FINANCE DIRECTOR'S REPORT FOR 2018

BALANCE SHEET

FIXED ASSETS

Following receipt of a substantial legacy from our late Chairman, Brian Kingshott, it became possible in January 2018 to complete the purchase of Ogley Cottage No.271, adding to the main realisable freehold assets with No.272, which now include the whole of infilled Lock 1 at the head of the Lichfield Canal, depreciated in the accounts to £487,890. Both are jointly subject to a restructured legal mortgage to the Charity Bank to secure the loan shown under Liabilities towards the canal tunnel under Birmingham Road (2007) and contributing to the Tunnel Vision Appeal Fund to extend the tunnel under the adjacent railway.

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 £7,778 despite the machinery retaining its working value due to better organised regular maintenance. The Trust holds £1,000 of shares in its wholly owned subsidiary Retail Trading Company.

CURRENT ASSETS

The only debtor is the wholly-owned Retail Trading subsidiary company stock and cash of £1,422. Bank balances follow the Trust's Reserves Policy as "restricted", "designated" and "unrestricted", such funds being held for purchase of Land and Property, Plant and Restoration work, and administration whereby Trust Directors consider the need to build up funds for projected expenditure. Outstanding payments of £38,371 will become due for planned invoices against the Social Investment Business Group grant awarded for Summerhill in 2015. Following a national promotion campaign, by the end of 2018 the David Suchet Tunnel Vision Appeal had retained £481,061, net of £27,795 planning outlay, from about 800 donors throughout the UK. Against this is a contingent liability estimated to be £1,000,000 by Staffordshire County Council to extend the canal tunnel from Birmingham Road under the Cross-City railway line after the Lichfield Southern Bypass is connected to London Road by 2020. Further negotiations and fund-raising will continue towards achieving construction of the canal tunnel to avoid it being delayed to some time in the future.

LIABILITIES

As noted above, reserved funds of £38,371 remain payable from the SIB grant for outstanding supplies to support ongoing planned activity. The revised mortgage loan on improved terms, secured by Ogley Cottages No.271 and 272, stood at £373,396 repayable over 25 years (or earlier without penalty) as an investment in the Lichfield tunnel project.

INCOME

Membership subscriptions increased slightly (Trust + Marketing), supplemented with voluntary donations by 42% of members adding 40% to the basic income for which we are most grateful. This makes the average amount of £16.00

per paying member, which is considered better than increasing the fees to all members and maybe falling short of this value with the average cost of servicing all members at £2.77 per head.

Donations continued to flow into ongoing funds at a steady rate as appeals ran their course. Marketing and Retail activities generated a gross income of £23,441, reflecting the efforts of the volunteers promoting sales.

EXPENDITURE

No cost was incurred by the Trust in assisting Canal & River Trust with maintenance of their watered section of the Hatherton Canal but a close watch is kept on the route for any housing and other potential developments. The long-running transfer of ownership of the 500m section at Wedges Mills from Cannock Council was finally completed, but brought the need to challenge and resolve boundary encroachment from new industrial warehousing in Bridgtown.

The Lichfield Canal continues to be the main focus of restoration work where an ever-increasing number of Trust and visiting volunteer teams made substantial progress on several sites: Summerhill; Fosseway Heath with the benefit of a Postcode Local Trust grant of £18,500 from 2017; Gallows Wharf project by London Road with S.C.C. Community Fund grant of £1,850. At Darnford Lane, 11 concrete canal sections had to be relocated at short notice from storage in Great Wyrley, placing an unbudgeted £20,000 burden on funds in advance of future use. Both Ogley Cottages incurred administrative and maintenance costs to attract satisfactory tenants, managed by a local Letting Agent.

Management and administration costs were underpinned by immeasurable personal input from the Directors and Officers. Extensive high level negotiations with untiring support and some expensive professional fees took place “behind the scenes” to uphold the Trust’s position against adverse proposals for several new housing developments beside the canal route south of Lichfield and issues involving water management.

CONCLUSION

Intense volunteer achievements on the ground produced yet another massive change through the year. The Heritage Towpath Trail in Lichfield is particularly popular with 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, all at a recorded time valuation of £653,000 for the year.

R. O. WILLIAMS, Finance Director