

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 2024

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Eamonn McGurk Philip Marshall Ralph Barber Edward Helps Deborah Barber Richard Appleton Robert Moreland Robert Hargreaves David Goff Antony Higgins Roger Morgan	(Appointed 26 June 2024)
Secretary	P Marshall	
Charity number	1010721	
Company number	02704407	
Registered office	4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	
Independent examiner	Griffiths Marshall 4th Floor Llanthony Warehouse The Docks Gloucester Gloucestershire GL1 2EH	

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 2024

The Trustees present their report and financial statements for the year ended 31 December 2024 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 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.

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 (resigned June 2024)

Bob Hargreaves

Edward Helps

Tony Higgins

Phillip Marshall

Eamonn McGurk (resigned Aug 2024)

Robert Moreland

Keith Vaughan Welch (resigned Aug 2024)

Roger Morgan (Appointed June 2024)

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 2024

Interested Parties

This reporting period we have engaged further with the neighbourhood in Newent. Also, further engagement with councillors in local, district and county wide government including an open day for members and the public 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 the restoration 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 in the year adds up £232,850 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, Ledbury and Gloucestershire. 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 have had a year of working parties at restoration sites, promotional events attended, and social evenings. The AGM in June was held at the Royal Oak, Much Marcle, with some members connecting over the internet.

We also celebrated further opening of new canal at Malswick with a Public Open Day held there in September. It was good that so many people came to see the work that had occurred and take a walk along the new canal, then enjoying a chat whilst 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.

With a new trustee joining the board we continued the work on the strategy. The Board signed off on a high-level strategy of 'joining the dots' - looking at the sites, connecting them and further restoration on the sites that we have control over. As the year finished, we started pulling together the project plans to support the strategy and this will help support the overall business plan for the next period.

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 is ongoing with the planners as to how we can develop the basin in Hereford. The housing development at Holmer has restarted after the site owner appointed another 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. We continue to develop plans around Aylestone 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.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

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 several landowners are happy to let us work sites but are not 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 had progress, but it is proving to be very slow.

Dymock: Following issues with the pump reported in last year's report this has now been resolved, and the water level has been maintained to a suitable level and is continuing to be monitored.

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: Whilst not a lot has happened on site, we now have a model of the proposed inclined plane that has proved to be a good discussion point at several of the shows the promotions team managed to get to throughout the year. We are also starting the process of applying for planning permission along this length of the canal corridor, having now had pre-application advice from the Forest of Dean District Council planners.

Malswick: Work has continued with new canal 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 long length of canal in water.

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. 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 team is working with the other users on site. Several of the containers have been moved to enhance the look of the area as well as improving the storage of equipment for the H&G Canal Trust and Sailing4Disabled and all of them painted making the site very presentable.

Heritage Boats: Alder was lifted out of the water this year. The hull, for a boat almost 100 years old, was in a very good state. The team at Over cleaned and applied several coats of blacking. The aim was to then work on the cabin. Unfortunately, Renton had an issue taking on water and sinking. The team quickly responded to the issue, and we lifted Renton out in the New Year as we put Alder back in and 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: Both properties are let, and the lock basin 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 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 1132. With the ability to get out to shows to promote the Trust we have had a good increase in new members. We thank members for their generosity with all their donations.

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

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 very useful. We have seen a big increase in talks this past year which has provided a useful income and also 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 Councillors along the route.

Walks Leaflets: these have been selling well. A further walk leaflet was started and should be ready in the new year taking a walker around Hereford.

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

Sales & Promotion: A very full calendar of promotion events, with visits to the Ledbury Community Day, Hereford Waterworks Museum, heritage events at Newent and Ledbury, Braunston Historic Boat event, and Tibberton village fair have all proved busy days. The Winter Fayre at Newent was a very successful promotion and fundraising event seeing so many volunteers being involved.

Socials: A number held with talks covering a number of areas. It was interesting to hear how a fellow Canal Trust was moving forward with their restoration.

The Grand Holiday Draw did well raising £1272 and our gratitude goes to those who donate all the prizes.

Financial review, Achievements and Performance

This was another good year financially. The income for the Trust and its subsidiary (The Wharf House Co Ltd) (excluding Restricted income) was £204k (2023 £180k) including rental income of £103k (2023 £110k). Costs were kept under control, with £107k spent including £62k on sites (2023 £62k). In consequence the companies recorded a useful surplus together totalling about £97k (2023 £75K). It should be noted that a one-off grant of £50k was received in respect of a site yet to be worked.

The Wharf House Co Ltd trades profitably enabling it to pass over £40k 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 £16k during the year and which now stands at £101k.

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.

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

Ralph Barber
Trustee

14 April 2025

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 2024, 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
4th Floor
Llanthony Warehouse
The Docks
Gloucester
Gloucestershire
GL1 2EH

Dated: 25 April 2025

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	84,492	36,510	121,002	56,074	26,476	82,550
Other trading activities	4	67,074	-	67,074	68,350	-	68,350
Investments	5	4,011	2,710	6,721	876	1,698	2,574
Total income		<u>155,577</u>	<u>39,220</u>	<u>194,797</u>	<u>125,300</u>	<u>28,174</u>	<u>153,474</u>
Expenditure on:							
Raising funds	6	14,500	-	14,500	12,976	-	12,976
Charitable activities	7	88,490	6,307	94,797	79,617	11,991	91,608
Total expenditure		<u>102,990</u>	<u>6,307</u>	<u>109,297</u>	<u>92,593</u>	<u>11,991</u>	<u>104,584</u>
Net income for the year/ Net movement in funds		52,587	32,913	85,500	32,707	16,183	48,890
Fund balances at 1 January 2024		<u>889,666</u>	<u>81,945</u>	<u>971,611</u>	<u>856,959</u>	<u>65,762</u>	<u>922,721</u>
Fund balances at 31 December 2024		<u><u>942,253</u></u>	<u><u>114,858</u></u>	<u><u>1,057,111</u></u>	<u><u>889,666</u></u>	<u><u>81,945</u></u>	<u><u>971,611</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 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	12		335,090		332,882
Current assets					
Stocks	13	4,186		5,214	
Debtors	14	525,674		567,081	
Cash at bank and in hand		306,535		210,462	
			836,395		782,757
Creditors: amounts falling due within one year	15	(28,264)		(42,193)	
Net current assets			808,131		740,564
Total assets less current liabilities			1,143,221		1,073,446
Creditors: amounts falling due after more than one year	16		(86,110)		(101,835)
Net assets			1,057,111		971,611
Income funds					
Restricted funds	18		114,858		81,945
Unrestricted funds			942,253		889,666
			1,057,111		971,611

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

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 2024.

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 14 April 2025

Philip Marshall
Trustee

Company registration number 02704407

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	23		114,457		116,614
Investing activities					
Purchase of tangible fixed assets		(9,380)		(3,195)	
Investment income received		6,721		2,574	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(2,659)		(621)
Financing activities					
Repayment of bank loans		(15,725)		(14,960)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(15,725)		(14,960)
Net increase in cash and cash equivalents			96,073		101,033
Cash and cash equivalents at beginning of year			210,462		109,429
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			306,535		210,462
			<u> </u>		<u> </u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024

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 2024

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 2024

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 2024	Total 2023
	£	£	£	£
Membership Subscriptions	7,331	-	7,331	7,180
Donations - General	20,353	-	20,353	9,282
Tax on Gift Aid Reclaimed	6,808	-	6,808	3,698
Highleadon grants	50,000	-	50,000	-
Oxenhall Covenants	-	802	802	1,147
Dymock Covenants	-	1,320	1,320	2,656
Over Covenants	-	6,977	6,977	6,673
Over Link	-	1,180	1,180	2,000
Hereford Covenants	-	3,373	3,373	2,736
Donations - Land Fund	-	21,308	21,308	11,264
Monkhide	-	50	50	-
Yarkhill	-	1,500	1,500	-
Legacies	-	-	-	35,914
For the year ended 31 December 2024	84,492	36,510	121,002	82,550
For the year ended 31 December 2023	56,074	26,476		

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Other trading activities

	2024	2023
	£	£
Social events & donations	215	1,368
Over Fishing	120	-
Rental income (Llanthony)	24,400	26,668
Rental income (Hereford)	15,500	15,000
Rental income (Newent site)	14,400	14,000
Boat rental	215	-
Advertisement signs	1,607	2,073
Advertising - Wharfinger	2,013	1,790
Sales	200	2,543
Income from sites	2,580	3,250
Draws	1,272	1,658
Sale and shows	2,129	-
Income from talks and walks	1,463	-
Stamps	650	-
Sundry	310	-
	<u>67,074</u>	<u>68,350</u>

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Interest receivable	4,011	2,710	6,721	876	1,698	2,574
	<u>4,011</u>	<u>2,710</u>	<u>6,721</u>	<u>876</u>	<u>1,698</u>	<u>2,574</u>

6 Raising funds

	2024	2023
	£	£
<u>Fundraising and publicity</u>		
Wharfinger and leaflets	9,515	8,611
Stocks for events	568	645
Support costs (note 8)	4,417	3,720
	<u>14,500</u>	<u>12,976</u>
Fundraising and publicity	14,500	12,976
	<u>14,500</u>	<u>12,976</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6	Raising funds	(Continued)	
7	Charitable activities		
		2024	2023
		£	£
	Site costs	61,561	62,066
	Property Maintenance costs	2,576	1,593
	Health, Safety & Welfare	2,214	2,166
	RBS Loan Interest	8,918	9,043
		<u>75,269</u>	<u>74,868</u>
	Share of support costs (see note 8)	17,668	14,880
	Share of governance costs (see note 8)	1,860	1,860
		<u>94,797</u>	<u>91,608</u>
		<u><u>94,797</u></u>	<u><u>91,608</u></u>
	Analysis by fund		
	Unrestricted funds	88,490	79,617
	Restricted funds	6,307	11,991
		<u>94,797</u>	<u>91,608</u>
		<u><u>94,797</u></u>	<u><u>91,608</u></u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation	7,172	-	7,172	6,155	-	6,155
Insurance	8,785	-	8,785	7,497	-	7,497
Administration	2,445	-	2,445	826	-	826
Legal & Professional	3,683	-	3,683	4,122	-	4,122
Audit fees	-	1,860	1,860	-	1,860	1,860
	<u>22,085</u>	<u>1,860</u>	<u>23,945</u>	<u>18,600</u>	<u>1,860</u>	<u>20,460</u>
Analysed between						
Fundraising	4,417	-	4,417	3,720	-	3,720
Charitable activities	17,668	1,860	19,528	14,880	1,860	16,740
	<u>22,085</u>	<u>1,860</u>	<u>23,945</u>	<u>18,600</u>	<u>1,860</u>	<u>20,460</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

	2024	2023
	Number	Number
Total	<u>-</u>	<u>-</u>

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 988 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 2024

12 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2024	338,178	63,971	7,456	409,605
Additions	-	9,380	-	9,380
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2024	338,178	73,351	7,456	418,985
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2024	5,296	63,971	7,456	76,723
Depreciation charged in the year	5,296	1,876	-	7,172
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2024	10,592	65,847	7,456	83,895
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2024	327,586	7,504	-	335,090
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	332,882	-	-	332,882
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Stocks

	2024 £	2023 £
Raw materials and consumables	4,186	5,214
	<u> </u>	<u> </u>

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	-	27
Prepayments and accrued income	-	560
	<u> </u>	<u> </u>
	-	587
	<u> </u>	<u> </u>
	2024 £	2023 £
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	525,674	566,494
	<u> </u>	<u> </u>
Total debtors	525,674	567,081
	<u> </u>	<u> </u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	17	15,226	15,226
Other creditors		10,000	25,107
Accruals and deferred income		3,038	1,860
		<u>28,264</u>	<u>42,193</u>

16 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	17	86,110	101,835

17 Loans and overdrafts

	2024 £	2023 £
Bank loans	101,336	117,061
Payable within one year	15,226	15,226
Payable after one year	86,110	101,835

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

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 2024	Incoming resources	Resources expended	Interest on funds	Balance at 31 December 2024
	£	£	£	£	£
Perpetual Endowment	10,259	-	-	286	10,545
Land Fund	12,078	21,308	-	634	34,020
Mill Barn	27,691	-	-	773	28,464
Dymock Covenants	484	1,319	(1,789)	7	21
Hereford Covenants	17,204	3,373	-	528	21,105
Over Covenants	7,100	6,977	(3,009)	254	11,322
Radcliffe Trust	5,129	-	-	143	5,272
Over Link	2,000	1,180	(373)	67	2,874
Oxenhall/Newent Project	-	803	(679)	2	126
Yarkhill	-	1,500	(458)	15	1,057
Monkhide	-	50	-	1	51
	<u>81,945</u>	<u>36,510</u>	<u>(6,307)</u>	<u>2,710</u>	<u>114,858</u>

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 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	<u>889,666</u>	<u>155,577</u>	<u>(102,990)</u>	<u>942,253</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	<u>856,959</u>	<u>125,300</u>	<u>(92,593)</u>	<u>889,666</u>

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Tangible assets	335,090	-	335,090	332,882	-	332,882
Current assets/(liabilities)	693,273	114,858	808,131	658,619	81,945	740,564
Long term liabilities	(86,110)	-	(86,110)	(101,835)	-	(101,835)
	<u>942,253</u>	<u>114,858</u>	<u>1,057,111</u>	<u>889,666</u>	<u>81,945</u>	<u>971,611</u>

21 Related party transactions

As detailed in note 15 at 31 December 2024 the charity is owed £525,674 (2023 - £566,494) from The Wharf House Company Limited as an intercompany loan. The full value of the loan is £625,674 less a provision of £100,000 considered irrecoverable. In the period the Trust did not charge interest on the loan (2023 - 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 2023.

Details of the H&G CT's subsidiaries at 31 December 2024 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	44,822	(276,950)

THE HEREFORDSHIRE AND GLOUCESTERSHIRE CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

23	Cash generated from operations		2024	2023
			£	£
	Surplus for the year		85,500	48,890
	Adjustments for:			
	Investment income recognised in statement of financial activities		(6,721)	(2,574)
	Depreciation and impairment of tangible fixed assets		7,172	6,155
	Movements in working capital:			
	Decrease/(increase) in stocks		1,028	(4,967)
	Decrease in debtors		41,407	78,389
	(Decrease) in creditors		(13,929)	(9,279)
	Cash generated from operations		<u>114,457</u>	<u>116,614</u>
24	Analysis of changes in net funds			
		At 1 January	Cash flows	At 31 December
		2024		2024
	Cash at bank and in hand	210,462	96,073	306,535
	Loans falling due within one year	(15,226)	-	(15,226)
	Loans falling due after more than one year	(101,835)	15,725	(86,110)
		<u>93,401</u>	<u>111,798</u>	<u>205,199</u>