

FINANCE DIRECTOR'S REPORT FOR 2017

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, Fossey 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