Registered number: 02456172
Charity number: 702429

Lichfield and Hatherton Canals Restoration Trust Limited

Unaudited

Trustees Report and Financial Statements

For the year ended 31 December 2017

DAINS
ACCOUNTANTS

Lichfield and Hatherton Canals Restoration Trust Limited
(A company limited by guarantee)

Contents

Lichfield and Hatherton Canals Restoration Trust Limited
(A company limited by guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the year ended 31 December 2017

Trustees	G Eland P H Buck R O Williams P J Hancock H J Bryan C M Bull (appointed 10 January 2017) C M Howles S J Szulc L H Walker D Dixon (resigned 9 June 2017) J N March (appointed 20 December 2017)
Company registered number	02456172
Charity registered number	702429
Registered office	Island House Moor Road Chesham Buckinghamshire HP5 1WA
Company secretary	G Eland
President	E Wood
Accountants	Dains LLP 15 Colmore Row Birmingham B3 2BH

Chair's Statement
For the year ended 31 December 2017

The chair presents her statement for the period.

The Trust's achievements during 2017 were enormous, as were its challenges! On achievements: a conservative average of 8 work parties a week throughout the year, an overall increase in the number of volunteers, an increase in corporate and youth group volunteer days, very visible restoration work at a record number of sites, and consistent income generation from the "bread and butter" sources of donations, membership, events and marketing. On challenges: financing the additional volunteer efforts; maintenance and repair costs of ageing plant that are being worked more intensively; the "behind the scenes" and very onerous management work of keeping track of planning, development and regulatory matters.

On achievements:

a) Lichfield Canal

• The increase in average work party days each week variously derived from establishing a separate Summerhill work party twice a week and from increased number of corporate, youth and Waterway Recovery Group (WRG) days.

• The number of companies opting to undertake their Corporate Social Responsibility (CSR) commitment with us has increased and resulted mainly (but not exclusively) in fantastic extensions to The Heritage Towpath Trail, with its concomitant PR advantages.

• Similarly, the addition of National Citizenship Service youth volunteers to our previously established Queen's Croft High School's, other schools' and Scouting and Guiding Groups' involvement meant more work done, more publicity and greater inculcation of the younger generation of the importance of environmental and heritage issues.

• On record number of sites being actively worked: twice weekly work parties at Summerhill have meant that the sponsored "Willey's Lock 9A" - the replacement NW of A461 for Lock 9 which was SE of A461, and which will result in the canal coming under A461 at a lower level than the original hump back bridge accommodated! - now has its foundations; The Boat Inn itself is shored up (with contrasting brickwork in the gabions to depict "The Boat Inn") and the ancient sand wharf is now restored as a heritage feature. Also, 1km of Heritage Towpath Trail now facilitates wheelchair, pushchair, cycle and easy walking from The Boat Inn to the Aqueduct and back.

• Still on sites being worked: early in July we were awarded £18,500 from Postcode Local Trust to create Fosseway Heath Nature Reserve and Wetlands! This needs to be spent by July 2018, so our regular volunteer parties and our corporate and youth groups are concentrated on achieving the creation of wetlands, boardwalks, Heritage Towpath Trail and topographical preparation for the canal to be rerouted to avoid the housing developments that prevent its taking its original line. As a passer-by remarked to me, "you cannot create an omelette without breaking a few eggs" – I am confident that we're not far from creating a great omelette! And all the time we are conscious of our responsibility to protect the environment for wildlife and for community enjoyment.

• Extensive brickwork, concreting and earthmoving at Tamworth Road has resulted in restoring Pounds 25 and 27 and the completion past the Narrows near the A51 such that little more can be done until road crossings of the A51 and Cricket Lane can be made.

• On income generation: David Suchet formally launched the Tunnel Vision Appeal at the London Boat Show on 9 January 2017; by the end of the year just over £400,000 had been raised, so we still have quite a challenge to raise £1,000,000 by early 2019. The success of Events, especially the biennial Huddlesford Gathering in September which raised very nearly £10,000, and introducing social media based donating schemes are proving important.

b) Hatherton Canal

• The 500m of former Hatherton Branch Canal at Wedges Mills, south of Cannock, transferred to the Trust by Cannock Chase Council last year, has required the Trust to pay regular close attention to negotiating with adjacent major industrial developers the correct legal boundaries and reaching agreement on surface water management into the canal.

• Strong objection was lodged against the proposed massive West Midlands Interchange project near Calf Heath for failing to recognise the potential for including the Hatherton Canal into the scope of works.

On challenges:

• We are victims of our success in that the growth in all types of volunteers on average requires £500 running and material costs each day that a large group works for us. It is also reminding us that our plant and equipment have seen better days, and downtime and repair costs are of concern.

• BCN Canal Cottage 271 at Ogley Junction came on the market during 2017, was sold at a price that was significantly above the offer we had made, but that sale fell through so we returned and matched the offer which the market had demonstrated, bolstered by part of the very substantial legacy from our late Chairman, Brian Kingshott. Our purchase was completed early in 2018 when a revised Charity Bank mortgage loan with the benefit of additional rent income will enable much of the capital value to be redirected to our fund-raising Appeals.

• A further financial challenge came from the request that we move 11 concrete culvert sections, bought as part of an ERDF project 12 years ago, from where they have been stored near Cannock over to Lichfield. They will be used by the Trust and at a current value of around £200,000 we went to great engineering lengths to prepare the new storage location and hire cranes and low loaders with which to move them with great success.

• The "behind the scenes" work is definitely a challenge: keeping informed about and responding to local plans, making our own planning applications and responding to those of others, dealing with other land issues, with the Environment Agency, seeking grants and making funding applications all take huge amounts of time by Directors and Officers. The Trust has an impressive range of skills, experience and commitment from those people, but could do much more if we can attract more "behind the scenes" volunteers.

• It is worth singling out the Inland Waterways Association for its assistance to us in "behind the scenes" activities, particularly for expertise and co-operation regarding local plans and HS2, and also for a very generous donation to Tunnel Vision.

I took on the role of Chair in June; I had expected it to take quite a lot of my time, but had not actually predicted just how much! I have learnt a great deal, and I am conscious that I still have plenty more to learn. But my overwhelming impression is of a Restoration Trust which consistently rises to challenges, has enormous credibility nationally amongst restoration and waterways groups and locally with its informal and formal communities, and is immensely successful. Its success comes from an amazing and very mixed group of volunteers undertaking the hands on and the behind the scenes activities. And I am very sincerely grateful to everyone in the Trust for the welcome and support I have had, and I also wish to thank my predecessor, David Dixon, for all his work for the Trust and for his invaluable support and advice to me.

C M Bull

Name C M Bull
Chair

Date 30 May 2018

BALANCE SHEET

FIXED ASSETS

The main freehold asset continued to be Top Lock Cottage No.272, close to Ogley Junction at the head of the Lichfield Canal, depreciated in the accounts to £219,260, and remains subject to a legal mortgage to The Charity Bank to secure the loan under Liabilities for the canal tunnel under Birmingham Road in 2007 which is now proving its worth in the adjacent bypass extension planning. Additionally, due to a substantial legacy from our late Chairman, Brian Kingshott, it became possible late in the year to negotiate the purchase of No.271 at a proven market value of £280,000, paying 10% deposit for completion in January 2018, thus giving a total of £247,260 and securing ownership of the whole of Lock 1 across the front of both properties for later restoration. The tenant at No.272 has proven satisfactory, managed by a local Letting Agent who will be invited to handle an appropriate letting of No.271.

Eight areas of canal-related land are held at a historic cost of £165,686 and the total depreciated value of owned plant stands at £18,847. The Trust holds £1,000 of shares in its wholly owned subsidiary Retail Trading Company.

CURRENT ASSETS

The only debtor is the Retail Trading company stock and cash of £786. Bank balances follow the Trust's Reserves Policy as "restricted", "designated" and "unrestricted", such funds being held for purchase of land, restoration work and administration. With necessary foresight, Trust Directors consider it prudent to build up funds for projected expenditure. Apart from outstanding payments of £39,664 for planned invoices against SIB grant funds awarded in 2015, one impending commitment is the estimated cost of £1,000,000 to extend the canal tunnel at Birmingham Road under the Cross-City railway line south of Lichfield in tandem with County Highways plans to connect the Lichfield Southern Bypass to London Road in 2019. Following a national promotion campaign, The David Suchet Tunnel Vision Appeal had raised £412,199 by end of 2017 pending stage payments to the County Council towards the railway tunnel project under a special Agreement. To spread fund holding risk under the Government's bank protection scheme, £80,960 was deposited with The Charity Bank.

LIABILITIES

As noted above, reserved funds of £39,664 remain payable from the SIB grant for outstanding supplies to support ongoing activity at Summerhill. The continuing mortgage loan secured by Ogley Cottage No.272 has reduced to £187,773. The estimated market value had been taken into consideration by The Charity Bank in an offer of a manageable restructured loan that will include No.271 on better terms, subject to formalities in 2018.

INCOME

Membership numbers showed a slight increase, subscriptions being supplemented with voluntary donations by 42% of members adding 42% to the basic income for which we are most grateful. This makes the average amount of £16.10 per paying member, which we consider better than increasing the fees to all members and maybe falling short of this value. The average cost of servicing all members has reduced to £2.42 per head, particularly as "Cut Both Ways" magazine is posted centrally by the printers at a lower cost.

Donations continue into ongoing funds with some high value receipts from a few benefactors, particularly the large legacy from the late Brian Kingshott estate. Marketing and Retail activities generated a gross income of £32,127, boosted particularly by the successful Huddlesford Heritage Gathering which raised nearly £10,000.

EXPENDITURE

No cost is incurred by the Trust in assisting Canal & River Trust with maintenance of their watered section of the Hatherton Canal. Despite safeguarding in the Local Council Plans, a close watch is kept on developments along the Hatherton route, such as new industry and housing, railway electrification and any likely impact from the proposed massive West Midlands Interchange project at Four Ashes near Hatherton Junction.

The Lichfield Canal has been the main focus of Restoration work where an increasing number of Trust and visiting volunteer teams made substantial progress on several sites spanning Summerhill, Fosseway Heath, Tamworth Road, and Darnford Moors. Even investigation of Lock 23 near London Road was made possible with City Council consent.

Management and administration costs followed a regular pattern, underpinned by immeasurable personal input from the Directors and Officers. Various high level negotiations took place "behind the scenes", such the impact from HS2, the Lichfield Southern Bypass extension, principles of flood alleviation, and the likely impact from proposals for several new housing developments beside the canal south of Lichfield.

CONCLUSION

Intense volunteer achievements on the ground produced yet another massive change through the year. The Heritage Towpath Trail is particularly popular among users. As ever, the accounts do not reveal the massive benefit from unpaid time, office work and efforts contributed by Directors and Officers running the Trust, and the volunteer teams carrying out the work to such a high standard which could be double the amount recorded for actual site work closer to a possible £500,000 for the year.

R. O. WILLIAMS, Finance Director

30 May 2018

Trustees' Report

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Lichfield and Hatherton Canals Restoration Trust Limited (the company and the group) for the year ended 31 December 2017. The Trustees confirm that the Annual report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the company and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The principal objective and activity of the Company is the promotion of the restoration of the Hatherton Branch of the Staffordshire and Worcestershire Canal and the Wyrley and Essington Canal from the Ogley Junction to Huddlesford Junction including the provision of new routes where restoration is impractical.

The Trustees have the day to day running of the charity, assisted by the officers focusing on specific subjects.

b. Public Benefit

The Trustees of the charity are aware of the Charity Commission's guidance on public benefit and this now forms part of the Induction Pack for new Trustees.

The Public Benefit provided by the Charity include:
- conserving the environment
- preserving a beautiful landscape
- developing an amenity available to all

The beneficiaries are all members of the public and local community. Further details can be found in the Chairman's statement and the Operating and financial review.

Achievements and performance

a. Review of Transactions and Financial Position

Details of the transactions, which disclose a surplus for the year of £348,521 (2016 - £69,786) and financial position are fully set out in the Statement of Financial Activities, Balance Sheet and Notes on pages 11 to 29.

Monies have been invested during the year, in accordance with the powers available to the Trustees. The Company's assets are available and adequate to fulfil its obligations.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation.

It is the Trustee's policy to maintain sufficient reserves to finance the day to day running of the charity for a period of approximately 12 months. The unrestricted reserves of the group at 31 December 2017 amounted to £355,654 (2016 - £183,323) and will be sufficient to support the charity in the immediate future.

The Trustees have reviewed the major internal and external risks to which the charity is exposed and systems have been established to mitigate those risks. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 1 December 1989.

The company and the group is constituted under a Memorandum of Association dated 1 December 1989 and is a registered charity number 702429.

It is registered as a charity with the Charity Commission. Anyone over the age of 18 can be a member of the company and there are 1,917 members, each of whom agree to contribute, whilst being a member or for a period of twelve months folowing ceasing to be a member, an amount not exceeding £1 in the event of the charity winding up.

b. Method of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

c. Risk management

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Members' liability

The Members of the company and the group guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of the charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year can be seen on the reference and administrative page of these financial statements.

The Trust has made indemnity provisions for the benefit of the Directors which remain in force at the date of this report.

Organisation

The board of Trustees comprises not less than 5 and not more than 15 members unless otherwise determined by a General Meeting. The board ministers the charity, it meets at least 12 times per year and maintains a regular flow of information.

Risk Assessment

The major risks to which the Charity is exposed have been identified and reviewed by the Trustees, and systems established to mitigate those risks. The Trustees have a risk management strategy which comprises:
• An annual review of the risks the charity may face;
• The establishment of systems and procedures to mitigate those risks identified by the plan; and
• The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Trustees' responsibilities statement

The Trustees (who are also directors of Lichfield and Hatherton Canals Restoration Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees, on 30 May 2018 and signed on their behalf by:

C M Bull
Chair

Independent Examiner's Report to the Trustees of Lichfield and Hatherton Canals Restoration Trust Limited (the 'group')

I report to the charity Trustees on my examination of the consolidated accounts of the group comprising the Lichfield and Hatherton Canals Restoration Trust Limited ('the parent charity') and its subsidiary undertakings for the year ended 31 December 2017.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the parent company and the company's Trustees as a body, for my work or for this report.

Responsibilities and Basis of Report

As the Trustees of the parent company (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the group. You are satisfied that the accounts of both parent company and the group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the group's accounts carried out under section 152 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent Examiner's Statement

Since the Trustees have opted to prepare consolidated accounts for the group your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the parent company and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in other to enable a proper understanding of the accounts to be reached.

Signed: Dated: 30 May 2018

Andrew Morris FCA

Dains LLP

Chartered Accountants

Birmingham

Lichfield and Hatherton Canals Restoration Trust Limited

(A company limited by guarantee)

Consolidated Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31 December 2017

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	3	**260,832**	**216,514**	**477,346**	198,851
Other trading activities	4	**-**	**2,347**	**2,347**	1,461
Investments	5	**-**	**9,956**	**9,956**	6,566
Total income		**260,832**	**228,817**	**489,649**	206,878
Expenditure on:					
Raising funds	4,6	**-**	**2,000**	**2,000**	6,020
Charitable activities	7,8	**84,643**	**54,485**	**139,128**	131,072
Total expenditure		**84,643**	**56,485**	**141,128**	137,092
Net income before other recognised gains and losses		**176,189**	**172,332**	**348,521**	69,786
Net movement in funds		**176,189**	**172,332**	**348,521**	69,786
Reconciliation of funds:					
Total funds brought forward		**255,277**	**183,323**	**438,600**	368,814
Total funds carried forward		**431,466**	**355,655**	**787,121**	438,600

The notes on pages 16 to 30 form part of these financial statements.

Lichfield and Hatherton Canals Restoration Trust Limited

(A company limited by guarantee)
Registered number: 02456172

Consolidated Balance Sheet
As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	10		**431,793**		415,513
Current assets					
Stocks	12	**1,625**		1,543	
Cash at bank and in hand		**581,940**		260,428	
		583,565		261,971	
Creditors: amounts falling due within one year	13	**(49,517)**		(51,111)	
Net current assets			**534,048**		210,860
Total assets less current liabilities			**965,841**		626,373
Creditors: amounts falling due after more than one year	14		**(178,720)**		(187,773)
Net assets			**787,121**		438,600
Charity Funds					
Restricted funds	15		**431,466**		255,277
Unrestricted funds	15		**355,655**		183,323
Total funds			**787,121**		438,600

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees 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 financial statements were approved and authorised for issue by the Trustees on 30 May 2018 and signed on their behalf, by:

C M Bull

C M Bull
Chair

The notes on pages 16 to 30 form part of these financial statements.

Lichfield and Hatherton Canals Restoration Trust Limited

(A company limited by guarantee)
Registered number: 02456172

Company Balance Sheet
As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	10		**431,793**		415,513
Investments	11		**1,000**		1,000
			432,793		416,513
Current assets					
Debtors		**786**		1,245	
Cash at bank		**581,779**		259,726	
		582,565		260,971	
Creditors: amounts falling due within one year	13	**(49,517)**		(51,111)	
Net current assets			**533,048**		209,860
Total assets less current liabilities			**965,841**		626,373
Creditors: amounts falling due after more than one year	14		**(178,720)**		(187,773)
Net assets			**787,121**		438,600
Charity Funds					
Restricted funds	15		**431,466**		255,277
Unrestricted funds	15		**355,655**		183,323
Total funds			**787,121**		438,600

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The Trustees 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 financial statements were approved and authorised for issue by the Trustees on 30 May 2018 and signed on their behalf, by:

CM. Bull

C M Bull
Chair

The notes on pages 16 to 30 form part of these financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	**364,650**	82,477
Cash flows from investing activities:			
Dividends, interest and rents from investments		**9,956**	6,566
Purchase of tangible fixed assets		**(33,021)**	(8,060)
Interest paid		**(11,545)**	(12,074)
Net cash used in investing activities		**(34,610)**	(13,568)
Cash flows from financing activities:			
Repayments of borrowings		**(8,528)**	(7,999)
Net cash used in financing activities		**(8,528)**	(7,999)
Change in cash and cash equivalents in the year		**321,512**	60,910
Cash and cash equivalents brought forward		**260,428**	199,518
Cash and cash equivalents carried forward	18	**581,940**	260,428

The notes on pages 16 to 30 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation of financial statements

Lichfield and Hatherton Canals Restoration Trust Limited is a Charitable Company incorporated in England and Wales and registered with the Charity Commission. The address of the registered office is given in the reference and administrative information page. The nature of the Charity's operations and activities is given in the Trustees' report.

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Lichfield and Hatherton Canals Restoration Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1. Accounting Policies (continued)

1.5 Expenditure

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. Depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's charitable operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

1.7 Basis of consolidation

The financial statements consolidate the accounts of Lichfield and Hatherton Canals Restoration Trust Limited and its subsidiary undertaking ('subsidiary').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £348,521 (2016 - £69,786).

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the consolidated statement of financial activities incorporating income and expenditure account.

1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	50 years straight line
Plant & machinery	-	4 years straight line
Fixtures & fittings	-	10 years straight line

1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.14 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. Accounting Policies (continued)

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. Judgements and key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

3. Income from donations and legacies

	Restricted funds 2017 £	**Unrestricted funds 2017 £**	**Total funds 2017 £**	Total funds 2016 £
Donations	**260,832**	**216,514**	**477,346**	198,851
Total 2016	149,513	49,338	198,851	

4. Trading activities

	Restricted funds 2017 £	**Unrestricted funds 2017 £**	**Total funds 2017 £**	Total funds 2016 £
Charity trading income				
Turnover	**-**	**2,347**	**2,347**	1,461
Fundraising trading expenses				
Cost of sales and administration expenses	**-**	**560**	**560**	217
Net income from trading activities	**-**	**1,787**	**1,787**	1,244

In 2016, of the total income from trading activities, £1,461 was to unrestricted funds.

5. Investment income

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rent Receivable	-	9,095	9,095	5,895
Interest Receivable	-	861	861	671
	-	9,956	9,956	6,566
Total 2016	4	6,562	6,566	

6. Investment management costs

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Ogley cottage fees and costs	-	1,440	1,440	5,803
Total 2016	-	5,803	5,803	

7. Analysis of expenditure on charitable activities

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lichfield canal costs	3,825	-	3,825	15,834
Canal restoration expenses	78,849	-	78,849	61,832
Interest payable	-	11,545	11,545	12,074
Insurance	-	2,887	2,887	2,499
Depreciation	-	16,741	16,741	14,880
Administration costs	-	2,035	2,035	4,116
Marketing costs	-	6,956	6,956	4,247
Membership & magazine costs	-	4,642	4,642	4,705
	82,674	44,806	127,480	120,187
Total 2016	77,666	42,521	120,187	

8. Governance costs

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Independent examiners fees	-	800	800	800
Legal and professional services	1,969	8,879	10,848	10,085
	1,969	9,679	11,648	10,885

In 2016, of the total expenditure on governance costs, £2,767 was to unrestricted funds and £8,118 was to restricted funds.

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	16,741	14,880
Independent examiners fees	800	800

During the year, no Trustees received any remuneration (2016 - £NIL).
During the year, no Trustees received any benefits in kind (2016 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

10. Tangible fixed assets

Group and Company	Freehold land and buildings £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2017	454,186	56,950	10,090	521,226
Additions	28,000	5,021	-	33,021
At 31 December 2017	482,186	61,971	10,090	554,247
Depreciation				
At 1 January 2017	63,470	32,153	10,090	105,713
Charge for the year	5,770	10,971	-	16,741
At 31 December 2017	69,240	43,124	10,090	122,454
Net book value				
At 31 December 2017	412,946	18,847	-	431,793
At 31 December 2016	390,716	24,797	-	415,513

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 January 2017 and 31 December 2017	1,000

Company investments at cost comprise:

	2017 £	2016 £
Group	1,000	1,000

The parent company holds the whole of the equity share capital of the Lichfield & Hatherton Canals Retail Trading Ltd, a company incorporated in England and Wales. Its principal activity is to carry out the trading activities of the charity.

12. Stocks

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Finished goods and goods for resale	**1,625**	1,543	**-**	-

13. Creditors: Amounts falling due within one year

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Bank loan	**9,053**	8,528	**9,053**	8,528
Other creditors	**800**	800	**800**	800
Accruals and deferred income	**39,664**	41,783	**39,664**	41,783
	49,517	51,111	**49,517**	51,111

14. Creditors: Amounts falling due after more than one year

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Bank loan	**178,720**	187,773	**178,720**	187,773

The bank loan is secured via a legal charge over the freehold property dated 19 September 2006.

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Designated funds				
Club 500 Capital Fund	1,416	1,496	(1,448)	1,464
Club 500 Prize Reserve	283	-	-	283
Land and Property Fund	322	106,776	(27,001)	80,097
Restoration and Site budget	346	-	(249)	97
Tunnel Vision Fund	-	60,000	-	60,000
	2,367	168,272	(28,698)	141,941
General funds				
General Funds	180,956	60,545	(27,787)	213,714
Total Unrestricted funds	183,323	228,817	(56,485)	355,655

Restricted funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Land and Property Fund	20,407	2,015	(3,603)	18,819
Restoration and Plant Fund	4,936	50,783	(51,529)	4,190
Tunnel Vision Fund	162,985	189,214	-	352,199
Brick Appeal	440	320	(680)	80
Funds Deposit	1,726	-	-	1,726
SIB "Summerhill" Grant	41,783	-	(2,119)	39,664
Midland Expressway Limited	23,000	-	(23,000)	-
Postcode Local Trust	-	18,500	(3,712)	14,788
	255,277	260,832	(84,643)	431,466
Total of funds	438,600	489,649	(141,128)	787,121

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Designated funds					
Club 500 Capital Fund	1,410	1,334	(1,328)	-	1,416
Club 500 Prize Reserve	-	-	(66)	349	283
Land and Property Fund	2,000	-	(1,678)	-	322
Restoration and Site budget	428	-	(82)	-	346
	3,838	1,334	(3,154)	349	2,367
General funds					
General Funds	143,061	56,027	(48,154)	30,022	180,956
	143,061	56,027	(48,154)	30,022	180,956
Total Unrestricted funds	146,899	57,361	(51,308)	30,371	183,323

Restricted funds

		Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Land and Property Fund		19,529	2,075	(1,197)	-	20,407
Restoration and Plant Fund		5,986	36,950	(38,000)	-	4,936
Tunnel Vision Fund		58,062	104,923	-	-	162,985
Brick Appeal		260	180	-	-	440
Funds Deposit		1,722	4	-	-	1,726
Club 500 Prize Reserve		349	-	-	(349)	-
Feet of Clay Fund		17,534	940	(18,474)	-	-
SIB "Summerhill" Grant		79,473	-	(7,668)	(30,022)	41,783
Midland Expressway Limited		39,000	-	(16,000)	-	23,000
Grants; LDC, CCC		-	4,445	(4,445)	-	-
		221,915	149,517	(85,784)	(30,371)	255,277
Total of funds	368,814	206,878	(137,092)	-	-	438,600

15. Statement of funds (continued)

Summary of Designated Funds

Club 500

50% of subscriptions to the Trust's "500 Club" are distributed to its members through a quarterly draw, the remaining 50% being retained for capital expenditure on restoration work.

Land and Property Fund

See details under restricted funds

Restoration and Site budget

See details under restricted funds

Summary of Restricted Funds

Land and Property Fund

This fund is money held for the purchase, lease or licence of land or property for the canal and associated expenses. It is intended to build up a long term resource to meet future opportunities as they arise.

Restoration and Site budget

The fund holds money donated for general restoration works and use of operating plant for those works. It is not expected to accumulate any large reserves except temporarily after receipt of any large gifts or legacies or in preparation for financing a specific project.

Tunnel Vision Fund

A new objective started in 2014 as the "David Suchet Tunnel Vision Appeal" towards the cost of installing canal tunnels under major rail and road crossings which is expected to be strongly promoted with a high target through 2017 to 2019.

Brick Appeal

This fund is money donated for the purchase of bricks for restoration work. Expenditure relates closely to income and it is not anticipated that any large reserves will be accumulated in this fund.

Funds deposit

Accumulated fund to provide a deposit in support of any particular grant application.

Feet of Clay Fund

This fund was money donated to meet the cost of purchasing materials and related plant for laying a waterproof base in selected areas of canal channel, the fund now being closed as having achieved that specific purpose at the time.

SIB "Summerhill" Grant

Social Investment Business Group grant of £336,000 accepted 29th December 2014 for Lichfield Canal Summerhill' project against payments and invoices for planned development. The transfer out of this fund

15. Statement of funds (continued)

relates to costs which had been incurred on the project before the creation of the fund.

Midland Expressway Limited

Amounts donated by Midland Expressway Limited relating to replacement of Crane Brook culvert at Summerhill.

Postcode Local Trust

Grant funding of £18,500 awarded over 12 months from July 2017 for a project on Lichfield Canal land at Fosseway Heath to install in preparation for future navigational work a circuit of paths with board walks, wetland, and wildlife provision for public benefit. It dovetails with Staffordshire's plan to recreate rare lowland heathland as an important stepping stone to improving biodiversity.

Summary of funds - current year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Designated funds	2,367	168,272	(28,698)	141,941
General funds	180,956	60,545	(27,787)	213,714
	183,323	228,817	(56,485)	355,655
Restricted funds	255,277	260,832	(84,643)	431,466
	438,600	489,649	(141,128)	787,121

Summary of funds - prior year

	Balance at 1 January 2016 £	Income £	Expenditure £	Balance at 31 December 2016 £
Designated funds	3,838	1,334	(3,154)	2,367
General funds	143,061	56,027	(48,154)	180,956
	146,899	57,361	(51,308)	183,323
Restricted funds	221,915	149,517	(85,784)	255,277
	368,814	206,878	(137,092)	438,600

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	431,793	431,793
Current assets	431,466	152,100	583,566
Creditors due within one year	-	(49,518)	(49,518)
Creditors due in more than one year	-	(178,720)	(178,720)
	431,466	**355,655**	**787,121**

Analysis of net assets between funds - prior year

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	415,513	415,513
Current assets	255,277	6,694	261,971
Creditors due within one year	-	(51,111)	(51,111)
Creditors due in more than one year	-	(187,773)	(187,773)
	255,277	183,323	438,600

17. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	**348,521**	69,786
Adjustment for:		
Depreciation charges	**16,741**	14,880
Interest paid	**11,545**	12,074
Interest received	**(9,956)**	(6,566)
Increase in stocks	**(82)**	(54)
Decrease in creditors	**(2,119)**	(7,643)
Net cash provided by operating activities	**364,650**	82,477

18. Analysis of cash and cash equivalents

	Group	
	2017	2016
	£	£
Cash in hand	**581,940**	260,428
Total	**581,940**	260,428

19. Principal subsidiaries

Lichfield & Hatherton Canals Retail Trading Ltd

Subsidiary name	Lichfield & Hatherton Canals Retail Trading Ltd
Company registration number	03686837
Basis of control	Ownership of shares
Equity shareholding %	100%
Total assets as at 31 December 2017	£ 1,786
Total liabilities as at 31 December 2017	£ (786)
Total equity as at 31 December 2017	£ 1,000
Turnover for the year ended 31 December 2017	£ 2,347
Expenditure for the year ended 31 December 2017	£ (2,347)
Result for the year ended 31 December 2017	£ -