

Charity registration number 1010721

Company registration number 02704407 (England and Wales)

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST  
LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	K V Welch Eamonn McGurk Philip Marshall Ralph Barber Edward Helps Deborah Barber Richard Appleton Robert Moreland Robert Hargreaves David Goff Antony Higgins
<b>Secretary</b>	P Marshall
<b>Charity number</b>	1010721
<b>Company number</b>	02704407
<b>Registered office</b>	Beaumont House 172 Southgate Street Gloucester Glos GL1 2EZ
<b>Independent examiner</b>	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ

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# 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 2023

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

### **Governing document**

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

### **Organisational structure**

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

### **Risk management**

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

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

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

Richard Appleton  
Ralph Barber  
Deborah Barber  
Dave Goff  
Bob Hargreaves  
Edward Helps  
Tony Higgins  
Phillip Marshall  
Eamonn McGurk  
Robert Moreland  
Keith Vaughan Welch

Objectives and activities:

The trust espouses the following core values: -

Restoring, enhancing, and protecting the canal for all

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

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### Interested Parties

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

### Voluntary help and gifts in kind

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

### Risks to the Charity

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

### Reserves Policy

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

### Charitable activities and achievements

#### Chairman's Report:

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

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

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

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

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

Kymin: Ongoing site maintenance continued.

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

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

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

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

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

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

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

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

Heritage Boats: The boats continue to be worked on.

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

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

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

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

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

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

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

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

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# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

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

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

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

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

### Financial review, Achievements and Performance

We can report another good year financially. The income for the Trust and its subsidiary (The Wharf House Co Ltd) (excluding Restricted income) was £180k (2022 £162k) and rental income was £110k (2022 £104k). Costs were kept under control, with £82k spent including £62k on sites (2022 £70k). In consequence the companies recorded a useful surplus together totalling about £75k (2022 £30k). It was especially pleasing to receive a large, £35k, legacy which was much appreciated.

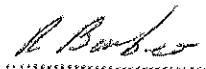
The Wharf House Co Ltd continued to trade profitably enabling it to pass over £60k to the Trust during the year to further the restoration projects. The Balance Sheets of both companies continued to strengthen and bank debt in the Trust continues to be repaid, with the long term bank loan being repaid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

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

### Disclosure of information to auditor

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

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



Ralph Barber  
Trustee

Date: 10/11/2024

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

#### **Respective responsibilities of Trustees and examiner**

The H&G CT's Trustees, who are also the directors of The Herefordshire and Gloucestershire Canal Trust Limited for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

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

#### **Basis of independent examiner's report**

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

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

#### **Independent examiner's statement**

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Griffiths Marshall  
Beaumont House  
172 Southgate Street  
Gloucester  
GL1 2EZ

Dated: 24 April 2024



# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		332,882		335,842
<b>Current assets</b>					
Stocks	14	5,214		247	
Debtors	15	567,081		645,470	
Cash at bank and in hand		210,462		109,429	
			782,757		755,146
<b>Creditors: amounts falling due within one year</b>	17	(42,193)		(52,870)	
Net current assets			740,564		702,276
<b>Total assets less current liabilities</b>			1,073,446		1,038,118
<b>Creditors: amounts falling due after more than one year</b>	18		(101,835)		(115,397)
<b>Net assets</b>			971,611		922,721
<b>Income funds</b>					
Restricted funds	19		81,945		65,761
Unrestricted funds			889,666		856,960
			971,611		922,721

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST  
LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2023**

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

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

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

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

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



Philip Marshall  
Trustee

Company registration number 02704407

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST  
LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

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### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the H&G CT's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The H&G CT is a Public Benefit Entity as defined by FRS 102.

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

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

#### 1.2 Going concern

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

#### 1.3 Charitable funds

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

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

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

#### 1.4 Incoming resources

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

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

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

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### 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 2023

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

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

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

#### 1.9 Cash and cash equivalents

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

#### 1.10 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

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



# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 4 Other trading activities

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

### 5 Investments

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

### 6 Raising funds

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 7 Charitable activities

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

### 8 Support costs

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

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### 9 Trustees

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

### 10 Employees

	2023 Number	2022 Number
Total	-	-

### 11 Net gains/(losses) on investments

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

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

### 12 Taxation

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 13 Tangible fixed assets

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

### 14 Stocks

	2023 £	2022 £
Raw materials and consumables	<u>5,214</u>	<u>247</u>

### 15 Debtors

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 16 Loans and overdrafts

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

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

### 17 Creditors: amounts falling due within one year

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

### 18 Creditors: amounts falling due after more than one year

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 Restricted funds

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

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

### 20 Analysis of net assets between funds

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### 21 Related party transactions

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

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

### 22 Subsidiaries

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

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

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

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

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

### 23 Cash generated from operations

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

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST  
LIMITED**

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

**24 Analysis of changes in net funds/(debt)**

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