



Lichfield & Hatherton Canals Restoration Trust Limited

Founder and President: J. Eric Wood Vice-President: David Suchet CBE
Patrons: Chris Coburn MBE; Dr David Fletcher CBE; Michael Fabricant MP

FINANCE DIRECTOR'S REPORT FOR 2011

BALANCE SHEET

FIXED ASSETS

The main freehold asset continues to be Top Lock Cottage near Ogleby Junction at the head of the Lichfield Canal, depreciated in the accounts to £253,880 and remains subject to a legal mortgage to secure the reducing bank loan shown under Liabilities which partly financed the canal culvert under Birmingham Road, Lichfield in 2007. The new tenancy agreed in October 2010 for two years runs satisfactorily. On maturity, further consideration will be given to retaining the canal land but selling the house to redeem the loan, or to continuing the tenancy for a further period. Five other areas of canal-related land which are not depreciated total £59,686. There were no capital additions or disposals in the year.

CURRENT ASSETS

Debtors comprise the usual Retail Trading subsidiary company goods in stock and funds held on account, less the share capital shown above. VAT is the outstanding settlement of the net tax reclaim for the final quarter of 2011.

Bank balances follow the Trust's Reserves Policy in three categories:- "restricted", "designated" and "unrestricted". Such funds are held for purchase of land as it becomes available, major restoration work and administration. The David Suchet Thirty Pound Appeal launched in 2009 towards Lichfield Canal Phase 1 levelled-off at £33,000 with some income still coming from regular donors. Consolidation of the Trust's bank accounts at Unity Trust Bank plc is complete apart from collection of income mandated to the Lloyds TSB account.

LIABILITIES

The continuing mortgage loan from the Charity Bank secured by Ogleby Cottage is repayable by monthly instalments up to 2031, or earlier without penalty. Three years' forward projections show this to be manageable but as noted above, an earlier sale of the property will be looked for when the property market improves to make better use of net outgoings after rent income used in paying bank interest.

INCOME

Subscription income showed an increase from new members, but was slightly eroded by higher postage rates and producing our "Cut Both Ways" magazine partly in colour, considered necessary to convey a more contemporary impression of the Trust's work. As usual, members who voluntarily add a donation to their annual renewal fee produce a valuable income stream for which we are most grateful. Statistically, 41% of members now add another 44% (£4,549) to their subscriptions making an effective average annual payment of £14.77 per member. Donations continued to flow into the ongoing appeal funds, but as expected, these tend to tail off pending new stimuli inspiring sympathisers who prefer to support the next major restoration project: in this case, 2012 Diamond Jubilee Appeal

Net return from Marketing and Retail Trading showed a substantial gain from attendance at an exceptionally lively season of prominent local waterway shows, driven by our active promotions group. The "500 Club" has settled to a plateau of regular members who generate useful gains over £1,000 annually to the Capital Fund.

Two major grants negotiated in 2010 added £65,000 to the total of £70,000 towards a contract for fully restoring Lichfield Canal Pound 26 in water as noted below (and explained by the Chairman).

EXPENDITURE

On the Hatherton Canal, apart from purchase of a new grass-cutter, minor costs were absorbed by volunteer teams in maintaining hedgerows and keeping the towpath accessible to the public. Restoration effort was focused on the Lichfield Canal where regular Trust and visiting volunteer groups further developed the Borrowcop Locks Canal Park theme at Tamworth Road. With the benefit of grant monies, McPhillips (Wellington) Limited were contracted to complete the pound between Locks 25 and 26 fully in water at a cost of £86,104. Publicising achievement of having even a small part of the canal in water appears to have added appreciably to overall income and public interest.

Management and administration costs followed a regular pattern. Various negotiations by volunteer Directors and Officers took place in furtherance of the Trust's objectives, only taking reimbursement of small essential expenses.

CONCLUSION

With the benefit of new engineering expertise on the Board, 2011 brought a step-change in visible restoration achievement on the Lichfield Canal adding to the amenity by attracting more public use. Further work continues to link Borrowcop Locks Canal Park with new initiatives across Tamworth Road in Darnford Park. As ever, the accounts do not reveal the massive benefit from unpaid time, office work and efforts contributed by Directors, Officers and volunteer workers running the Trust.

R. O. WILLIAMS,

Finance Director