

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 David Goff Antony Higgins	(Appointed 20 April 2022) (Appointed 22 June 2022) (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 £
Income from:							
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>
Expenditure on:							
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			<u>702,276</u>		<u>762,967</u>
Total assets less current liabilities			<u>1,038,118</u>		<u>1,028,091</u>
Creditors: amounts falling due after more than one year	17		<u>(115,397)</u>		<u>(133,595)</u>
Net assets			<u><u>922,721</u></u>		<u><u>894,496</u></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	28,386	272	28,658	29,836	23	29,859
	<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	12,701	12,796
	<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>
	<u><u>98,807</u></u>	<u><u>76,231</u></u>
Analysis by fund		
Unrestricted funds	90,560	67,343
Restricted funds	8,247	8,888
	<u>98,807</u>	<u>76,231</u>
	<u><u>98,807</u></u>	<u><u>76,231</u></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	<u>-</u>	<u>-</u>

11 Net gains/(losses) on investments

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

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	247	405
	<u>247</u>	<u>405</u>

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	23,500	30,000
	<u>23,500</u>	<u>30,000</u>
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	621,970	631,905
	<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
		<u>52,870</u>	<u>21,447</u>

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		<u>56,866</u>	<u>(136,945)</u>
23	Analysis of changes in net (debt)/funds			
		At 1 January	Cash flows	At 31 December
		2022		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)
		<u>(25,959)</u>	<u>3,367</u>	<u>(22,592)</u>