

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 2019

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Nigel Jefferies Anthony Sellwood (Appointed 19 March 2019) K V Welch Eamonn McGurk Philip Marshall (Appointed 18 October 2018) Ralph Barber (Appointed 18 October 2018) John Kilpatrick (Appointed 18 October 2018) Edward Helps (Appointed 19 March 2019) Deborah Barber (Appointed 19 March 2019)
Secretary	Dr C Buffery
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 2019

The Trustees present their report and financial statements for the year ended 28 February 2019. 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 regional based groups and committees responsible for finance, sales and the Wharf House. 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 have to stand for formal election at the next AGM. When new Trustees are appointed they are given an introduction 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 (From October 2018)
Roger Holmes
Nigel Jefferies
Caroline Jones (Until October 2018)
Margaret Jones (Until February 2019)
John Kilpatrick (From October 2018)
Phillip Marshall (From October 2018)
Eamonn McGurk
David Penny (Until December 2018)
Tony Sellwood (until August 2018)
Keith Vaughan Welch

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

FOR THE YEAR ENDED 28 FEBRUARY 2019

Chairman's Report:

Following reformation of the Trust's articles in 2017 the Trustees have continued to review the Trust activities by separating out the trading side from the core activity of restoring the canal. Thus, complemented by the decision by Cal Buffery to further her career by moving on, the former Legal & Project Development function has now reverted back to the Trust at the end of the financial year and thus the 2018/19 accounts will be the last where these activities will be shown in accounts of the Wharf House Company.

One part of this review was the identification of trading losses at Malswick House and thus the decision was made to close the business for the time being whilst a properly costed business plan is developed that will enable it to be reopened as some form of profitable retail trading business in due course. A similar review of the Wharf House business has resulted in the business being leased out on a commercial basis to an independent third party for a definite number of years thereby bringing in a known annual income to the Trust.

Meanwhile Trust continues to work on land acquisition and canal restoration. Work that was started at Malswick has virtually reached the end of the first phase which will enable the land for the canal for that section to be transferred to the Trust and that should, subject to planning permission, see the digging out and reconstructing the canal either on or adjacent to its former route. Elsewhere restoration and maintenance work continues at all our other key sites and indeed this should increase because opportunities have arisen in recent months where we probably be able to return to former sites where the landowners had previously asked us to withdraw.

Objectives and activities:

The trust espouses the following core values: -

Restoring enhancing and protect the canal for all

Integrating the canal corridor as a sustainable resource into the life of the communities along its route

Endeavouring the work in partnership with all other interested parties.

Voluntary help and gifts in kind

The volunteers form a critical part of the trust, not just restoring the canal but also maintaining those sections that have been restored and its wider promotion through both local and national events. All these aspects have continued through the year in question and are set to expand considerably.

Risks to the Charity

The Land & Environment Team have absorbed much of the work previous done by the former Legal & Planning Development team and continues to negotiate new and to rejuvenate former sites with developers and landowners at various sites along the line of the canal including Hereford, Ledbury and elsewhere. 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 and the Trustees expect to provide a level of central support to new sites as and when they arise.

Reserves Policy

The charity aims to hold projected funds that at least cover the normal operating costs of the Charity for 12 months.

Internal and external factors

The overall performance of The Wharf House Company Ltd has not improved from 2019 with a further net trading loss generated again this year. This has necessitated total review of the business leading to the decision to lease the Wharf House business to a third party for a guaranteed income, thus placing the risks on the other party and at the same time generating a significant income for the Trust.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

FOR THE YEAR ENDED 28 FEBRUARY 2019

Charitable activities and achievements:

Aylestone Park: The Hereford Roving Team has dug the french for the new railings.

Burcott Road: Routine site maintenance work has been done by The Hereford Roving Team

Kymin: the volunteers continue to keep the vegetation under control

Yarkhill: Regular maintenance, including the removal of some fallen trees, and vegetation clearance continues on this stretch of canal.

Oxenhall / Newent: With the final engineering solution of the road crossing still to be agreed those volunteers who have not moved down the road to help finish stage one of the Malswick project have concentrated on routine site maintenance works

Malswick: On site foundation works and off- site steelwork fabrication began in earnest in June 2018, with on site assembly and reinforced concrete deck being completed in the Autumn before the weather closed in .This left the project in a satisfactory position for completion by the end of June 2019 as contracted.

Moat: routine winter maintenance has continued

Over: Basic site maintenance has taken place of the winter months

Heritage Boats: It is now more than six years since the boats were taken out of the water and discussions are presently taking place about their maintenance and use on the Over stretch of the canal.

Llanthony: Routine maintenance is carried out here by a contractor.

Membership: We gained 39 new members during the year this is down on last year. Sadly though, it is inevitable that we lose a few each year too, so the overall figure has decreased slightly to 1316. We thank members for their generosity and those who donated to the Land Fund, and Mill Barn Appeal.

The Wharfinger: Its high standard has been maintained thanks to many volunteer hours given by writers, photographers, editors, proof readers, layout and delivery. The Wharfinger has been hand-delivered in many villages and areas of Hereford and Gloucester – a saving on postage and adding to volunteers' hours.

Website: This is constantly running behind the scenes. Queries are passed to the relevant Trust member for a response. The webmaster and web team are spending a great deal of time in the planning of a new website which will be installed in the future.

Sales: We flew the flag at Braunston Historic Boat Rally and at Droitwich St Richards Festival plus number of local events including Newent Onion Fair, Ledbury Community Day, Tibberton Fete and Ledbury Winter Bazaar: Planning, refreshments and running the event gave a lovely seasonal boost to the end of the year.

Social Evenings: These continue to attract an average of 30 attending and paid speakers are balanced with members to cover many topics.

Financial review, Achievements and Performance

The Trust's financial position strengthened during the year, sowing a useful surplus of £54k. This is on the back of a continued rental stream and donations and legacies. Some £30k of this surplus was spent on bridge and other works at the Malswick site that will soon enable land for the canal to be transferred to the Trust.

As noted above the financial situation of the Trust's subsidiary, The Wharf House Co Ltd, continued to deteriorate and the Board agreed on action to ensure that the losses ceased with other actions to enable that company to support the Trust in the future.

The year saw consolidation of all sites with the objective of closing off outstanding works in preparation for resources being required for new sites

K V Welch

Trustee

Dated: 13 June 2019

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 2019, which are set out on pages 5 to 19.

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: 13 June 2019

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income from:					
Donations and legacies	3	14,411	26,594	41,005	66,386
Other trading activities	4	57,404	-	57,404	62,138
Investments	5	4,596	-	4,596	4,036
Total income		76,411	26,594	103,005	132,560
Expenditure on:					
Raising funds	6	15,919	-	15,919	10,179
Charitable activities	7	32,406	-	32,406	54,483
Total resources expended		48,325	-	48,325	64,662
Net gains/(losses) on investments	11	-	-	-	(200,000)
Net incoming/(outgoing) resources before transfers		28,086	26,594	54,680	(132,102)
Gross transfers between funds		28,330	(28,330)	-	-
Net movement in funds		56,416	(1,736)	54,680	(132,102)
Fund balances at 1 March 2018		613,132	31,106	644,238	776,340
Fund balances at 28 February 2019		669,548	29,370	698,918	644,238

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 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		500,142		473,571
Current assets					
Stocks	14	609		677	
Debtors	15	343,359		343,902	
Cash at bank and in hand		88,203		67,940	
			<u>432,171</u>		<u>412,519</u>
Creditors: amounts falling due within one year	17		<u>(17,526)</u>		<u>(16,750)</u>
Net current assets			414,645		395,769
Total assets less current liabilities			<u>914,787</u>		<u>869,340</u>
Creditors: amounts falling due after more than one year	18		(215,869)		(225,102)
Net assets			<u>698,918</u>		<u>644,238</u>
Income funds					
Restricted funds	19		29,370		31,106
Unrestricted funds			669,548		613,132
			<u>698,918</u>		<u>644,238</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 28 FEBRUARY 2019

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 2019.

The Trustees 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.

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

The accounts were approved by the Trustees on 13 June 2019

Philip Marshall
Trustee

Company Registration No. 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		59,277		109,948
Investing activities					
Purchase of tangible fixed assets		(29,377)		(30,312)	
Proceeds on disposal of investments		-		(100,000)	
Interest received		4,596		4,036	
Net cash used in investing activities			(24,781)		(126,276)
Financing activities					
Repayment of bank loans		(14,233)		(14,388)	
Net cash used in financing activities			(14,233)		(14,388)
Net increase/(decrease) in cash and cash equivalents			20,263		(30,716)
Cash and cash equivalents at beginning of year			67,940		98,656
Cash and cash equivalents at end of year			88,203		67,940

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

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 unless the funds have been designated for other purposes.

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

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 2019

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 2019

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 2019	Total 2018
	£	£	£	£
Membership Subscriptions	8,259	-	8,259	10,220
Donations - Cash at Events	1,095	-	1,095	-
Donations - General	3,988	-	3,988	14,363
Tax on Gift Aid Reclaimed	-	-	-	7,493
Oxenhall Covenants	-	672	672	708
Dymock Covenants	-	-	-	1,940
Hereford Covenants	1,069	-	1,069	2,264
Donations - Land Fund	-	2,702	2,702	2,408
Donations - Mill Barn	-	-	-	26,990
Legacies	-	23,220	23,220	-
	<hr/>	<hr/>	<hr/>	<hr/>
For the year ended 28 February 2019	14,411	26,594	41,005	66,386
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
For the year ended 28 February 2018	36,280	30,106		66,386
	<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

4 Other trading activities

	2019	2018
	£	£
Social events & donations	1,146	5,162
Over Fishing	125	-
Rental income (Llanthony)	23,380	22,065
Rental income (Dymock)	10,500	10,813
Rental income (Hereford)	10,088	9,500
Rental income (Newent site)	4,535	2,088
Over festival	-	5,617
Advertisement signs	114	1,648
Advertising - Wharfinger	4,700	2,296
Sales	1,122	2,950
Draws	1,694	-
	<u>57,404</u>	<u>62,138</u>
Total for the year ended 28 February 2019	<u>57,404</u>	<u>62,138</u>
		<u>62,138</u>
For the year ended 28 February 2018		<u>62,138</u>

5 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	<u>4,596</u>	<u>4,036</u>

6 Raising funds

	2019	2018
	£	£
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	5,857	4,214
Staging fundraising events	6,592	2,523
Support costs	3,470	3,442
	<u>15,919</u>	<u>10,179</u>
Fundraising and publicity	<u>15,919</u>	<u>10,179</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

7 Charitable activities

	2019 £	2018 £
Unrestricted site costs	3,493	14,515
Health, Safety & Welfare	4,067	1,229
Legal Fees	-	14,915
RBS Loan Interest	6,741	6,862
	<u>14,301</u>	<u>37,521</u>
Share of support costs (see note 8)	13,878	13,766
Share of governance costs (see note 8)	4,227	3,196
	<u>32,406</u>	<u>54,483</u>
Analysis by fund		
Unrestricted funds	<u>32,406</u>	<u>54,483</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

8 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Depreciation	2,806	-	2,806	7,986	20/80% Fund/CA
Insurance	9,253	-	9,253	8,792	20/80% Fund/CA
Administration	2,611	-	2,611	430	20/80% Fund/CA
Rent	102	-	102	-	20/80% Fund/CA
Repairs & Maintenance	926	-	926	-	20/80% Fund/CA
Computer Costs	1,650	-	1,650	-	20/80% Fund/CA
Audit fees	-	2,540	2,540	1,480	Governance
Companies House Fee	-	13	13	13	Usage
Trustees Indemnity Insurance	-	1,674	1,674	1,703	Usage
	<u>17,348</u>	<u>4,227</u>	<u>21,575</u>	<u>20,404</u>	
Analysed between					
Fundraising	3,470	-	3,470	3,442	
Charitable activities	13,878	4,227	18,105	16,962	
	<u>17,348</u>	<u>4,227</u>	<u>21,575</u>	<u>20,404</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

There were no employees during the year.

11 Net gains/(losses) on investments

	2019	2018
	£	£
Impairment of investment	-	(100,000)
Provision against inter-company balance	-	(100,000)
	<u>-</u>	<u>(200,000)</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 March 2018	462,359	47,834	7,456	7,680	525,329
Additions	29,377	-	-	-	29,377
At 28 February 2019	491,736	47,834	7,456	7,680	554,706
Depreciation and impairment					
At 1 March 2018	-	43,156	7,002	1,600	51,758
Depreciation charged in the year	-	1,166	104	1,536	2,806
At 28 February 2019	-	44,322	7,106	3,136	54,564
Carrying amount					
At 28 February 2019	491,736	3,512	350	4,544	500,142
At 28 February 2018	462,359	4,678	454	6,080	473,571

13 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	343,359	336,930
Carrying amount of financial liabilities		
Measured at amortised cost	233,395	241,852

14 Stocks

	2019 £	2018 £
Raw materials and consumables	609	677

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

15 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	-	6,972
	<u> </u>	<u> </u>
	2019	2018
	£	£
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	343,359	336,930
	<u> </u>	<u> </u>
Total debtors	<u>343,359</u>	<u>343,902</u>

16 Loans and overdrafts	2019	2018
	£	£
Bank loans	180,257	194,490
	<u> </u>	<u> </u>
Payable within one year	14,388	14,388
Payable after one year	165,869	180,102
	<u> </u>	<u> </u>

The long-term 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		2019	2018
	Notes	£	£
Bank loans	16	14,388	14,388
Accruals and deferred income		3,138	2,362
		<u> </u>	<u> </u>
		<u>17,526</u>	<u>16,750</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

18 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	16	165,869	180,102
Other creditors		50,000	45,000
		<u>215,869</u>	<u>225,102</u>

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:

	Movement in funds			Balance at 28 February 2019 £
	Balance at 1 March 2018 £	Incoming resources £	Resources expended £	
Mr Simpson	1,000	-	-	1,000
Land Fund	2,408	25,922	(28,330)	-
Mill Barn	26,990	-	-	26,990
Oxenhall/Newent project	708	672	-	1,380
	<u>31,106</u>	<u>26,594</u>	<u>(28,330)</u>	<u>29,370</u>

20 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 28 February 2019 are represented by:			
Tangible assets	500,142	-	500,142
Current assets/(liabilities)	385,275	29,370	414,645
Non current liabilities	(215,869)	-	(215,869)
	<u>669,548</u>	<u>29,370</u>	<u>698,918</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

21 Related party transactions

As at 28 February 2019 the charity is owed £343,359 (2018 - £336,930) from The Wharf House Company Limited as an intercompany loan.

H&G CT Ltd owns The Wharf House (TWH) Co Ltd which takes responsibility for: repaying loans for purchase of Malswick House (MH); H&G CT work between Over and Barber's Bridge (Leadon Valley project) and adjacent to MH; funding of H&G CT's Legal & Project Development Team (L&PDT). Inter-company transactions in 2018-19 include: £1,000 paid from the TWH to H&G CT. £5,429 was paid to B Forster for the repayment of a loan by H & G on behalf of TWHL.

22 Subsidiaries

These financial statements are separate H&G CT financial statements at 28 February 2017.

Details of the H&G CT's subsidiaries at 28 February 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Wharf House Co Ltd		Restaurant	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	(57,811)	(295,806)

23 Cash generated from operations

	2019 £	2018 £
Surplus/(deficit) for the year	54,680	(132,102)
Adjustments for:		
Investment income recognised in statement of financial activities	(4,596)	(4,036)
(Gain)/loss on disposal of investments	-	100,000
Fair value gains and losses on investments	-	100,000
Depreciation and impairment of tangible fixed assets	2,806	7,986
Movements in working capital:		
Decrease in stocks	68	488
Decrease in debtors	543	36,650
Increase in creditors	5,776	962
Cash generated from operations	59,277	109,948