	(Appointed 19 July 2022)

Company secretary G Curry

Auditor Westcotts (SW) LLP
Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

Bankers National Westminster Bank Plc
59 High Street
Exeter
EX4 3DL

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

Exeter Canal and Quay Trust Limited is a charitable company limited by guarantee, registered in England and Wales, number 01605020, governed under a Memorandum and Articles of Association. It has the registered charity number 284163.

The members of the Executive Committee are the directors of the charitable company. The Executive Committee is appointed in accordance with the Memorandum and Articles of Association of the charitable company and meets on a quarterly basis to receive and review reports on property matters and the financial status.

Four of the Trustees are appointed by the Executive Committee and the remainder are appointed by Exeter City Council. The Trustees have undertaken a review of the recruitment and induction procedures for new Trustees in order to ensure that the Executive Committee has an appropriate mix of skills, and that new Trustees fully understand

- the aims and objectives of the Company
- the provisions of the Memorandum and Articles of Association
- the accounts of the Company
- the duties and responsibilities of a charity Trustee

The day-to-day property management operation of the charitable company is undertaken by the Estates Department of Exeter City Council on the basis of a contract with the company, for which a management charge is made. The Trustees set and review from time to time the financial parameters within which the Estates Department can make decisions. A decision that would be outside those parameters is referred to the Chair of the Trustees who decides if the matter must be referred to a full meeting of the Executive Committee.

Other day-to-day financial and administrative duties are undertaken by officers of Exeter City Council, who report to the Chair of the Trustees and hence to the Executive Committee.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

Risk management

The Trustees have given consideration to the processes needed to assess and mitigate major risks to the charity. As the charity has no employees of its own and relies for its administration, property and financial management upon employees of Exeter City Council provided under contractual arrangements, the Trustees are satisfied that there are a few, if any, major operational risks to which the charity is exposed.

During prior years, the Trustees engaged the services of Michael White, a consultant in risk management matters, who carried out a comprehensive risk review. The Trustees held a special meeting to consider the report and the way forward. The process revealed possible risks in connection with Trustee recruitment, succession planning and complaints handling. The Trustees are taking further steps through the current year to address these issues.

Covid 19

The World Health Organisation declared a global health emergency in January 2021. The Trustees were aware of the potential effect, in particular on the rental income from the property portfolio and the

Exeter Canal and Quay Trust Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Chairman was involved from the outset in ensuring reassurance was given to the Trust's business tenants. Rent arrears due to the pandemic have largely been cleared with only two tenants applying for and receiving rent concessions.

Objectives and activities

The objects for which the Company is established, as adopted on 16 April 2007, are:

- the preservation of land, buildings and other features of beauty or historical or architectural interest in or around the Exeter Canal and Quay Basin (the "Area"); - the promotion and encouragement of high standards of architecture, building and town planning and the promotion of civic pride in the Area; - the promotion and support of musical, artistic, educational and other cultural activities within the Area; - the promotion and support of community participation in any form of healthy recreation involving waterborne sports in the Area; - the education of the public about the historic trade passing through Exeter Canal and Quay and the preservation and conservation of buildings of historic interest connected with that trade, whether or not within the Area.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Fundraising

Exeter Canal and Quay Trust fundraising is mainly based on income from the property that it holds. The Arts Council have also provided grant funding in the past few years.

No professional fundraiser or commercial participator carried out any fundraising on behalf of the Trust and no complaints have been received. Exeter Canal and Quay Trust takes no steps to raise funds from the general public.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Maclaines Warehouse has been let in two parts with long term agreements to facilitate major refurbishment/conservation work by Topsham Brewery as a Brewing Centre and Forward space for Studio Offices.

Exeter Canal and Quay Trust has continued preservation and repair work to its premises by way of necessary repairs and maintenance. This year has seen substantial decorative work completed to the Grade1 listed Custom House, with further work planned and the installation of local zonal heating controls allowing greater environmental control.

The Trust continues to support the operation by the City Council of the Custom House.

The Trust, in partnership with Literature Works, promoted a programme of literary and other events relating to the spoken and written word at Custom House. They applied for an Arts Council grant to support the programme until 2022.

The Trust's assets are considered adequate for its anticipated future obligations. The Trust's work is not dependent on volunteers. The Trust, on advice from its Brokers, continues to place its property insurance with Ecclesiastical Life.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Financial review

The loss for the year was £287,759 (2021: surplus of £116,379) which includes a loss on investments of £370,882 (2021: gain of £160,341).

Reserves policy

The charity carries out both day-to-day maintenance and long term refurbishment work within the Exeter Canal and Quay area. The Trustees believe that free reserves, i.e. those unrestricted funds which are not invested in the fixed assets or otherwise committed, should be in the region of the charity's annual expenditure. Unrestricted funds at 31 March 2022 are £3,961,383 (2021: £4,249,142) of which £1,554,676 (2021: £1,541,823) represents free reserves. The Trustees anticipate that the level of free reserves will fall as the plans noted above are implemented.

Plans for future periods

The charity has two main practical functions in delivering its aims and objectives, namely the management of the property portfolio and the determination of grant applications made to it from time to time.

There are no plans to change the day-to-day property management arrangements with Exeter City Council, which work well. Independent property valuations will continue to be supplied by Vickery Holman, Chartered Surveyors.

The Trust will continue to work in partnership with Literature Works and the Arts Council to deliver Quay Words over the next two years, together with the development of a cultural programme to dovetail with the literary events.

We will continue to further our aims and objectives by making grants to organisations and individuals who apply to us, whether those grants be large and strategic or small and targeted.

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

In preparing these financial statements, the trustees are required to:

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

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 12/9/22 and signed on behalf of the board of trustees by:

A Williamson
Trustee

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Exeter Canal and Quay Trust Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Exeter Canal and Quay Trust Limited (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Exeter Canal and Quay Trust Limited *(continued)*

Year ended 31 March 2022

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Exeter Canal and Quay Trust Limited *(continued)*

Year ended 31 March 2022

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.

The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Exeter Canal and Quay Trust Limited *(continued)*

Year ended 31 March 2022

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Exeter Canal and Quay Trust Limited *(continued)*

Year ended 31 March 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

David Wright (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

10.10.22

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds As restated
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	39,200	—	39,200	—
Charitable activities	6	276,916	31,000	307,916	—
Investment income	7	292,125	—	292,125	313,520
Total income		<u>608,241</u>	<u>31,000</u>	<u>639,241</u>	<u>313,520</u>
Expenditure					
Expenditure on raising funds:					
Expenditure on raising funds	8	283,419	31,000	314,419	185,262
Expenditure on charitable activities	9,10	241,699	—	241,699	172,220
Total expenditure		<u>525,118</u>	<u>31,000</u>	<u>556,118</u>	<u>357,482</u>
Net (losses)/gains on investments	12	(15,882)	—	(15,882)	160,341
Loss on disposal of investment property		(355,000)	—	(355,000)	—
Net income and net movement in funds		<u>(287,759)</u>	<u>—</u>	<u>(287,759)</u>	<u>116,379</u>
Reconciliation of funds					
Total funds brought forward	23	4,249,142	—	4,249,142	4,132,763
Total funds carried forward	23	<u>3,961,383</u>	<u>—</u>	<u>3,961,383</u>	<u>4,249,142</u>

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

All income and expenditure is derived from continuing activities.

All prior year fund balances are unrestricted funds.

The notes on pages 14 to 27 form part of these financial statements.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Statement of Financial Position

As at 31 March 2022

	Note	2022 £	2021 £ As restated
Fixed assets			
Tangible fixed assets (Heritage assets)	16	531,707	427,319
Investments	18	2,719,032	3,078,839
		<u>3,250,739</u>	<u>3,506,158</u>
Current assets			
Debtors	19	242,938	86,139
Cash at bank and in hand		<u>1,109,286</u>	<u>1,032,595</u>
		1,352,224	1,118,734
Creditors: amounts falling due within one year	20	(356,580)	(88,750)
Net current assets		<u>995,644</u>	<u>1,029,984</u>
Total assets less current liabilities		<u>4,246,383</u>	<u>4,536,142</u>
Creditors: amounts falling due after more than one year	21	(285,000)	(287,000)
Net assets		<u>3,961,383</u>	<u>4,249,142</u>
Funds of the charity			
Unrestricted funds		<u>3,961,383</u>	<u>4,249,142</u>
Total charity funds	24	<u>3,961,383</u>	<u>4,249,142</u>

These financial statements were approved by the board of trustees and authorised for issue on 12/9/22, and are signed on behalf of the board by:

A Williamson
Trustee

Company registration number: 01605020

The notes on pages 14 to 27 form part of these financial statements.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Statement of Cash Flows

31 March 2022

	Note	2022 £	2021 £
Net inflow/(outflow) from operating activities	29	(459,095)	(390,296)
Investing activities			
Dividends and interest received		24,687	17,604
Rent received		267,438	295,916
Adjustments to heritage assets		(3,839)	—
Disposal of investment property		355,000	—
Purchase of heritage assets		(107,500)	—
Net cash inflow/(outflow) for the year	30	76,691	(76,776)

Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 14 to 27 form part of these financial statements.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Civic Centre, Paris Street, Exeter, EX1 1JN.

2. Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Valuation of investment properties, which is calculated by management's expert, as described in note 17, based on open market conditions.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the Statement of Financial Activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent; in which case it may be regarded as restricted.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the Statement of Financial Activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in income or expenditure on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the Statement of Financial Activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the Statement of Financial Activities.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property - 5% straight line

Heritage assets

Heritage assets measured under the cost model are recognised initially recorded at acquisition cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Where information on the cost or value of an asset is not available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the asset shall not be recognised in the statement of financial position.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

Exeter Canal and Quay Trust Limited only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The charity currently holds trade debtors and long term investments.

4. Limited by guarantee

The company is limited by guarantee. Every member of the charitable company undertakes to contribute such amounts as may be required in case of winding up, not exceeding £10 each.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Grants				
Grants receivable	39,200	39,200	—	—

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Other income from charitable activities	276,916	31,000	307,916

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Other income from charitable activities	—	—	—

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rental income	267,438	267,438	295,916	295,916
Dividends received	20,731	20,731	12,900	12,900
Bank interest	3,956	3,956	4,704	4,704
	<u>292,125</u>	<u>292,125</u>	<u>313,520</u>	<u>313,520</u>

8. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Rent	33,423	—	33,423
Insurance	64,703	—	64,703
Management charges	19,728	—	19,728
Services	97,581	31,000	128,581
Legal and professional	60,953	—	60,953
Depreciation	6,951	—	6,951
Other costs	80	—	80
	<u>283,419</u>	<u>31,000</u>	<u>314,419</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Rent	24,567	—	24,567
Insurance	63,169	—	63,169
Management charges	19,728	—	19,728
Services	38,384	—	38,384
Legal and professional	32,881	—	32,881
Depreciation	6,461	—	6,461
Other costs	72	—	72
	<u>185,262</u>	<u>—</u>	<u>185,262</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Charitable activities	237,699	237,699	169,220	169,220
Support costs	4,000	4,000	3,000	3,000
	<u>241,699</u>	<u>241,699</u>	<u>172,220</u>	<u>172,220</u>

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2022 £
Charitable activities	64,808	172,891	–	237,699
Governance costs	–	–	4,000	4,000
	<u>64,808</u>	<u>172,891</u>	<u>4,000</u>	<u>241,699</u>
	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2021 £
Charitable activities	34,274	134,946	–	169,220
Governance costs	–	–	3,000	3,000
	<u>34,274</u>	<u>134,946</u>	<u>3,000</u>	<u>172,220</u>

11. Analysis of grants

	2022 £	2021 £
Grants to institutions		
Exeter City Council - Custom House	146,500	107,225
Honeyscribe - Herald of Spring	–	10,000
Honeyscribe - Pilot Arts and Heritage Programme	(15,000)	20,000
Northcott Theatre	(9,609)	9,609
Devon and Cornwall Record Society	2,000	3,000
University of Exeter	–	500
Haven Banks Outdoor Education Centre - Dragon Boats	3,000	–
Promenade Promotions Ltd - Free-Quay Tuesdays on the Quayside	3,000	(9,345)
Honey scribe Custom House project	20,000	–
Burn the Curtain - Captain Peacock Event	3,000	(6,043)
Other grants	20,000	–
	<u>172,891</u>	<u>134,946</u>
Total grants	<u>172,891</u>	<u>134,946</u>

12. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gains/(losses) on investment property	(50,000)	(50,000)	50,000	50,000
Gains/(losses) on listed investments	34,118	34,118	110,341	110,341
	<u>(15,882)</u>	<u>(15,882)</u>	<u>160,341</u>	<u>160,341</u>

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets (heritage assets)	6,951	6,461
Fees payable for the audit of the financial statements	<u>4,000</u>	<u>3,000</u>

14. Staff costs

The charitable company had no employees other than the Trustees during the year (2021: nil). Trustees received no remuneration (2021: £nil) or expenses (2021: £nil).

The key management personnel of the charity comprise the Trustees. The total employee benefits of the key management personnel for the charity were £nil (2021: £nil).

15. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

16. Tangible fixed assets (heritage assets)

	Long leasehold property £
Cost	
At 1 April 2021	588,051
Additions	107,500
Adjustment	<u>3,121</u>
At 31 March 2022	<u>698,672</u>
Depreciation	
At 1 April 2021	160,732
Charge for the year	6,951
Adjustment	<u>(718)</u>
At 31 March 2022	<u>166,965</u>
Carrying amount	
At 31 March 2022	<u>531,707</u>
At 31 March 2021	<u>427,319</u>

17. Heritage assets

The company's fixed assets are heritage assets which are held in pursuit of its preservation and conservation objectives. Assets held for own use are shown at cost. Investment properties, which are available for letting, are shown at market value. All of these heritage assets have been held for the last 5 years and are being depreciated in line with the length of the associated leases.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Investments

	Listed investments £	Investment properties £ As restated	Total £ As restated
Cost or valuation			
At 1 April 2021 (As restated)	798,839	2,280,000	3,078,839
Additions	190,307	–	190,307
Disposals	(212,704)	(355,000)	(567,704)
Fair value movements	34,118	(50,000)	(15,882)
Transfers	33,472	–	33,472
At 31 March 2022	<u>844,032</u>	<u>1,875,000</u>	<u>2,719,032</u>
Carrying amount			
At 31 March 2022	<u>844,032</u>	<u>1,875,000</u>	<u>2,719,032</u>
At 31 March 2021 (As restated)	<u>798,839</u>	<u>2,280,000</u>	<u>3,078,839</u>

All investments shown above are held at valuation.

Investment properties

Investment properties were valued at 31 March 2022 at open market value by Vickery Holman, Property Consultants.

Financial assets held at fair value

The Charity holds a portfolio of investments. These are held at fair value, being their market value.

19. Debtors

	2022 £	2021 £
Trade debtors	32,056	85,736
Prepayments and accrued income	10,882	403
Other debtors	200,000	–
	<u>242,938</u>	<u>86,139</u>

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	82,246	58,664
Social security and other taxes	5,819	8,667
Other creditors	268,515	21,419
	<u>356,580</u>	<u>88,750</u>

21. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	<u>285,000</u>	<u>287,000</u>

22. Deferred income

	2022 £	2021 £
At 1 April 2021	338,118	348,972
Amount released to income	(51,118)	(111,835)
Amount deferred in year	<u>56,310</u>	<u>100,981</u>
At 31 March 2022	<u>343,310</u>	<u>338,118</u>

Under the arrangements with Exeter City Council (ECC) and Devon County Council (DCC), DCC has paid the charity £305,000 in accordance with the terms of the relevant underlease.

The £305,000 is being released to the charity's Income and Expenditure Account over the period of the lease, which is 150 years commencing in the year ending 31 March 2014. £2,000 has been recognised in the year ending 31 March 2022 (2021: £2,000).

The lease premium payable to ECC of £75,001 has been capitalised as long leasehold property and will be amortised over the lease period of 150 years commencing in the year ending 31 March 2015. £500 amortisation charge has been recognised in the year ending 31 March 2022 (2021: £500).

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

23. Analysis of charitable funds

	At 1 April 2021 £ As restated	Income £	Expenditure £	Gains and losses £	At 31 March 2022 £
Unrestricted Funds					
General funds	2,333,407	608,241	(525,118)	(320,882)	2,095,648
Designated Funds					
Community Fund	90,000	—	—	—	90,000
Property Sinking Fund	650,000	—	—	(50,000)	600,000
Exe Water Sports	400,000	—	—	—	400,000
One Off Project	300,000	—	—	—	300,000
Working General Fund	475,735	—	—	—	475,735
Restricted Funds					
Repairs Fund	—	31,000	(31,000)	—	—
	<u>4,249,142</u>	<u>639,241</u>	<u>(556,118)</u>	<u>(370,882)</u>	<u>3,961,383</u>

	At 1 April 2020 £ As restated	Income £	Expenditure £	Gains and losses £	At 31 March 2021 £ As restated
Unrestricted Funds					
General funds	2,267,028	313,520	(357,482)	110,341	2,333,407
Designated Funds					
Community Fund	90,000	—	—	—	90,000
Property Sinking Fund	600,000	—	—	50,000	650,000
Exe Water Sports	400,000	—	—	—	400,000
One Off Project	300,000	—	—	—	300,000
Working General Fund	475,735	—	—	—	475,735
	<u>4,132,763</u>	<u>313,520</u>	<u>(357,482)</u>	<u>160,341</u>	<u>4,249,142</u>

Fund descriptions

Community Fund

For providing £30k a year

Property Sinking Fund

An over-arching contingency fund.

Exe Water Sports

Money pledged for Exe Water Sports project.

One Off Project

The likelihood that resources are sufficient for no more than one major project.

Working General Fund

The Working General Fund is to provide a contingency fund to cover day to day expenses.

Repairs Fund

The Repairs Fund is made up of money donated to the charity for specific repairs to be carried out on a property.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

24. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	2022 £
Tangible fixed assets (Heritage assets)	531,707	531,707
Investments	2,719,032	2,719,032
Current assets	1,352,224	1,352,224
Creditors less than 1 year	(356,580)	(356,580)
Creditors greater than 1 year	(285,000)	(285,000)
Net assets	3,961,383	3,961,383

	Unrestricted Funds	Total Funds
	£	2021 £
As restated	As restated	
Tangible fixed assets (Heritage assets)	427,319	427,319
Investments	3,078,839	3,078,839
Current assets	1,118,734	1,118,734
Creditors less than 1 year	(88,750)	(88,750)
Creditors greater than 1 year	(287,000)	(287,000)
Net assets	4,249,142	4,249,142

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure		
Financial assets measured at fair value through income and expenditure	844,032	798,839

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

26. Operating lease commitments

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	35,423	62,423
Later than 1 year and not later than 5 years	141,693	249,693
Later than 5 years	673,042	1,248,466
	<u>850,158</u>	<u>1,560,582</u>

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	226,767	197,502
Later than 1 year and not later than 5 years	780,855	717,421
Later than 5 years	5,559,386	5,173,359
	<u>6,567,008</u>	<u>6,088,282</u>

27. Related parties

The charity is an associate of Exeter City Council (ECC). In the year ended 31 March 2022 ECC charged the charity £19,728 (2021: £19,728) in respect of management services, £35,423 (2021: £26,567) for rent and £14,083 (2021: £8,311) for other services. Exeter Canal and Quay Trust charged Exeter City Council £6,723 (2020: £11,254) for rent and insurance recharges.

28. Prior period adjustment

A prior year adjustment has been included to remove Customs House from investment properties as it had been included at its fair value of £70,000 in both investment properties and heritage assets.

Exeter Canal and Quay Trust Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

29. Reconciliation of net movement in funds to net cash inflow from operating activities

	2022 £	2021 £
Statement of Financial Activities: Net movement in funds	(287,759)	116,379
Depreciation	6,951	6,461
Dividends and interest	(24,687)	(17,604)
Rent received	(267,438)	(295,916)
(Gains)/losses on investments	4,807	(163,589)
Increase in debtors	(156,799)	(32,227)
Increase/(decrease) in creditors	265,830	(3,800)
	<u>(459,095)</u>	<u>(390,296)</u>

30. Analysis of changes in cash and cash equivalents

Current year	2022 £	2021 £	Change £
Cash at bank and in hand	<u>1,109,286</u>	<u>1,032,595</u>	<u>76,691</u>
Prior year	2021 £	2020 £	Change £
Cash at bank and in hand	<u>1,032,595</u>	<u>1,109,371</u>	<u>(76,776)</u>

31. Analysis of changes in net debt

Current year	At 1 April 2021 £	Cash flow movements £	At 31 March 2022 £
Cash at bank and in hand	<u>1,032,595</u>	<u>76,691</u>	<u>1,109,286</u>
Prior year	At 1 April 2020 £	Cash flow movements £	At 31 March 2021 £
Cash at bank and in hand	<u>1,109,371</u>	<u>(76,776)</u>	<u>1,032,595</u>