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 2015

DAINS
ACCOUNTANTS

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Reference and Administrative Details of the Company, its Trustees and Advisers
For the year ended 31 December 2015

Trustees	B Kingshott (deceased 9 January 2016) D Dixon P H Buck M J Battisson R Mullarkey K V Welch R O Williams G Crook (resigned 12 June 2015) T Brown (resigned 1 August 2015) P J Hancock H J Bryan G Eland (appointed 12 June 2015)
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

The chairman presents his statement for the period.

My first duty is to pay tribute to our past Chairman, Brian Kingshott, who had suffered from very poor health since the autumn and sadly died on 9th January 2016 at the age of 77. As Vice-Chairman, it has fallen to me to take up the reins which I will do to the best of my ability until a successor is chosen at the Annual General Meeting next June. Brian had been a founding member of the Trust as Secretary from 1988, being elected Chairman in 1999 to succeed Eric Wood who is still a most worthy President. His wider interests included a teaching career at the Royal Wolverhampton School, duties with The Inland Waterways Association in the Midlands for 30 years, and more recently involvement in the Church and village activities at his retirement home in Hopton Castle, Shropshire. Brian’s calm guiding hand on the Trust’s affairs at all levels will be sorely missed as such depth and spread of experience are hard to replace.

We have had only two Chairmen guiding the Trust since it was set up, so one of my most important tasks is to lead the search for a worthy third. But now, it falls to me to take stock of the work and achievements of the Trust in the year ended 31st December 2015. Of course, members can refer to our excellent website, our magazine “Cut Both Ways”, and those on e-mail can receive our Towpath Times.

I would attempt to draw a pen portrait of the work of our individual Directors and highlight what they have done over the past year. However, I am pleased to report that the input of many of our Officers is now so high that to single out individuals runs the risk of overlooking or down-playing the work of others. It reflects the growing strength of the Trust that the active input of our members has grown exponentially in recent years. Brian would often say: “In the words, albeit in Latin, which can be found in St Paul’s Cathedral with reference to those who built it ‘if you seek a memorial, look around you’”. This is a sentiment to recommend that all of us should visit the worksites on the Lichfield Canal and look around you. The achievements are tangibly there for all to see.

I should also comment on the huge number of hours which our directors, officers and supporters devote to unseen Trust business. So much time is spent in formal and informal meetings to deal with specific issues such as HS2 and the likely impact of extensive new housing and roadway proposals. The cost of attending these meetings is largely borne by the participants and represents considerable financial value to the Trust. For this generosity in financial terms and in time we must record our thanks.

Inevitably, HS2 was an issue calling for close attention throughout the year. The original plan to run on high embankments over the canal and surrounding features south east of Lichfield gave way to a more rational route close to the ground. However, this new proposal posed a threat in that the railway could only cross the canal at Cappers Lane just above water level. A long series of meetings involving several senior directors made steady progress towards resolving these potentially “show-stopping” proposals with the HS2 team working closely with the Trust to agree terms of a viable solution. Parliamentary petitions are invaluable in such cases by enabling minor parties to elicit satisfactory assurances from the law makers.

Our regular work parties have continued on the Hatherton. We are well aware that our major focus has been on the Lichfield Canal and Trust Council is giving thought to ways in which this can be addressed.

Much visible work has continued on developing the Lichfield Canal at Tamworth Road towards putting another section in water. However, a grant of £336,000 from the Social Investment Business Group in late 2014 turned our attention in January to acquiring the 1km derelict section known as Summerhill that connects with the aqueduct which we installed over the M6Toll motorway before it opened in 2003. The underlying objective is to bring disused land into productive use by transformation for public benefit. The onset of the nesting season saw intense work to clear half a century of unmanaged scrub and woodland to reveal the original towpath and channel. Whilst the grant funds had to be spent at a “whirlwind speed” by March through contractors and invoiced orders, the terms allowed ground work to continue at a more leisurely pace by our volunteer teams with occasional assistance from visiting groups. It is already proving to be a popular country walk pending introducing water at a later stage. Thanks to private funding, it is pleasing to report that Water Resource Studies by Canal & River Trust have confirmed the adequacy of water at the summit “Wolverhampton” level to service the Lichfield Canal in future.

A vital element of this development has been the willing co-operation of WCL Cranebrook Quarries Ltd which operates the sand quarry south of the A5 by the motorway. Equally, the friendly support received from the proprietors of the Boat Inn at the other end is greatly appreciated by all those working near there.

Our Sales & Promotions Team attended the usual events throughout the year. In particular, the bi-ennial Huddlesford Heritage Gathering held jointly with the Lichfield Cruising Club in September 2015 was another major success, adding some £8,000 to our funds.

My report can only touch on all that has happened through the year but it is an opportunity to pay full tribute to the work of all our active members supporting all that we do. They are all keeping the dream alive. Equally there are all the hidden hours of work in informal discussion, writing documents on personal computers and driving across the Midlands to yet another meeting.

From my close relationship with Brian Kingshott, I know that he would be thanking all our members, near and far for their untiring support in pushing forward towards our goal of bringing our canals back to life for public benefit on a national scale. 2015 was a year of great challenge which brought out the best in everyone, but it does not stop here as we face massive new challenges which I feel sure can be overcome with everyone's continuing support.

David Dixon

Name David Dixon
Vice Chairman

Date 10 June 2016

BALANCE SHEET

FIXED ASSETS

The main freehold asset continues to be Top Lock Cottage near Ogley Junction at the head of the Lichfield Canal, depreciated in the accounts to £230,800, and remains subject to a legal mortgage to the Charity Bank to secure the reducing loan under Liabilities for canal works at Birmingham Road in 2007. The tenant in occupation since 2010 renewed the lease again in October 2015 with a two-month option to terminate either way that could facilitate selling the house to redeem the bank loan whilst retaining the canal land across the front garden for restoration.

A grant of £336,000 by Social Investment Business Group awarded at the end of last year enabled the Trust to purchase and renovate 1km of derelict canal land at Summerhill, Muckley Corner, bringing the seven areas of canal-related land which are not depreciated to a total value at historic cost of £165,686. The grant also included purchase of essential used plant which took the total depreciated value to £25,847. 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 £1,666 in support of its share capital noted above.

Bank balances follow the Trust’s Reserves Policy in three categories:- “restricted”, “designated” and “unrestricted”, such funds being held for purchase of land, major restoration work and administration. With necessary foresight, Trust Directors consider it prudent to build up funds for projected expenditure. Apart from various works at Summerhill, an impending commitment is an expected contribution to include a canal tunnel with the extended Lichfield Southern Bypass to pass under the railway at Birmingham Road in 2018 at the earliest.

LIABILITIES

On the basis that the SIB grant for the Summerhill project allowed drawdown against “invoices for planned development”, it was not practical to undertake all the permitted work during the year which left £49,450 still to pay for outstanding work and materials from trusted suppliers to support ongoing volunteer activity on site.
The continuing mortgage loan from the Charity Bank secured by Ogley Cottage, repayable by monthly instalments up to 2031, or earlier without penalty has now reduced to £204,300. As noted above, selling the house remains under consideration to make better use of net outgoings. Estimated market value is greater than the loan balance.

INCOME

Membership numbers remain steady with subscriptions supplemented by voluntary donations adding 40% to the basic income for which we are most grateful. This makes the average amount £15.89 per paying member, which is considered better than putting up the fees to all members and maybe fall short of this value. The average cost of servicing all members is £2.80 per head. In overall terms, producing “Cut Both Ways” takes 25% of membership income as allowed under Gift Aid guidance but cost-saving measures are under consideration.

Donations continue into ongoing funds with some exceptional individual receipts and the Events team generating a gross income of £22,172, underpinned by £8,000 from the Huddlesford Heritage Gathering. One notable item is the £50,000 donated by Midland Expressway Limited relating to replacement of Crane Brook culvert at Summerhill.

EXPENDITURE

No cost is incurred by the Trust in assisting Canal & River Trust [CRT] with maintenance of their watered section of the Hatherton Canal. Now safeguarded in the Local Plans, a close watch is kept on potentially adverse developments along the route such as new housing and railway electrification. Restoration work was focused on the Lichfield Canal where an increasing number of Trust volunteers, including an encouraging group of willing teenagers, made further progress at Tamworth Road. Pending consent for removal of the "big pipe", waterproofing the channel with a combination of concrete and clay has made considerable headway.

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 as the impact from HS2, the opportunity for flood alleviation, new highway plans and extensive new housing developments.

CONCLUSION

Grant-funded contract work at Summerhill and intense volunteer achievements on the ground have produced a massive change through the year. The Heritage Towpath Trail has attracted much interest among users and gained national recognition by CRT. The Trust now has a Memorandum of Understanding with Lichfield Councils.

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 conservatively valued around £400,000 for the year.

R. O. WILLIAMS, Finance Director

10 June 2016

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 2015. 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 £152,272 (2014 - £41,490) and financial position are fully set out in the Statement of Financial Activities, Balance Sheet and Notes on pages 11 to 23.

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. 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 2015 amounted to £146,899 (2014 - £125,847) 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 1886 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.

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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 10 June 2016 and signed on their behalf by:

David Dixon

D Dixon
Vice Chairman

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

I report on the financial statements of the group for the year ended 31 December 2015 which comprise the Statement of Financial Activities and Balance Sheet, with the related notes.

This report is made solely to the group's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the group'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 group and the group's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

The Trustees, who are also the directors of the company 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 Act) and that an independent examination is needed. The group's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- 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 group and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare financial statements which accord with the accounting records and 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

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed: Dated: 10 June 2016

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
For the year ended 31 December 2015

	Note	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income from:					
Donations and legacies	3	**394,491**	**78,850**	**473,341**	154,021
Other trading activities	4	**-**	**2,022**	**2,022**	1,839
Investments	5	**6**	**7,958**	**7,964**	7,661
Total income		**394,497**	**88,830**	**483,327**	163,521
Expenditure on:					
Raising funds	4,6	**-**	**2,012**	**2,012**	2,792
Charitable activities	7,8	**257,915**	**71,152**	**329,067**	119,239
Total expenditure		**257,915**	**73,164**	**331,079**	122,031
Net income before transfers		**136,582**	**15,666**	**152,248**	41,490
Transfers between Funds	16	**(5,386)**	**5,386**	**-**	-
Net income		**131,196**	**21,052**	**152,248**	41,490
Net movement in funds		**131,196**	**21,052**	**152,248**	41,490
Reconciliation of funds:					
Total funds at 1 January 2015		**90,719**	**125,847**	**216,566**	175,076
Total funds at 31 December 2015		**221,915**	**146,899**	**368,814**	216,566

The notes on pages 14 to 23 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 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	10		**422,333**		341,926
Current assets					
Stocks	12	**1,489**		1,240	
Debtors	13	-		35,000	
Cash at bank and in hand		**199,518**		86,018	
		201,007		122,258	
Creditors: amounts falling due within one year	14	**(58,225)**		(43,318)	
Net current assets			**142,782**		78,940
Total assets less current liabilities			**565,115**		420,866
Creditors: amounts falling due after more than one year	15		**(196,301)**		(204,300)
Net assets			**368,814**		216,566
Charity Funds					
Restricted funds	16		**221,915**		90,719
Unrestricted funds	16		**146,899**		125,847
Total funds			**368,814**		216,566

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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2015 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on 10 June 2016 and signed on their behalf, by:

David Dixon

D Dixon, Vice Chairman

The notes on pages 14 to 23 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 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	10		**422,333**		341,926
Investments	11		**1,000**		1,000
			423,333		342,926
Current assets					
Debtors	13	**1,666**		36,590	
Cash at bank		**198,340**		84,667	
		200,006		121,257	
Creditors: amounts falling due within one year	14	**(58,225)**		(43,317)	
Net current assets			**141,781**		77,940
Total assets less current liabilities			**565,114**		420,866
Creditors: amounts falling due after more than one year	15		**(196,301)**		(204,300)
Net assets			**368,813**		216,566
Charity Funds					
Restricted funds	16		**254,489**		90,719
Unrestricted funds	16		**114,324**		125,847
Total funds			**368,813**		216,566

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 for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2015 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on 10 June 2016 and signed on their behalf, by:

David Dixon

D Dixon, Vice Chairman

The notes on pages 14 to 23 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. 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 theTrustees' 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 UK GAAP, Financial Reporting Standard for Small Entities (effective 1 January 2015) - (Charities SORP 2015 (FRSSE) and the Companies Act 2006

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.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

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.

Investment income, gains and losses are allocated to the appropriate fund.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

1.6 Basis of consolidation

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

The company has taken advantage of the exemption contained within 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 £152,272 (2014 - £41,490).

1. Accounting Policies (continued)

1.7 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost less depreciation. 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 are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	**394,491**	**78,850**	**473,341**	154,021

In 2014, of the total income from donations and legacies, £ 49,959 was to unrestricted funds and £ 104,062 was to restricted funds

4. Trading activities

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Charity trading income				
Turnover	**-**	**2,022**	**2,022**	1,839
Fundraising trading expenses				
Cost of sales and administration expenses	**-**	**356**	**356**	249
Net income from trading activities	**-**	**1,666**	**1,666**	1,590

In 2014, of the total income from trading activities, £ 1,590 was to unrestricted funds.

5. Investment income

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Rent Receivable	**-**	**7,660**	**7,660**	7,510
Interest Receivable	**6**	**298**	**304**	151
	6	**7,958**	**7,964**	7,661

In 2014, of the total investment income, £ 7,661 was to unrestricted funds.

6. Investment management costs

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Ogley cottage fees and costs	**-**	**1,656**	**1,656**	2,543

In 2014, of the total expenditure on investment management costs, £2,543 was to unrestricted funds.

7. Analysis of expenditure on charitable activities

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lichfield canal costs	228,827	-	228,827	39,530
Canal restoration expenses	14,836	16,736	31,572	36,023
Interest Payable	-	12,505	12,505	12,945
Insurance	-	2,313	2,313	2,001
Depreciation	-	13,118	13,118	6,702
Administration costs	-	2,360	2,360	3,735
Marketing costs	-	8,774	8,774	5,268
Membership & magazine costs	-	5,156	5,156	4,721
	243,663	60,962	304,625	110,925

In 2014, of the total expenditure, £ 75,590 was expenditure from unrestricted funds and £ 35,335 was expenditure from restricted funds.

8. Governance costs

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Independent examiners fees	-	775	775	750
Legal and professional services	14,252	9,415	23,667	7,564
	14,252	10,190	24,442	8,314

In 2014, of the total expenditure on governance costs, £8,314 was to unrestricted funds.

9. Net incoming resources/(resources expended)

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	13,118	6,702
Independent examiner's fees	775	750

During the year, no Trustees received any remuneration (2014 - £NIL).
During the year, no Trustees received any benefits in kind (2014 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

10. Tangible fixed assets

Group and Company	Freehold land and buildings £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2015	**388,186**	**21,365**	**10,090**	**419,641**
Additions	**66,000**	**27,525**	**-**	**93,525**
At 31 December 2015	**454,186**	**48,890**	**10,090**	**513,166**
Depreciation				
At 1 January 2015	**51,930**	**15,695**	**10,090**	**77,715**
Charge for the year	**5,770**	**7,348**	**-**	**13,118**
At 31 December 2015	**57,700**	**23,043**	**10,090**	**90,833**
Net book value				
At 31 December 2015	**396,486**	**25,847**	**-**	**422,333**
At 31 December 2014	336,256	5,670	-	341,926

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 January 2015 and 31 December 2015	**1,000**

Company investments at cost comprise:

	2015 £	2014 £
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 nature is to carry out the trading activities of the charity.

12. Stocks

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Finished goods and goods for resale	**1,489**	1,240	**-**	-

13. Debtors

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade debtors	**-**	35,000	**-**	35,000
Amounts owed by group undertakings	**-**	-	**1,666**	1,590
	-	35,000	**1,666**	36,590

The amount due from the subsidary undertaking represents the gift aid payment together with normal commercial recharges.

14. Creditors:
Amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Bank loan	**7,999**	7,568	**7,999**	7,568
Other creditors	**775**	750	**775**	749
Accruals and deferred income	**49,451**	35,000	**49,451**	35,000
	58,225	43,318	**58,225**	43,317

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

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Bank loan	**196,301**	204,300	**196,301**	204,300

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

16. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds					
Club 500 Capital Fund	1,387	1,641	(1,515)	(103)	1,410
Land Fund	-	-	-	2,000	2,000
Restoration Budget Balance	-	-	-	428	428
	1,387	1,641	(1,515)	2,325	3,838
General funds					
General Funds	124,460	87,189	(71,649)	3,061	143,061
Total Unrestricted funds	125,847	88,830	(73,164)	5,386	146,899
Restricted funds					
Land Fund	22,308	3,274	(3,836)	(2,217)	19,529
Restoration Fund	22,514	2,422	-	(18,950)	5,986
David Suchet Appeal Fund	4,182	28,381	-	25,499	58,062
Brick Appeal	40	220	-	-	260
Funds Deposit	1,629	6	-	87	1,722
Club 500 Prize Reserve	257	-	-	92	349
Feet of Clay Fund	37,789	1,076	(11,800)	(9,531)	17,534
Lloyds Bank Foundation Grant	2,000	-	-	(2,000)	-
SIB "Summerhill" Grant	-	307,500	(228,027)	-	79,473
Midland Expressway Limited	-	50,000	(14,252)	3,252	39,000
Grants: LDC, CCC	-	1,618	-	(1,618)	-
	90,719	394,497	(257,915)	(5,386)	221,915
Total of funds	216,566	483,327	(331,079)	-	368,814

Summary of Designated Funds

Club 500 Capital Fund

See details under restricted funds

Land Fund

See details under restricted funds

Restoration Budget Balance

See details under restricted funds

16. Statement of funds (continued)

Summary of Restricted Funds

Land Fund

This fund is money held for the purchase, lease or licence of land needed for the canal and associated expenses. It is intended to build up a long term reserve in the Land Fund to meet future opportunities as they arise. Additionally, the Directors elected to designate a sum from general reserve to increase the funds available to improve the opportunity for negotiating potential land purchase deals.

Restoration Fund

This fund includes money donated for general restoration 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.

David Suchet Appeal Fund

The 2009 'Thirty Pounds Appeal' aimed to raise funds towards meeting the cost of undertaking Phase 1 of the Atkins Report recommendations for restoring the Lichfield Canal from Huddlesford Junction to Darnford Lane. In 2012, the Directors resolved to amalgamate Phases 1 and 2 to facilitate developments through Darnford Park to Tamworth Road. In 2015, the Directors resolved to redirect the residual fund to a new objective promoted as “Tunnel Vision” Appeal towards the cost of installing canal tunnels under major road and rail crossings.

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.

Club 500 Prize fund

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.

Feet of Clay Fund

This fund is money donated to meet the cost of purchasing materials and related plant for laying a waterproof base in selected areas of canal channel.

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.

Midlands Expressway Limited

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

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	1,387	1,641	(1,515)	2,325	3,838
General funds	124,460	87,189	(71,649)	3,061	143,061
	125,847	88,830	(73,164)	5,386	146,899
Restricted funds	90,719	394,497	(257,915)	(5,386)	221,915
	216,566	483,327	(331,079)	-	368,814

17. Analysis of net assets between funds

	Restricted funds 2015 £	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	422,333	422,333	341,926
Current assets	221,915	(20,910)	201,005	122,257
Creditors due within one year	-	(58,223)	(58,223)	(43,317)
Creditors due in more than one year	-	(196,301)	(196,301)	(204,300)
	221,915	146,899	368,814	216,566

18. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Lichfield & Hatherton Canals Retail Trading Ltd	England and Wales	100%	Retail Trading