

Charity registration number 1010721 (England and Wales)

Company registration number 02704407

**THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST  
LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Philip Marshall Ralph Barber Edward Helps Deborah Barber Robert Moreland Robert Hargreaves Anthony Higgins Roger Morgan Joe Davey	(Appointed 25 June 2025)
<b>Secretary</b>	P Marshall	
<b>Charity number</b>	1010721	
<b>Company number</b>	02704407	
<b>Registered office</b>	4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	
<b>Independent examiner</b>	Griffiths Marshall 4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	

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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 2025**

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The Trustees present their report and financial statements for the year ended 31 December 2025 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.

### **Administrative details of the charity.**

Registered address: Registered Office: – 4th Floor, Llanthony Warehouse, The Docks, Gloucester GL1 2EH.

Website: <https://h-g-canal.org.uk/>

Primary contact (for Charity Commission): [companysecretary@h-g-canal.org.uk](mailto:companysecretary@h-g-canal.org.uk)

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

Richard Appleton (resigned 25 June 2025)

Ralph Barber

Deborah Barber

Bob Hargreaves

Edward Helps

Tony Higgins

Phillip Marshall

Robert Moreland

Roger Morgan

Joe Davey (appointed 25 June 2025)

Reginald Gregory (appointed on 22 September 2025 and resigned 22 October 2025)

### **Structure, governance and management:**

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 appoints trustees to run The Wharf House Co. Ltd. The Articles of Association allow for up to twelve trustees to be in place but allows for the co-option of two more to cover special projects.

One third of the trustees stand down annually by rotation but can apply for re-election. Potential new trustees can be elected at the AGM or are co-opted during the year, but they must stand for formal election at the next AGM.

When new Trustees join, they are provided with the information they need to fulfil their roles, which includes information about trustees and charity law.

Trustee recruitment and appointments were reviewed by the board this year, and an updated process was put in place to improve the success rate of gaining new trustees.

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

**FOR THE YEAR ENDED 31 DECEMBER 2025**

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### **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 of a sustainable canal between Hereford and Gloucester.

A number of supporting policies and procedures are in place to ensure alignment to charity commission and company law. These address delegation, reserves, financial resilience, paying trustees (which has not occurred in this financial year) and conflicts of interest.

### **Objectives and activities (including public benefit statement):**

The objective of the Herefordshire and Gloucester Canal Trust is to rebuild a sustainable canal between Hereford and Gloucester. In creating a corridor from Hereford to Gloucester that has great public benefit since people will be able to walk along the tow path for a safer journey, should it be for pleasure or travelling to work enjoying the nature corridor. Restoring the canal also brings access to water along the route for community groups as already in place at our Over basin which supports a Sailing4Disabled group, a fishing and a Model Boating club.

In the work to restore the canal we bring people together, bring history alive and create an environment for the future. We are producing a waterway that all can use and enjoy. We have volunteer programs running weekly to ensure all are involved. Some other public benefits :- we have boat trips; for those who wish to paddle in boats / canoes they have access to safe water without a current; those who need help can get onto the water with our connection to Sailing4Disabled; and should they wish to watch from the canal side they are able to join the model boat club to be involved in events on the water.

We encourage all to be involved. This enables all to enjoy the water and we supply suitable safeguarding training for our boat crews and volunteers who encounter the public.

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### FOR THE YEAR ENDED 31 DECEMBER 2025

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#### **Achievements and performance :**

We have increased our volunteer base by close to 20% and increased the focus of their work so that we can deliver value at each of the weekly sessions. With the work happening on sites around Newent, we are making major improvements to the environment - new Canal, new walking opportunities, and further involvement for all.

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

With a new trustee joining the board last year we continued the work on the strategy. The Board signed off on a high-level strategy of 'joining the dots' -dots - looking at the sites, connecting them and further restoration on the sites that we have control over. We engaged with membership and had working sessions on the plans and this was formally signed off at the AGM.

Work continues in many areas. The housing development at Holmer has restarted after the site owner appointed a new construction company, and we will be following up with them to ensure the line of the canal as agreed in the initial planning application is to still be transferred to us via the S106 agreement. We continue to develop plans around Aylestone Park and have now a new weekly working party working at clearing the line of the canal with discussions occurring with the landowner to further enhance the canal at the park.

Discussions are ongoing with the Council linking in with their city plans for the development of a Green Corridor along the canal line out to Aylestone Park and ensuring the route continues to be protected in the Herefordshire Local Plan that is currently under review.

Kymin: A site visit was done to remove some trees that caused concern. .

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 find that several landowners are happy to let us work sites but are not currently allowing the general public on to the site. .

Ledbury: As mentioned in the last annual report the planning decision for the development of 625 houses and several factory units was given the go ahead to the north of the viaduct. Support for the H&G Canal Trust in land and money was also awarded. However, discussions are still under way with the developer and Herefordshire Council to agree a way forward. We have made some progress, but it is proving to be terribly slow. An S106 change was applied for and approved to change the route so that we could join the River Leadon and continue along the bypass to the Ross Road before re-joining the old canal route. Engagement with the Town Council and Herefordshire Council has supplied support for this approach.

Dymock: The water level has been maintained to a suitable level and is continuing to be monitored and supports a wide range of wildlife.

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

Newent: Activity is happening on site and in the background. We are working on the process of applying for planning permission along this length of the canal corridor, with many documents to be created prior to planning application submission. The team have started to clear the platforms that will be a major part of the plans and the resulting inclined plane that will run through the old railway station.

Malswick: Work has continued with a new canal corridor coming online and filled with water. We have submitted a planning application for the next length of canal to be restored that will create a longer length of canal in water. Also creating further winding holes to support further boat trips and other water activities. The site has also benefited from further donations for trees, and the local Brownies group have visited to support the restoration.

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.

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

### FOR THE YEAR ENDED 31 DECEMBER 2025

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Over: The land slippage at Vineyard Hill - the area is pegged out and continues to be monitored. Last check showed the slip was occurring, but not into the canal. There is a plan to improve the ability to get boats along the section of canal at the bottom of the hill. The volunteer team works with other users on the site to highlight that canals are for all.

Heritage Boats: Alder was lifted out of the water last year. The hull, for a boat almost one hundred years old, was in an exceptionally good state. The team at Over cleaned it and applied several coats of blacking. The aim was to then work in the cabin. Unfortunately, Renton had an issue taking on water and sinking. The team quickly responded to the issue, and lifted Renton out at the start of the year and Alder was put back in. Work is planned to check the hull once Alder is completed.

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

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

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

One of the keys to a solid restoration is the involvement of others - councils, locals, all types of groups. Work has occurred to ensure the canal corridor is protected and supported by all. The H&G Canal Trust uses of social media to highlight the work that is occurring with extra signage deployed around our signs for the public.

Membership: A change in membership secretary has involved focus on the numbers. A lot of work has been completed with extra communication with the membership to ensure membership fees are at the correct level. This has also helped with the ability to now do Direct Debit as an option to pay. During this exercise we found several people have moved on and our number has still increased to 1196. In the same period, we have seen several new members join. We believe we will continue to see an increase as we go out to promotional events next year. We thank members for their generosity with all their support and donations.

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

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

Walks Leaflets: these have been selling well. Further leaflets are planned around the newer restored sites. .

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

Sales & Promotion: A very full calendar of promotional events, with visits to the Ledbury Community Day, Herefordshire Histories Week was attended as well as heritage events at Newent and Ledbury, Braunston Historic Boat event and a new event at Newent all proved busy days. The Winter Fayre at Newent was a successful promotion and fundraising event seeing so many volunteers being involved. .

Grand Holiday Draw did well raising £1800 in ticket sales and donations and our gratitude goes to those who donate all the prizes.

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

**FOR THE YEAR ENDED 31 DECEMBER 2025**

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### **Financial review, Achievements and Performance**

This was another good year financially. The income for the Trust and its subsidiary (The Wharf House Co Ltd) (including Restricted income) was £206k (2024 £243k) and rental income was £107k (2024 £103k). During 2025 a legacy of £25k was received while in 2024 a grant of £50k was received. Costs were kept under control, with £122k spent including £76k on sites (2024 £62k). In consequence the companies recorded a useful surplus together totalling about £73k (2024 £130K). The relative reduction in surplus was caused by reduced exceptional income (legacies and grants) and increased spending on sites.

The Wharf House Co Ltd traded profitably enabling it to pass over £35k 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 £17k during the year and at the year-end stood at £84k.

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

Reserves policy is as defined in our finance policy at retaining funds for six months' operation

The financial outcome is looking challenging with all the bigger projects we are working towards. We are reviewing our fundraising approach as mentioned below

### **Fundraising statement:**

We applied for some fundraising this year. This was done with internal resources. Success was mixed. We gained funding for our IT environment and continue to deploy this.

We did not gain funding for some equipment we wanted to purchase and are looking at how we approach our funding requirements going forward. We are aligned with the Fundraising Regulator Code, have received no complaints and currently do not use third-party fundraisers.

The Trust owns properties that are managed by The Wharf House Co Ltd and the income from this together with other income gained from renting land within the Trust and other sources of income have enabled it to pay for developments to date without major external funding.

### **Safeguarding and serious incident reporting and protection of the charity from extremists:**

We have an agreed Safeguarding policy in place with on-going training. No Serious incident has occurred, and we review any issues at each board meeting.

Following guidance from the charity commission we ensure that we only have speakers from other Canal restoration organisations to ensure the subjects they cover are aligned with the objectives of the H&G Canal Trust.

### **Plans for future periods:**

Strategic priorities for next year are in place supported by budgeted business plans which all have defined leaders responsible for ensuring delivery.

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2025*

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### **Statement of trustees' responsibilities:**

Trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and UK accounting standards, including the Charities SORP (FRS 102) where accruals accounts are prepared. They must ensure the report is fair, balanced and understandable and complies with the Charities Act 2011 and the charges that have started to come in with the 2022 Act.

Approved by the Board of Trustees on: 20/04/2026

Signed on behalf of the Board of Trustees:

Name (chair): R BARBER Signature : \_\_\_\_\_

# 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 2025, which are set out on pages 8 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  
4th Floor  
Llanthony Warehouse  
The Docks  
Gloucester  
Gloucestershire  
GL1 2EH

Dated: 22 April 2026

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>Income from:</b>							
Donations and legacies	3	48,240	26,933	75,173	84,492	36,510	121,002
Other trading activities	4	67,987	-	67,987	67,074	-	67,074
Investments	5	4,388	3,031	7,419	4,011	2,710	6,721
<b>Total income</b>		120,615	29,964	150,579	155,577	39,220	194,797
<b>Expenditure on:</b>							
Raising funds	6	17,847	-	17,847	14,500	-	14,500
Charitable activities	7	100,097	8,066	108,163	88,490	6,307	94,797
<b>Total expenditure</b>		117,944	8,066	126,010	102,990	6,307	109,297
<b>Net income for the year/ Net movement in funds</b>		2,671	21,898	24,569	52,587	32,913	85,500
Fund balances at 1 January 2025		942,253	114,858	1,057,111	889,666	81,945	971,611
<b>Fund balances at 31 December 2025</b>		944,924	136,756	1,081,680	942,253	114,858	1,057,111

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 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		333,214		335,090
<b>Current assets</b>					
Stocks	13	4,700		4,186	
Debtors	14	490,302		525,674	
Cash at bank and in hand		339,507		306,535	
			834,509		836,395
<b>Creditors: amounts falling due within one year</b>	15	(17,377)		(28,264)	
Net current assets			817,132		808,131
<b>Total assets less current liabilities</b>			1,150,346		1,143,221
<b>Creditors: amounts falling due after more than one year</b>	16		(68,666)		(86,110)
<b>Net assets</b>			1,081,680		1,057,111
<b>Income funds</b>					
Restricted funds	18	136,756		114,858	
Unrestricted funds		944,924		942,253	
			1,081,680		1,057,111

# **THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED**

## **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2025***

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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 2025.

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 20 April 2026

Philip Marshall  
**Trustee**

**Company registration number 02704407**

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025		2024	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		42,997		114,457
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(9,380)	
Investment income received		7,419		6,721	
<b>Net cash generated from/(used in) investing activities</b>					
			7,419		(2,659)
<b>Financing activities</b>					
Repayment of bank loans		(17,444)		(15,725)	
<b>Net cash used in financing activities</b>					
			(17,444)		(15,725)
<b>Net increase in cash and cash equivalents</b>					
			32,972		96,073
Cash and cash equivalents at beginning of year			306,535		210,462
<b>Cash and cash equivalents at end of year</b>			<b>339,507</b>		<b>306,535</b>

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2025**

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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 4th Floor, Llanthony Warehouse, The Docks, Gloucester, Gloucestershire, GL1 2EH.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

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

#### 1.3 Charitable funds

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

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

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

#### 1.4 Incoming resources

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

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

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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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 reducing balance

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

#### 1.7 Impairment of fixed assets

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

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

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

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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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 2025

#### 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 2025	Total 2024
	£	£	£	£
Membership Subscriptions	10,462	-	10,462	7,331
Donations - General	4,492	-	4,492	20,353
Tax on Gift Aid Reclaimed	8,286	-	8,286	6,808
Highleadon grants	-	-	-	50,000
Oxenhall Covenants	-	912	912	802
Dymock Covenants	-	3,660	3,660	1,320
Over Covenants	-	7,249	7,249	6,977
Over Link	-	-	-	1,180
Hereford Covenants	-	3,127	3,127	3,373
Donations - Land Fund	-	11,213	11,213	21,308
Monkhide	-	-	-	50
Yarkhill	-	772	772	1,500
Legacies	25,000	-	25,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>For the year ended 31 December 2025</b>	<b>48,240</b>	<b>26,933</b>	<b>75,173</b>	<b>121,002</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>For the year ended 31 December 2024</b>	<b>84,492</b>	<b>36,510</b>		

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 4 Other trading activities

	2025	2024
	£	£
Social events & donations	25	215
Over Fishing	120	120
Rental income (Llanthony)	22,700	24,400
Rental income (Hereford)	15,750	15,500
Rental income (Newent site)	14,400	14,400
Boat rental	251	215
Advertisement signs	1,848	1,607
Advertising - Wharfinger	1,517	2,013
Sales	-	200
Income from sites	3,025	2,580
Draws	1,547	1,272
Sale and shows	2,030	2,129
Income from talks and walks	-	1,463
Stamps	300	650
Sundry	723	310
Insurance receipts	3,750	-
	<u>67,987</u>	<u>67,074</u>

### 5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Interest receivable	4,388	3,031	7,419	4,011	2,710	6,721
	<u>4,388</u>	<u>3,031</u>	<u>7,419</u>	<u>4,011</u>	<u>2,710</u>	<u>6,721</u>

### 6 Raising funds

	2025	2024
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	11,055	9,515
Stocks for events	934	568
Support costs (note 8)	5,858	4,417
	<u>17,847</u>	<u>14,500</u>
Fundraising and publicity	17,847	14,500
	<u>17,847</u>	<u>14,500</u>

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6 Raising funds (Continued)

7 Charitable activities

	2025 £	2024 £
Site costs	77,147	61,561
Property Maintenance costs	3,292	2,576
Health, Safety & Welfare	1,149	2,214
RBS Loan Interest	6,754	8,918
	<u>88,342</u>	<u>75,269</u>
Share of support costs (see note 8)	17,573	17,668
Share of governance costs (see note 8)	2,248	1,860
	<u>108,163</u>	<u>94,797</u>
<b>Analysis by fund</b>		
Unrestricted funds	100,097	88,490
Restricted funds	8,066	6,307
	<u>108,163</u>	<u>94,797</u>

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 8 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Depreciation	1,876	-	1,876	7,172	-	7,172
Insurance	9,350	-	9,350	8,785	-	8,785
Administration	5,847	-	5,847	2,445	-	2,445
Legal & Professional	6,358	-	6,358	3,683	-	3,683
Audit fees	-	2,248	2,248	-	1,860	1,860
	<u>23,431</u>	<u>2,248</u>	<u>25,679</u>	<u>22,085</u>	<u>1,860</u>	<u>23,945</u>
Analysed between						
Fundraising	5,858	-	5,858	4,417	-	4,417
Charitable activities	17,573	2,248	19,821	17,668	1,860	19,528
	<u>23,431</u>	<u>2,248</u>	<u>25,679</u>	<u>22,085</u>	<u>1,860</u>	<u>23,945</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

	2025	2024
	Number	Number
Total	-	-

### 11 Taxation

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

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

### 12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2025	338,178	73,351	7,456	418,985
At 31 December 2025	338,178	73,351	7,456	418,985
<b>Depreciation and impairment</b>				
At 1 January 2025	10,592	65,847	7,456	83,895
Depreciation charged in the year	-	1,876	-	1,876
At 31 December 2025	10,592	67,723	7,456	85,771
<b>Carrying amount</b>				
At 31 December 2025	327,586	5,628	-	333,214
At 31 December 2024	327,586	7,504	-	335,090

### 13 Stocks

	2025	2024
	£	£
Raw materials and consumables	4,700	4,186

### 14 Debtors

	2025	2024
	£	£
<b>Amounts falling due after more than one year:</b>		
Amounts owed by subsidiary undertakings	490,302	525,674

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

	Notes	2025	2024
		£	£
Bank loans	17	15,226	15,226
Other creditors		-	10,000
Accruals and deferred income		2,151	3,038
		17,377	28,264

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Notes	2025 £	2024 £
Bank loans	17	68,666	86,110

### 17 Loans and overdrafts

	2025 £	2024 £
Bank loans	83,892	101,336
Payable within one year	15,226	15,226
Payable after one year	68,666	86,110

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

### 18 Restricted funds

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

	Balance at 1 January 2025 £	Incoming resources £	Resources expended £	Interest on funds £	Balance at 31 December 2025 £
Perpetual Endowment	10,545	-	-	130	10,675
Land Fund	34,021	11,213	-	966	46,200
Mill Barn	28,464	-	-	694	29,158
Dymock Covenants	22	3,660	(1,851)	23	1,854
Hereford Covenants	21,105	3,127	(1,484)	534	23,282
Over Covenants	11,321	7,249	(3,394)	324	15,500
Radcliffe Trust	5,273	-	-	193	5,466
Over Link	2,874	-	-	70	2,944
Oxenhall/Newent Project	125	912	(1,037)	13	13
Yarkhill	1,057	772	(300)	84	1,613
Monkhide	51	-	-	1	52
	114,858	26,933	(8,066)	3,031	136,756

# THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 19 Unrestricted funds

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

	At 1 January 2025	Incoming resources	Resources expended	At 31 December 2025
	£	£	£	£
General funds	942,253	120,615	(117,944)	944,924
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Previous year:</b>	<b>At 1 January 2024</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>At 31 December 2024</b>
	£	£	£	£
General funds	889,666	155,577	(102,990)	942,253
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 20 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Tangible assets	333,214	-	333,214	335,090	-	335,090
Current assets/(liabilities)	680,376	136,756	817,132	693,273	114,858	808,131
Long term liabilities	(68,666)	-	(68,666)	(86,110)	-	(86,110)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	944,924	136,756	1,081,680	942,253	114,858	1,057,111
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 21 Related party transactions

As detailed in note 15 at 31 December 2025 the charity is owed £490,302 (2024 - £525,674) from The Wharf House Company Limited as an intercompany loan. The full value of the loan is £590,302 less a provision of £100,000 considered irrecoverable. In the period the Trust did not charge interest on the loan (2024 - Nil)

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

#### 22 Subsidiaries

These financial statements are separate H&G CT financial statements at 31 December 2025.

Details of the H&G CT's subsidiaries at 31 December 2025 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 HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### 22 Subsidiaries

(Continued)

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	48,706	(228,244)

#### 23 Cash generated from operations

**2025**  
£

**2024**  
£

Surplus for the year	24,569	85,500
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(7,419)	(6,721)
Depreciation and impairment of tangible fixed assets	1,876	7,172
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(514)	1,028
Decrease in debtors	35,372	41,407
(Decrease) in creditors	(10,887)	(13,929)
<b>Cash generated from operations</b>	<b>42,997</b>	<b>114,457</b>

#### 24 Analysis of changes in net funds

	At 1 January 2025	Cash flows	At 31 December 2025
Cash at bank and in hand	306,535	32,972	339,507
Loans falling due within one year	(15,226)	-	(15,226)
Loans falling due after more than one year	(86,110)	17,444	(68,666)
	<b>205,199</b>	<b>50,416</b>	<b>255,615</b>