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 2014

DAINS
ACCOUNTANTS

Contents

Reference and Administrative Details of the Company, its Trustees and Advisers
For the year ended 31 December 2014

Trustees	B Kingshott D Dixon P H Buck M J Battisson P C Magee (resigned 6 June 2014) G R Crook T E Brown H J Bryan P J Hancock T T Morris (resigned 9 May 2014) R Mullarkey K V Welch R O Williams
Company registered number	02456172
Charity registered number	702429
Registered office	Island House Moor Road Chesham Buckinghamshire HP5 1WA
Company secretary	P J Hancok
President	E Wood
Accountants	Dains LLP 15 Colmore Row Birmingham B3 2BH

Chairman's Statement
For the year ended 31 December 2014

The chairman presents his statement for the year.

Once again it falls to me to take stock of the work and achievements of the Trust in the year ending 31st December 2014. Of course the date mirrors the end of the financial year, with the Trust accounts examined, as usual by Dains, and the subsidiary company by West. This necessary symmetry presents a frustrating challenge to the Chairman. We are already almost half way to the end of 2015 and so much which has happened over that 6 month period must wait for a year before it can be presented to the AGM. Of course, members can refer to our website, Cut Both Ways, and more recently those on e-mail can receive our Towpath Times to keep up to date. However, what follows will keep largely within the timeframe of 2014. Like the best soap operas we will end this report on an exciting cliffhanger.

I have always attempted to draw a pen portrait of the work of our individual directors and highlight what they have done over the past year. I am pleased to report that the input of so many of our members who are not Directors and who do not attend Council is now so high that to single out directors 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. 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 on which I could never improve and strongly recommend that all of us visit the worksites on the Lichfield Canal and look around you. The achievements are tangibly there for all to see. Let me say, here and now, a heartfelt "thank you" to all our activists.

I will, however, pay tribute to those who sadly left us in 2014. I often referred to Trevor Morris as being, almost certainly, the oldest person actively involved in canal restoration. Trevor died in 2014 and the funeral service was well-attended by members of L&H. We had planned to present him with a commemorative salver to mark the gratitude of the Trust. A slightly amended salver was presented to Edna Morris and was much appreciated. Sadly, Edna herself passed on very shortly afterwards and we extend our best wishes to John Morris who is a long-term and generous supporter of our work. Also in 2014 we recorded the death of Mervyn Ainge who had done so much work on the marketing side and in computerising our membership records. Mervyn attended our meetings for as long as he could and has been much missed. Again, the Trust was well-represented at the funeral and our best wishes go to Pat in her loss. It is pleasing that Pat finds strength in continuing to work with our Promotions Team.

I referred last year to the huge number of hours which our directors, officers and supporters devote to Trust business. These are only partly shown in the hours spent in Trust Council. Far more time is spent in smaller meetings to deal with specific issues such as HS2. In addition there are the many meetings with third parties such as the District Councils and Staffordshire Highways. The cost of 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.

Our quarterly magazine, Cut Both Ways, which was substantially up-rated in 2013 continues to go from strength to strength. It is a major tool in keeping our membership in touch with developments and in communicating with our many supporters such as MPs, councillors and businesses. Our revamped website is most impressive. It not only advertises our activities but also reacts quickly to events and breaking news. If you have not yet discovered it I strongly recommend that you log on soon.

Inevitably, HS2 was an issue of major concern throughout the year. The news here has been something of a rollercoaster and, hopefully, the year ended on a high rather than a low. We started the year with the prospect of there being virtually no impact of the new railway on the Lichfield Canal at Huddlesford. The new line would cross at a height well clear of the canal. We always knew that the complexity of the scheme in that form would have a devastating impact on the Trent and Mersey in the Fradley area. Determined opposition from Lichfield residents who were concerned about the impact on the eastern side of the city brought about a major revision. While our members welcomed the reduced impact on the canal environment generally the Trust was alarmed that the lowering of the railway profile at Huddlesford would make the original line of the canal track at Huddlesford impossible and the effect on Lichfield Cruising Club would be devastating. A long series of meetings involving several senior directors made steady progress towards resolving these potentially "showstopping" proposals. The year ended with the prospect that HS2 would work with the Trust and the Cruising Club to reroute the Lichfield Canal from its junction to a point just below Lock 30. Nothing is yet set in stone but the outlook is moderately encouraging.

Our regular work parties have continued on the Hatherton and we remain indebted to Denis Cooper and his team for all they do. We are well aware that our major focus has been on the Lichfield Canal and Trust Council is giving thought to ways is which this can be addressed.

Our main focus has again been on Pounds 26 & 27 on the Lichfield Canal. To conserve funds all the work has been carried out, to a very high standard, by our own work force whose members have toiled on through torrents and storms. Progress has been perhaps slower than we anticipated but this must not be seen as any criticism of our amazingly dedicated and hard-working team of volunteers. The prospect of using a synthetic liner has been put aside as implementation proved too challenging. Clay puddle will now be used right through Pound 27 and a special machine has been purchased to progress this work. The windinghole in Pound 27 has been constructed and the wall is now fully in place.

At the 2014 AGM I flagged up the importance of the Heritage Towpath Trail which will provide a walking route for the whole length of the canal. An opportunity for major funding failed to materialise by the year end but, in true roller-coaster style, this suddenly reappeared early in 2015 – outside the scope of this report. The project to be financed will see the purchase of the canal track from the A461 to a point west of the aqueduct, the reinstatement of the destroyed Crane Brook culvert and the extension of the walking route over M6Toll. Exciting times lie ahead. Again, we are indebted to a sub-committee of senior directors which continues to devote an enormous number of hours to developing this scheme in the year ahead.

The Huddlesford Heritage Gathering will be held again in September 2015 as this is a biennial event. However, our marketing team has arranged the usual events including a variety show and a quiz. Our President's annual "Coffee Morning" was held on Easter Saturday, again with its amazing financial outcome. These are good opportunities for all our members to mingle. We discontinued our use of the retail unit in the arcade in Lichfield as it had achieved all we could hope for at that time.

As ever, an annual report can only scratch the surface of all that has happened through the year. It can also flag up what lies ahead. What it cannot do is to pay full tribute to the work of all our active members. I see the teams toiling in the muddy trenches, the dedicated workers lugging boxes to jumble sales, serving meals at events and generally supporting all we do. They are all keeping the dream alive. Equally there are all the hidden hours of work in informal discussion, writing documents on computers at home or driving across the Midlands to yet another meeting. On behalf of all our members I extend our heartfelt thanks to all these enthusiasts. But, finally, we do not forget the value of our "armchair" membership. To those through personal circumstances or just inclination support us through their subscriptions and donations. Let it not be forgotten that the larger our membership the greater our campaigning impact.

2014 was a year of great challenge. I am sure you will agree that the Trust rose magnificently to the demands made on it. 2015 will certainly be exciting and we are all ready for it.

Name Brian Kingshott
Chairman

Date 5 June 2015

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 £236,570, and remains subject to a legal mortgage to the Charity Bank to secure the reducing loan under Liabilities which partly financed the canal culvert as a valuable feature under Birmingham Road, Lichfield. The tenant in occupation since 2010 renewed the lease to 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. Six other areas of canal-related land which are not depreciated are valued collectively at total historic cost of £99,686. An additional item of essential plant took the total depreciated value to £5,670. The Trust holds £1,000 of shares in its fully owned subsidiary Retail Trading company.

CURRENT ASSETS

Debtors comprise the usual Retail Trading subsidiary company stock and cash assets of £1,589 in support of its share capital noted above. A major grant of £336,000 by Social Investment Business Group to acquire and develop the derelict Summerhill section of the Lichfield Canal was awarded at the year end from which £35,000 was allocated for an initial invoice towards enabling works, payable in 2015.

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. The "Feet of Clay" Appeal for channel lining caught the public imagination in raising its target of £30,000 in the year. In addition to the SIB grant noted above, other successful applications brought £1,000 from Lichfield District Council, £2,000 from Staffordshire County Council and £2,000 from Lloyds Bank Foundation, all for Heritage Towpath Trail development. However, WREN declined £80,000 from their Biodiversity Action Fund and a consortium of Wildlife Trusts did not take forward a potential £935,000 over 5 years aimed at 11-24 year olds in a range of academic and practical skills.

LIABILITIES

The continuing mortgage loan from the Charity Bank secured by Ogley Cottage, repayable by monthly instalments up to 2031, or earlier without penalty, is still manageable as a high priority claim on funds. As noted above, selling the house remains under consideration to make better use of net outgoings.

INCOME

Membership remains steady where subscriptions are regularly supplemented by voluntary donations adding 40% to the basic income for which we are most grateful. This makes the average amount £16.35 per paying member, which is considered better than putting up the fees to all members which may fall short of this, and is comparable with similar societies. The average cost of servicing all members is about £2.45 per head.

Donations continue into ongoing funds with the "Feet of Clay" Appeal making a significant difference, boosted by an exceptional anonymous contributor, shared with the Land Fund. Sales reverted to a more usual level for a year which lacked major events. Exceptional work to secure the SIB grant will feature strongly in next year's accounts.

EXPENDITURE

On the Hatherton Canal, only minor costs are incurred as Canal & River Trust volunteers assist in managing their section. Otherwise, we continue to keep a watching brief on all potential adverse developments along the route. Restoration work was focused on the Lichfield Canal where a growing number of Trust volunteers accelerated progress at Tamworth Road, completing the highly acclaimed Heritage Towpath Trail around Pound 27. An area near the "narrows" forming both a turning point and an entrance into privately-owned land that is planned to be used as a "water resources centre" was completed. Laying traditional clay lining in the canal channel began there.

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 water management, highways, and housing plans in furtherance of the Trust's objectives. In particular, proposals for a High Speed Railway (HS2) to cross the canal at Cappers Lane required extensive discussion with leading parties on a national basis to modify alignment and elevation that will include an acceptable deviation at their expense.

CONCLUSION

Intense volunteer achievement on the ground could be said to have been matched by exceptional effort to attract significant new funding, some of this bearing a rich reward from SIB which will only become apparent in 2015. The Heritage Towpath Trail has added an exciting dimension which attracts new interest at many levels, particularly among those in authority who can better appreciate the benefits that canal restoration can bring to the community.

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 has been fully assessed if stated in commercial terms at a conservative value over £320,000 for the year.

R. O. WILLIAMS, Finance Director

Date: 5 June 2015

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) for the year ended 31 December 2014. 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) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 29 December 1989 .

The company is constituted under a Memorandum of Association dated 29 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 become a member of the company and there are 1,856 members, each of whom agree to contribute, whilst being a member or for a period of 12 months following ceasing to be a member, an amount not exceeding £1 in the event of the charity winding up.

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 £41,490 (2013 - £29,274) and financial position are fully set out in the Statement of Financial Activities, Balance Sheet and Notes on pages 11 to 24.

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.

b. Reserves policy and risk management

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 2014 amounted to £125,847 (2013 - £153,084) 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.

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.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 5 June 2015 and signed on their behalf by:

B Kingshott, 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 2014 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.

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: 5 June 2015

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 2014

	Note	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	**104,062**	**49,959**	**154,021**	93,757
Commercial trading operations	3	**-**	**1,839**	**1,839**	2,516
Investment income	4	**-**	**7,661**	**7,661**	7,371
Total incoming resources		**104,062**	**59,459**	**163,521**	103,644
Resources expended					
Costs of generating funds:					
Commercial trading operations	3	**-**	**249**	**249**	298
Investment management expenses	5	**-**	**2,543**	**2,543**	856
Charitable activities	7	**35,335**	**75,590**	**110,925**	70,978
Governance costs	6	**-**	**8,314**	**8,314**	2,238
Total resources expended		**35,335**	**86,696**	**122,031**	74,370
Movement in total funds for the year - Net income/(expenditure) for the year		**68,727**	**(27,237)**	**41,490**	29,274
Total funds at 1 January 2014		21,992	153,084	175,076	145,802
Total funds at 31 December 2014		**90,719**	**125,847**	**216,566**	175,076

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 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	10		**341,926**		343,628
Current assets					
Stocks	13	**1,240**		1,400	
Debtors	14	**35,000**		-	
Cash at bank and in hand		**86,018**		49,793	
		122,258		51,193	
Creditors: amounts falling due within one year	15	**(43,318)**		(7,878)	
Net current assets			**78,940**		43,315
Total assets less current liabilities			**420,866**		386,943
Creditors: amounts falling due after more than one year	16		**(204,300)**		(211,867)
Net assets			**216,566**		175,076
Charity Funds					
Restricted funds	17		**90,719**		21,992
Unrestricted funds	17		**125,847**		153,084
Total funds			**216,566**		175,076

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 2014 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 April 2008).

The financial statements were approved by the Trustees on 5 June 2015 and signed on their behalf, by:

B. Kingshott

B Kingshott, 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 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	10		**341,926**		343,628
Investments	11		**1,000**		1,000
			342,926		344,628
Current assets					
Debtors	14	**36,591**		2,219	
Cash at bank and in hand		**84,667**		47,974	
		121,258		50,193	
Creditors: amounts falling due within one year	15	**(43,318)**		(7,878)	
Net current assets			**77,940**		42,315
Total assets less current liabilities			**420,866**		386,943
Creditors: amounts falling due after more than one year	16		**(204,300)**		(211,867)
Net assets			**216,566**		175,076
Charity Funds					
Restricted funds	17		**90,719**		21,992
Unrestricted funds	17		**125,847**		153,084
Total funds			**216,566**		175,076

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 2014 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 April 2008).

The financial statements were approved by the Trustees on 5 June 2015 and signed on their behalf, by:

B Kingshott, 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

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

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 and paragraph 397 of the SORP.

1.2 Cash flow

The financial statements do not include a Consolidated cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 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 surplus for the year dealt with in the accounts of the company was £41,490 (2013 - £29,274).

1.4 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.

1.5 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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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)

1.6 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

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.

1.7 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

1.8 Tangible fixed assets and depreciation

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 in subsidiaries are valued at cost less provision for impairment.

1. Accounting Policies (continued)

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.

2. Voluntary Income

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
David Suchet Appeal	970	-	970	1,231
Land Fund	18,905	-	18,905	3,535
Restoration Fund	15,104	-	15,104	569
Members Subscriptions	-	11,210	11,210	10,889
General Donations	-	27,776	27,776	22,989
Trust & Public Events	-	6,181	6,181	19,495
Brick Appeal	180	-	180	140
Grand Prize Draw	-	4,794	4,794	6,150
Feet of Clay Fund / Diamond Jubilee Fund for Darnford Park	31,904	-	31,904	28,759
Lloyds Bank Foundation grant	2,000	-	2,000	-
SIB "Summerhill" grant	35,000	-	35,000	-
	104,063	49,961	154,024	93,757

3. Commercial trading operations

	Total funds 2014 £	Total funds 2013 £
Trading income		
Turnover	1,839	2,516
Trading expenses		
Cost of sales and administration expenses	249	298
Net income from commercial trading operations	1,590	2,218

4. Investment income

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rent Receivable	-	7,510	7,510	7,300
Interest Receivable	-	151	151	71
	-	7,661	7,661	7,371

5. Investment management costs

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Ogley cottage fees and costs	-	2,543	2,543	856

6. Governance costs

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Independent examiner's remuneration	-	750	750	750
Legal and professional services	-	7,564	7,564	1,488
	-	8,314	8,314	2,238

7. Restoration Costs

The charity undertakes direct charitable activities only and does not make grant payments.

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total Funds 2014 £	2013 £
Direct Costs				
Lichfield Canal Project Costs	35,000	4,531	39,531	18,168
Canal Restoration Expenses	335	35,688	36,023	9,855
Interest Payable	-	12,945	12,945	13,359
	35,335	53,164	88,499	41,382

Support Costs				
Insurance	-	**2,001**	**2,001**	1,962
Depreciation	-	**6,702**	**6,702**	8,787
Administration Costs	-	**3,789**	**3,789**	3,343
Marketing Costs	-	**5,268**	**5,268**	11,042
Membership & Magazine Costs	-	**4,666**	**4,666**	4,462
	-	**22,426**	**22,426**	29,596

8. Net Income / (Expenditure)

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	**6,702**	8,787
Independent examiner's remuneration	**750**	750

9. Staff costs

The company has no employees, who did not receive any remuneration (2013 - £NIL).

10. Tangible fixed assets

Group and Company	Freehold land and buildings £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2014	**388,186**	**16,365**	**10,090**	**414,641**
Additions	**-**	**5,000**	**-**	**5,000**
At 31 December 2014	**388,186**	**21,365**	**10,090**	**419,641**
Depreciation				
At 1 January 2014	**46,160**	**14,763**	**10,090**	**71,013**
Charge for the year	**5,770**	**932**	**-**	**6,702**
At 31 December 2014	**51,930**	**15,695**	**10,090**	**77,715**
Net book value				
At 31 December 2014	**336,256**	**5,670**	**-**	**341,926**
At 31 December 2013	342,026	1,602	-	343,628

Included in land and buildings is freehold land at valuation of £99,686 (2013 - £99,686) which is not depreciated.

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 January 2014 and 31 December 2014	**1,000**

Company investments at cost comprise:

	2014 £	2013 £
Lichfield & Hatherton Canals Retail Trading Ltd	**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. Principal subsidiaries

Company name	Percentage Shareholding	Description
Lichfield & Hatherton Canals Retail Trading Ltd	100%	Retail Trading

13. Stocks

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Goods for resale	**1,240**	1,400	**-**	-

14. Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Trade debtors	**35,000**	-	**35,000**	-
Amounts owed by group undertakings	**-**	-	**1,591**	2,219
	35,000	-	**36,591**	2,219

The amounts due form the subsidiary undertakings represents the gift aid payment together with normal commercial recharges.

15. Creditors: Amounts falling due within one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank loan	**7,568**	7,128	**7,568**	7,128
Other creditors	**750**	-	**750**	-
Accruals and deferred income	**35,000**	750	**35,000**	750
	43,318	7,878	**43,318**	7,878

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

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank loan	**204,300**	211,867	**204,300**	211,867

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

17. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds				
Club 500 Capital Fund	1,387	-	-	1,387
Unrestricted funds				
Unrestricted fund	151,697	59,459	(86,696)	124,460
Total Unrestricted funds	153,084	59,459	(86,696)	125,847
Restricted funds				
Land Fund	3,404	18,904	-	22,308
Restoration Fund	7,410	15,104	-	22,514
David Suchet Appeal Fund	3,212	970	-	4,182
Brick Appeal	195	180	(335)	40
Funds Deposit	1,629	-	-	1,629
Club 500 Prize Reserve	257	-	-	257
Feet of Clay Fund / Diamond Jubilee Fund	5,885	31,904	-	37,789
Lloyds Bank Foundation Grant	-	2,000	-	2,000
SIB "Summerhill" Grant	-	35,000	(35,000)	-
	21,992	104,062	(35,335)	90,719
Total of funds	175,076	163,521	(122,031)	216,566

Summary of Designated Funds

Club 500 Capital Fund

See details under restricted funds

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. During the year the Directors have transfered the designated amount to restricted reserves for an earmarked project.

17. Statement of funds (continued)

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.

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.

Diamond Jubilee Fund

Amounts received for expenditure on Darnford Park development.

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 by March 2015.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	1,387	-	-	1,387
General funds	151,697	59,459	(86,696)	124,460
	153,084	59,459	(86,696)	125,847
Restricted funds	21,992	104,062	(35,335)	90,719
	175,076	163,521	(122,031)	216,566

18. Analysis of net assets between funds

	Restricted funds 2014 £	Unrestricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	341,926	341,926	343,628
Current assets	90,719	31,538	122,257	51,193
Creditors due within one year	-	(43,317)	(43,317)	(7,878)
Creditors due in more than one year	-	(204,300)	(204,300)	(211,867)
	90,719	125,847	216,566	175,076