

DUDLEY CANAL AND TUNNEL TRUST

England & Wales · Charity number 1166460

Details

Status	Registered
Legal form	Charitable company
Company number	01739659
Registered	2016-04-11
Register	View on the Charity Commission register

Contact

Address	501 Birmingham New Road Dudley DY1 4SB
Phone	0121 557 6265
Email	traci@dctt.org.uk
Website	www.dudleycanaltrust.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE:-(1) THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT, IN PARTICULAR, BUT NOT EXCLUSIVELY, ON THE HISTORY, SOCIAL HISTORY, HERITAGE, ECONOMY, GEOLOGY, GEOGRAPHY, ARCHAEOLOGY, ARCHITECTURE AND OTHER FEATURES OF THE DUDLEY CANAL TUNNELS, INLAND WATERWAYS, MINES AND ITS WORKING BOATS;(2) THE PROTECTION, PRESERVATION, CONSERVATION, MAINTENANCE, REPAIR, IMPROVEMENT AND DEVELOPMENT, TO A NAVIGABLE STANDARD, OF THE DUDLEY CANAL TUNNELS, INLAND WATERWAYS, MINES AND ITS WORKING BOATS FOR THE USE AND BENEFIT OF THE PUBLIC, AND IN PARTICULAR, BUT NOT EXCLUSIVELY, BY PROVIDING EDUCATIONAL, HISTORICAL AND RECREATIONAL FACILITIES.

Activities: The principle activity of the charity is the advancement of public education in the history, economy, geology and other features of the Dudley Canal Tunnel and the Inland Waterways. In furtherance of the objectives the charity operates passenger vessels through the Dudley Canal Tunnel and on other canals in the region.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Dudley
- Sandwell

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,042,966	£1,148,652	£377,825	37
2023-12-31	£1,074,330	£1,026,432	£483,569	37
2022-12-31	£707,162	£653,304	£369,681	32
2021-12-31	£757,651	£577,380	£316,333	19
2020-12-31	£537,939	£414,243	£136,049	22

Trustees

Name	Role	Appointed
Andrew Truslove		2022-09-21
Cathryn Ann Bennett		2018-11-28
David Neil Rogers		2025-06-24
Dr Michael Colin Clark		2022-09-21
Ian Watson		2024-09-10
James Deacon		2020-01-01
Kerri Jayne Williams		2023-02-20
Laura Bratt		2024-09-25
Leslie Bradshaw		2021-04-06
Lyn Head		2023-01-23
Paul Thomas Smith		2017-09-18
Richard Ian Langford		2017-01-22

DUDLEY CANAL AND TUNNEL TRUST

England & Wales - Charity number 1166460

Accounts

Charity registration number 1166460 (England and Wales)

Company registration number 09784120

DUDLEY CANAL AND TUNNEL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

DUDLEY CANAL AND TUNNEL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Bennett R I Langford P T Smith J Deacon L T Bradshaw K Williams A Truslove L Head BEM Dr M C Clark L J Bratt I G Watson	(Appointed 18 September 2024) (Appointed 10 September 2024)
Charity number	1166460	
Company number	09784120	
Principal address	501 Birmingham New Road Dudley West Midlands DY1 4SB	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	

DUDLEY CANAL AND TUNNEL TRUST

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DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)".

Objectives and activities

The principal activity of the charity is the advancement of education for the public benefit, on the history, social history, heritage, economy, geology, geography, archaeology, architecture and other features of the Dudley canal tunnels, inland waterways, mines and its working boats; and the protection, preservation, conservation, maintenance, repair, improvement and development of the Dudley canal tunnels, inland waterways, mines and working boats for the use and benefit of the public.

The strategies employed to achieve the charity's objectives are to:

- Develop an ambitious and forward-looking heritage attraction that celebrates its past achievements whilst looking to grow its infrastructure, develop its offer, reach a wider audience and be a vibrant part of the local community where it is situated.
- Offer opportunities for a broad range of people to become involved and engaged with the history of the tunnels, caverns, waterways and local area. This will be through offering boat trips into the tunnels on open water along with exhibitions and workshops, displays, events, talks, audio visual displays and hands on opportunities.
- Provide employment and volunteer opportunities and work with local community groups and networks and make our resources available to help them deliver their goals.
- Develop and deliver great quality formal and informal education activities for all ages. Become better known for our insight and creative use of our history, our resources, stories and our staff to produce specialist interpretive programs as well as family friendly and curriculum supporting workshops.
- Preserve the Caverns, Tunnels, Mines and Waterways under our care to the highest level. Developing specialist knowledge and approaches to this and sharing knowledge with the wider sector as best practice. Developing a stringent health and safety approach that ensures the safety of all who visit and work within the premises.
- To raise income through our activities to ensure we stay a viable and sustainable business and can further invest in the business. This can be done by selling trip tickets, commercial trade, promoting donations, gift aid and fundraising for our activities.
- To develop mutually supportive partnerships, project work and build relationships which adds to our offer, promotes what is so special about the area and help upskill our workforce, volunteers, operating approaches and activities.
- To raise the profile and awareness of the Trust and ensure all see us as an engaging, productive and professional organisation and heritage attraction. To operate with entrepreneurial flair and creativity and to trade ethically and fairly in all we do.
- To put the visitor at the heart of everything we do.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

Executive Summary

2024 marked a year of stability and building upon foundations built in previous years, with a new CEO in the later part of the year.

In a positive sign, the Trust increased the number of bookings generated directly, with less reliance on visitors from Black Country Living Museum. The introduction and growth of online bookings contributed to this.

The special events at Easter, Halloween and Christmas were well received, with a significant increase in bookings for the Easter and Halloween events. This was due to the excellent feedback received for these established events. The recent new event of paddleboarding days also increased in popularity.

The educational offer for schools continued, with extensive work undertaken to ensure that this met the needs of the modern school curriculum.

The onsite café restaurant saw noticeable increase in sales, whilst maintaining control on stock and wage costs. With the loss of the Catering Manager, a re-structuring of the catering workforce led to improvements in performance.

After a number of years of sales increases, the onsite shop saw a drop in turnover. This was partly due to fewer Museum visitors, the reduced interest in Peaky Blinders and the cost of living whereby disposal income is reduced. This was also noticeable in the café restaurant, where the average spend per transaction reduced.

Staffing remained at a steady level, until the latter part of the year. In November, a new CEO was appointed, following the retirement of the popular CEO of over seven years standing. Unlinked to the CEO appointment, a number of staff moved on to other employment at a similar time. Although a short-term headache for the CEO, this enabled a slight re-structuring of the staffing.

During the year, we are awarded the Express and Star Hospitality, Leisure and Retail Business of the Year. This was a great achievement and against some formidable organisations.

We welcomed a new Trustee, Laura Bratt, who hit the ground running to assist with commercial aspects of the organisation. We also welcomed Carly Thomas as a new Director for our Enterprises company, who has been a regular on site assisting with operations. This appointment led to a long-standing member of the team, Ian Watson, moving from Enterprises Directorship to a Trustee.

Volunteers part a large part in the organisation, and we could not do all we do without them: thanks were formally given at the annual volunteer party.

One challenge moving forward is to assist the new CEO in the role, although having worked locally in the heritage sector, he was fully conversant with the workings of the organisation before joining. Another challenge is to increase our presence and offer to the public, building upon an excellent team and core offer that has been established over many years.

Financial review

Total income for the year amounted to £1,042,966 (2023 £1,074,203). Total expenditure amounted to £1,148,652 (2023 £1,026,432). This resulted in a net deficit for the year of £105,744 (2023 net surplus £47,946). However, it included a £70,000 overpayment of the rent to a sister charity, Dudley Canal Trust (Trips), enabling a reduction in loan repayments by the sister charity, which will be of long-term benefit to our charity. The 2023 surplus included £98,119 movement of funds from another sister charity, which is shown as a donation: hence the 2023 result was technically a £50,298 deficit (£1,421 deficit after Gift Aid adjustment) and the 2024 result a £35,744 deficit.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Reserves policy

Our unrestricted funds are freely available to spend on any of the charity's purposes in delivering our aims and keeping our business sustainable. Restricted funds and tangible fixed assets do not form part of our reserves. They are in place to protect the charity and its operations during down turns in business or other major occurrence to ensure it can continue to protect and preserve the unique environment in its care and engage the public with its historic importance. Reserves are also used to support new projects and activities which the Trust has identified as part of its business development and planning.

The Trust aims to maintain a minimum of £300,000 as reserves. This is based upon the three highest expenditure months for 2024 for non-discretionary spending. Where funds fall below this amount the Trust will review a "Zero Level" approach, identifying the associated risks and mitigating them, building back reserves and diversifying the funding base.

Our readily available cash reserves are currently £331,208 which is slightly above our policy of £300,000. We also have £40,000 on fixed term deposit.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks. Particular attention has focused on non-financial risks arising from fire, health and safety of staff, trippers and audiences. A key element in the management of financial risk is the ongoing commitment to gain an increasing number of visitors by offering deals through various mediums, together with attending various community events.

Governing document and constitution

The company is limited by guarantee and hence there is no share capital.

Dudley Canal and Tunnel Trust is governed by its Memorandum and Articles of Association dated 18 September 2015. It is a registered charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Bennett

R I Langford

P T Smith

J Deacon

L T Bradshaw

K Williams

A Truslove

H O'Connor

(Resigned 24 July 2024)

L Head BEM

Dr M C Clark

L J Bratt

(Appointed 18 September 2024)

I G Watson

(Appointed 10 September 2024)

Trustees' indemnity

The charity has Trustees' indemnity insurance in place.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Organisational structure

The board of trustees, who meet bi-monthly administer the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity and attend the bi-monthly board meetings to present the Chief Executive's report on the day to day running of the business.

A Finance and HR Manager looks after the Trusts finances and supports the Chief Executive on all HR issues. A Programme & Events Manager leads the Trust's customer programme to align to its charitable purposes. A Learning Engagement Officer is responsible for the Trust's education offer. An Operations Manager looks after the general day to day operation, with focus on boats, standards and health & safety requirements. A Commercial Manager looks after the operational and commercial performance of the Café and the Shop. Part time roles in Volunteer Coordinator and Marketing Executive, support the Trust's Volunteers function and Marketing function respectively. All report to the Chief Executive.

Induction and training of new trustees

New trustees are briefed by the management regarding the operations and their legal obligations under charity and company law. They are also given a tunnel tour to obtain a better understanding of the company history and operations.

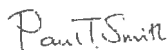
Related parties

The charity has a wholly-owned subsidiary, Dudley Canal and Tunnel Trust Enterprises Limited, a limited company whose purpose is to raise monies through commercial enterprise with the aim of profit making so that these profits may be gifted to Dudley Canal and Tunnel Trust to support their charitable purposes.

Auditor

In accordance with the company's articles, a resolution proposing that CK Audit be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



P T Smith

Trustee

Dated: 18 August 2025

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Dudley Canal and Tunnel Trust for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Opinion

We have audited the financial statements of Dudley Canal and Tunnel Trust (the 'charitable company') and its subsidiary ('the group') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the trustees and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Blake Morris (Senior Statutory Auditor)

For and on behalf of CK Audit, Statutory Auditor

Chartered Accountants

No 4 Castle Court 2

Castlegate Way

Dudley

West Midlands

DY1 4RH

Date: 17/09/2025.

CK Audit is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	2	81,560	-	81,560	134,547	4,000	138,547
Charitable activities	5	802,867	-	802,867	761,923	-	761,923
Other trading activities	3	144,612	-	144,612	160,295	-	160,295
Investments	4	11,938	-	11,938	10,439	-	10,439
Other income	6	1,989	-	1,989	3,126	-	3,126
Total income		1,042,966	-	1,042,966	1,070,330	4,000	1,074,330
Expenditure on:							
Raising funds	7	64,835	-	64,835	70,482	-	70,482
Charitable activities	8	1,078,535	4,437	1,082,972	954,469	546	955,015
Other expenditure	15	845	-	845	935	-	935
Total expenditure		1,144,215	4,437	1,148,652	1,025,886	546	1,026,432
Net gains/(losses) on investments	13	(58)	-	(58)	48	-	48
Net income/(expenditure) and movement in funds		(101,307)	(4,437)	(105,744)	44,492	3,454	47,946
Reconciliation of funds:							
Fund balances at 1 January 2024		477,235	6,334	483,569	432,743	2,880	435,623
Fund balances at 31 December 2024		375,928	1,897	377,825	477,235	6,334	483,569

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 27 form part of these financial statements.

DUDLEY CANAL AND TUNNEL TRUST

CHARITY AND SUBSIDIARY BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	16		50,251		45,067
Investments	18		11,494		11,552
			<u>61,745</u>		<u>56,619</u>
Current assets					
Stocks	19	30,621		30,795	
Debtors	20	11,452		8,812	
Investments	22	40,000		144,445	
Cash at bank and in hand		331,547		344,321	
		<u>413,620</u>		<u>528,373</u>	
Creditors: amounts falling due within one year	23	<u>(73,023)</u>		<u>(65,805)</u>	
Net current assets			<u>340,597</u>		<u>462,568</u>
Total assets less current liabilities			<u>402,342</u>		<u>519,187</u>
Creditors: amounts falling due after more than one year	24		<u>(24,517)</u>		<u>(35,618)</u>
Net assets			<u><u>377,825</u></u>		<u><u>483,569</u></u>
The funds of the charitable company					
Restricted income funds	26		1,897		6,334
Unrestricted funds	28		375,928		477,235
			<u><u>377,825</u></u>		<u><u>483,569</u></u>

The notes on pages 13 to 27 form part of these financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 18 August 2025



A Truslove
Trustee

Company registration number 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets	16		46,893		40,947
Tangible assets	18		11,493		11,551
Investments			<u>58,386</u>		<u>52,498</u>
Current assets	19	6,720		8,378	
Stocks	20	16,769		5,778	
Debtors	22	40,000		144,445	
Investments		288,944		288,381	
Cash at bank and in hand		<u>352,433</u>		<u>446,982</u>	
Creditors: amounts falling due within one year	23	<u>(63,054)</u>		<u>(68,147)</u>	
Net current assets			<u>289,379</u>		<u>378,835</u>
Total assets less current liabilities			<u>347,765</u>		<u>431,333</u>
Income funds	26		1,897		6,334
Restricted funds			345,868		424,999
Unrestricted funds			<u>347,765</u>		<u>431,333</u>

The notes on pages 13 to 27 form part of these financial statements.

The net result reported in the Statement of Financial Activities of the parent charity for the year was a loss of £89,098 (2023: £61,528 profit).

The financial statements were approved by the Trustees on 18 August 2025



A Truslove
Trustee

Company registration number 09784120

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(107,986)		119,756
Investing activities					
Purchase of tangible fixed assets		(15,622)		(9,902)	
Transfer (in)/out of short term investments		104,445		17,555	
Investment income received		11,938		10,439	
Net cash generated from investing activities			100,761		18,092
Financing activities					
Repayment of bank loans		(5,549)		(5,585)	
Net cash used in financing activities			(5,549)		(5,585)
Net (decrease)/increase in cash and cash equivalents			(12,774)		132,263
Cash and cash equivalents at beginning of year			344,321		212,058
Cash and cash equivalents at end of year			331,547		344,321

The notes on pages 13 to 27 form part of these financial statements.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Dudley Canal and Tunnel Trust is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 501 Birmingham New Road, Dudley, West Midlands DY1 4SB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain fair value investments. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102).

Grants are included in incoming resources when they are receivable. Performance related grants are deferred and released after any performance conditions are met.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that a settlement will be required and the amount of the obligation can be measured reliably. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	10% straight line
Foyer improvements	25% straight line
Boats and equipment	20% reducing balance and at varying rates on cost
Office furniture and equipment	20% reducing balance / 10% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2024	2023	2023	2023
	£	£	£	£
Donations and gifts	81,560	134,547	4,000	138,547
Donations and gifts				
Donations	6,419	11,631	4,000	15,631
Donations from Dudley Canal Trust	-	98,119	-	98,119
Gift aid	69,794	24,670	-	24,670
Other	5,347	127	-	127
	81,560	134,547	4,000	138,547

3 Income from other trading activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Shop income	116,331	135,188
Letting and licensing arrangements	6,493	7,025
Other income	21,788	18,082
Other trading activities	144,612	160,295

4 Income from investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Income from listed investments	614	549
Interest receivable	11,324	9,890
	11,938	10,439

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Boat income	370,371	404,961
Workshop income	12,228	13,438
Admissions and booking fees	31,586	10,978
Function income	13,661	-
Membership	714	918
Rental income	550	1,880
Event income	146,472	137,031
Cruises	-	5,401
Cafe	227,285	187,316
	<u>802,867</u>	<u>761,923</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	<u>1,989</u>	<u>3,126</u>

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Other trading activities	<u>64,835</u>	<u>70,482</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Expenditure on charitable activities

	Direct costs 2024 £	Direct costs 2023 £
Staff costs	514,608	487,428
Depreciation and impairment	5,584	7,396
Electric, gas, telephone and water	51,726	49,771
Insurance	28,012	23,823
Maintenance and upkeep	65,105	30,027
Marketing advertising and PR	25,879	18,326
Service contracts	7,137	7,700
Heritage activities and donations	984	626
Health and safety	2,466	2,460
Consumables	1,715	2,016
Volunteer expenses	1,888	-
Activities and events	585	213
Events	-	25,000
Commission	26,083	24,520
Rent	107,450	39,400
Cruises	-	1,509
Cafe	80,539	76,468
	<u>919,761</u>	<u>796,683</u>
Share of support and governance costs (see note 11)		
Support	149,597	145,996
Governance	13,614	12,336
	<u>1,082,972</u>	<u>955,015</u>
Analysis by fund		
Unrestricted funds	1,078,535	954,469
Restricted funds	4,437	546
	<u>1,082,972</u>	<u>955,015</u>

Rent for 2024 includes rent paid to Dudley Canal Trust (Trips) Limited amounting to £104,850 (2023 - £36,800). This assists payments of a loan by this sister charity.

9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,500	7,450
Depreciation of owned tangible fixed assets	10,442	9,171

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Administration	8	7
Operational	29	30
Total	37	37

Employment costs

	2024 £	2023 £
Wages and salaries	562,437	528,731
Social security costs	37,469	34,951
Other pension costs	11,820	10,136
	611,726	573,818

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 to £70,000	-	1

Remuneration of key management personnel

	2024 £	2023 £
Aggregate compensation	63,830	67,834

The Trust considers its key management personnel to be the Chief Executive.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Staff costs	97,118	-	97,118	86,390	-	86,390
Depreciation	4,858	-	4,858	1,775	-	1,775
Service costs	23,743	-	23,743	31,321	-	31,321
Directors expenses	438	-	438	574	-	574
Motor travel and entertaining	341	-	341	273	-	273
Legal and professional fees	2,189	-	2,189	2,163	-	2,163
Bad debt charges	969	-	969	-	-	-
Bank and credit card charges	19,941	-	19,941	23,500	-	23,500
Audit fees	-	8,500	8,500	-	7,450	7,450
Legal and professional	-	1,864	1,864	-	1,661	1,661
Accountancy and payroll services	-	3,250	3,250	-	3,225	3,225
	<u>149,597</u>	<u>13,614</u>	<u>163,211</u>	<u>145,996</u>	<u>12,336</u>	<u>158,332</u>
Analysed between Charitable activities	<u>149,597</u>	<u>13,614</u>	<u>163,211</u>	<u>145,996</u>	<u>12,336</u>	<u>158,332</u>

13 Gains and losses on investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Gains/(losses) arising on:		
Revaluation of investments	(58)	48

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

15 Other expenditure

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Financing costs	845	935
	<u>845</u>	<u>935</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Tangible Fixed Assets - Charity and Subsidiary

	Leasehold buildings	Foyer improvements	Boats and equipment	Office furniture and equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2024	11,653	-	236,436	34,171	282,260
Additions	-	10,083	2,071	3,468	15,622
At 31 December 2024	11,653	10,083	238,507	37,639	297,882
Depreciation and impairment					
At 1 January 2024	682	-	205,411	31,100	237,193
Depreciation charged in the year	235	2,521	6,656	1,030	10,442
At 31 December 2024	917	2,521	212,067	32,126	247,631
Carrying amount					
At 31 December 2024	10,736	7,562	26,440	5,513	50,251
At 31 December 2023	10,971	-	31,026	3,070	45,067

Tangible Fixed Assets - Charity

	Leasehold buildings	Foyer improvements	Boats and equipment	Office furniture and equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2024	11,653	-	229,393	33,613	274,659
Additions	-	10,083	2,071	3,468	15,622
At 31 December 2024	11,653	10,083	231,464	37,081	290,281
Depreciation and impairment					
At 1 January 2024	682	-	201,985	31,045	233,712
Depreciation charged in the year	235	2,521	5,947	974	9,677
At 31 December 2024	917	2,521	207,932	32,019	243,389
Carrying amount					
At 31 December 2024	10,736	7,562	23,532	5,062	46,892
At 31 December 2023	10,971	-	27,408	2,568	40,947

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	40,000	144,445

18 Fixed asset investments - Charity and subsidiary

	Listed investments £
Cost or valuation	
At 1 January 2024	11,552
Valuation changes	(58)
At 31 December 2024	11,494
Carrying amount	
At 31 December 2024	11,494
At 31 December 2023	11,552
Other investments (Charity only) comprise:	
Investments in subsidiaries	1

The Charity holds 100% of the issued Ordinary Shares of Dudley Canal and Tunnel Trust Enterprises Limited. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Charity. At 31 December 2024, its net assets and shareholder's funds amounted to £30,061 (2023: £52,234).

19 Stocks

	2024 Charity and Subsidiary £	2023 Charity and Subsidiary £	2024 Charity £	2023 Charity £
Finished goods and goods for resale	30,621	30,795	6,720	8,378

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Debtors

	2024 Charity and Subsidiary £	2023 Charity and Subsidiary £	2024 Charity £	2023 Charity £
Amounts falling due within one year:				
Trade debtors	5,573	4,877	5,544	2,762
Amounts owed by subsidiary undertakings	-	-	5,346	-
Other debtors	-	919	-	-
Prepayments and accrued income	5,879	3,016	5,879	3,016
	<u>11,452</u>	<u>8,812</u>	<u>16,769</u>	<u>5,778</u>

21 Loans and overdrafts

	2024 £	2023 £
Bank loans	30,073	35,618
Payable within one year	5,556	-
Payable after one year	24,517	35,618

22 Current asset investments

	2024 £	2023 £
Fixed term bonds	40,000	144,445

23 Creditors: amounts falling due within one year

	Notes	2024 Charity and Subsidiary £	2023 Charity and Subsidiary £	2024 Charity £	2023 Charity £
Bank loans	21	5,556	-	-	-
Other taxation and social security		33,601	36,353	31,418	33,878
Trade creditors		8,904	11,100	8,790	10,750
Amounts owed to subsidiary undertakings		-	-	-	7,453
Other creditors		4,514	2,713	4,148	2,027
Accruals and deferred income		20,448	15,639	18,698	14,039
		<u>73,023</u>	<u>65,805</u>	<u>63,054</u>	<u>68,147</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Creditors: amounts falling due after more than one year

	Notes	2024 Charity and Subsidiary £	2023 Charity and Subsidiary £	2024 Charity £	2023 Charity £
Bank loans	21	24,517	35,618	-	-

25 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,820	10,136

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

26 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024 £	Incoming resources £	Resources expended £	At 31 December 2024 £
Richardson Foundation	4,000	-	(4,000)	-
Historic England	2,334	-	(437)	1,897
	<u>6,334</u>	<u>-</u>	<u>(4,437)</u>	<u>1,897</u>
Previous year:	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
Richardson Foundation	-	4,000	-	4,000
Historic England	2,880	-	(546)	2,334
	<u>2,880</u>	<u>4,000</u>	<u>(546)</u>	<u>6,334</u>

The balance on the Historic England restricted fund includes £1,620 (2023: £2,057) relating to fixed assets which are being depreciated on a 20% reducing balance basis.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

27 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	49,177	1,074	50,251
Investments	11,494	-	11,494
Current assets/(liabilities)	339,774	823	340,597
Long term liabilities	(24,517)	-	(24,517)
	<u>375,928</u>	<u>1,897</u>	<u>377,825</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	43,556	1,511	45,067
Investments	11,552	-	11,552
Current assets/(liabilities)	457,745	4,823	462,568
Long term liabilities	(35,618)	-	(35,618)
	<u>477,235</u>	<u>6,334</u>	<u>483,569</u>

28 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2024 £
General funds	<u>477,235</u>	<u>1,042,966</u>	<u>(1,144,215)</u>	<u>(58)</u>	<u>375,928</u>
Previous year:					
	At 1 January 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 December 2023 £
General funds	<u>432,743</u>	<u>1,070,330</u>	<u>(1,025,886)</u>	<u>48</u>	<u>477,235</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

29 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	5,240	5,778
Between two and five years	13,403	16,283
	<u>18,643</u>	<u>22,061</u>

30 Related party transactions

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

During the year a trustee of the charity gained income from the charity through her professional services and wares amounting to £1,075 (2023: £804).

During the year the wife of a trustee of the charity gained income from the charity through selling her wares amounting to £708 (2023: £996).

31 Results of the Charity's Subsidiary Trading Company

The Charity (parent) wholly owns a trading subsidiary which is incorporated in the UK and has the same registered office as the Charity. The subsidiary undertaking, Dudley Canal and Tunnel Trust Enterprises Limited (Company Registration No. 10299996) operates the ancillary commercial activities connected to the activities of Dudley Canal and Tunnel Trust. The trading company donates its' taxable profit to the Trust as unrestricted funds. A summary of the results is set out below. Separate unaudited accounts have been filed with the Registrar of Companies, with the same accounting reference date as the Charity.

Profit & Loss Account	2024 £	2023 £
Turnover	158,273	185,028
Cost of sales	(61,369)	(70,482)
Gross profit	96,904	114,546
Administrative expenses	(71,477)	(68,462)
Operating profit	25,427	46,084
Interest payable/receivable	(505)	(449)
Profit for year before and after taxation	24,922	45,635

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

32	Cash generated from operations	2024 £	2023 £
	(Deficit)/surplus for the year	(105,744)	47,946
	Adjustments for:		
	Investment income recognised in statement of financial activities	(11,938)	(10,439)
	Fair value gains and losses on investments	58	(48)
	Depreciation and impairment of tangible fixed assets	10,442	9,171
	Movements in working capital:		
	Decrease/(increase) in stocks	174	(12,006)
	(Increase)/decrease in debtors	(2,640)	69,208
	Increase in creditors	1,662	15,924
	Cash (absorbed by)/generated from operations	(107,986)	119,756
	Per cash flow statement page	(107,986)	119,756

Accounts

Charity registration number 1166460

Company registration number 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DUDLEY CANAL AND TUNNEL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Bennett	
	R I Langford	
	P T Smith	
	J Deacon	
	L Bradshaw	
	K Williams	(Appointed 20 February 2023)
	A Truslove	
	H O'Connor	
	L Head BEM	(Appointed 23 January 2023)
	Dr M C Clark	
Charity number	1166460	
Company number	09784120	
Principal address	501 Birmingham New Road Dudley West Midlands DY1 4SB	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	

DUDLEY CANAL AND TUNNEL TRUST

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DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)".

Objectives and activities

The principle activity of the charity is the advancement of education for the public benefit, on the history, social history, heritage, economy, geology, geography, archaeology, architecture and other features of the Dudley canal tunnels, inland waterways, mines and its working boards; and the protection, preservation, conservation, maintenance, repair, improvement and development, to a navigable standard, of the Dudley canal tunnels, inland waterways, mines and working boats for the use and benefit of the public.

The strategies employed to achieve the charity's objectives are to:

- Develop an ambitious and forward-looking heritage attraction that celebrates its past achievements whilst looking to grow its infrastructure, develop its offer, reach a wider audience and be a vibrant part of the local community where it is situated.
- Offer opportunities for a broad range of people to become involved and engaged with the history of the tunnels, caverns, waterways and local area. This will be through offering boat trips into the tunnels on open water along with exhibitions and workshops, displays, events, talks, audio visual displays and hands on opportunities.
- Provide employment and volunteer opportunities and work with local community groups and networks and make our resources available to help them deliver their goals.
- Develop and deliver great quality formal and informal education activities for all ages. Become better known for our insight and creative use of our history, our resources, stories and our staff to produce specialist interpretive programs as well as family friendly and curriculum supporting workshops.
- Preserve the Caverns, Tunnels, Mines and Waterways under our care to the highest level. Developing specialist knowledge and approaches to this and sharing knowledge with the wider sector as best practice. Developing a stringent health and safety approach that ensures the safety of all who visit and work within the premises.
- To raise income through our activities to ensure we stay a viable and sustainable business and can further invest in the business. This can be done by selling trip tickets, commercial trade, promoting donations, gift aid and fundraising for our activities.
- To develop mutually supportive partnerships, project work and build relationships which adds to our offer, promotes what is so special about the area and help upskill our workforce, volunteers, operating approaches and activities.
- To raise the profile and awareness of the Trust and ensure all see us as an engaging, productive and professional organisation and heritage attraction. To operate with entrepreneurial flair and creativity and to trade ethically and fairly in all we do.
- To put the visitor at the heart of everything we do.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Executive Summary: 2023 marked a year of significant adaptation and growth for the Trust. Establishing new operational norms post-pandemic, the Trust successfully navigated the recovery phase, focusing on enhancing service offerings and departmental repositioning. Strategic investments in time and resources were made to improve performance and understand areas needing enhancement.

Operational Highlights:

- **Special Events:** The introduction of the Easter event significantly increased site footfall, marking a strong start to the season. The return of "Carols in the Cavern" and the early sell-out of Santa Boat Trips provided substantial boosts.
- **Paddle Boarding Initiative:** Aligning with our mission, the new paddle boarding experience emphasized the heritage of the tunnels and caverns, offering a unique engagement with our history.
- **Gongoozler Café Refurbishment:** The rebranding and refurbishment of the Gongoozler Café Restaurant were well-received, integrating it more closely with our visitor engagement strategy.
- **Product Development:** The "Crafted in the Black Country" range significantly enhanced our gift shop, emphasizing our themes, stories, and heritage.

Financial Performance:

- **Online Booking System:** The implementation of an online booking system for Underground Discovery Trips proved successful, improving operational efficiency and securing income.
- **Ticket Pricing:** Despite a ticket price increase, the Trust maintained competitive pricing, contributing to robust direct sales for boat trips.

Awards and Recognition:

- **Community Awards:** The Trust was honoured with the Dudley Borough Community Awards for Best Environmental Project and Business of the Year.
- **Individual Recognition:** Trustee Lyn Head received the British Empire medal, acknowledging her exceptional contributions to the Trust.
- **Rebranding and Marketing:** 2023 saw a real increase in rolling out our new contemporary branding and messaging and the returns for this with increased social media reach, filming enquiries and increased online sales.

Governance:

- **Chair:** Due to unexpected work commitments our new Chair had to step down, but the position was filled by a long-standing member of the Board, Mr Paul Smith who has a strong business and boating background.

Challenges:

- **Supply and Cost Management:** The Trust faced supply chain issues and rising costs, particularly within hospitality and maintenance departments.
- **Staffing:** Addressing increasing staff costs and minimum wage requirements remains challenging. However, the Trust's commitment to staff training and development is unwavering, recognizing the team's passion and the invaluable support of volunteers contributing approximately 10,000 hours annually.
- **Gift Aid:** Due to operational difficulties with the new till system the Trust suffered a shortfall in Gift Aid income.

Conclusion: The Trust's dedication to its mission, innovative service offerings, and community engagement has led to a year of notable achievements amidst challenges. The collective efforts of staff and volunteers have been instrumental in the Trust's success, setting a positive trajectory for the future.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

Total income for the year amounted to £1,074,203 (2022 £978,383). Total expenditure amounted to £1,026,432 (2022 £1,048,860). This resulted in a net surplus for the year of £47,819 (2022 net deficit £70,987).

Reserves policy

Our unrestricted funds are freely available to spend on any of the charity's purposes in delivering our aims and keeping our business sustainable. Restricted funds and tangible fixed assets do not form part of our reserves. They are in place to protect the charity and its operations during down turns in business or other major occurrence to ensure it can continue to protect and preserve the unique environment in its care and engage the public with its historic importance. Reserves are also used to support new projects and activities which the Trust has identified as part of its business development and planning.

The Trust aims to maintain a minimum of £300,000 as reserves. This is calculated using the predicted three highest expenditure months for 2023 for non-discretionary spending. Where funds exceed this amount by more than £50,000 the Trust will review the reserve policy and either amend it or identify a way of using the funds to support the charity's objectives. Where funds fall below this amount the Trust will review a "Zero Level" approach, identifying the associated risks and mitigating them, building back reserves and diversifying the funding base.

Our readily available cash reserves are currently £327,201 which is slightly above our policy of £300,000. We also have £144,445 on fixed term deposit.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks. Particular attention has focused on non-financial risks arising from fire, health and safety of staff, trippers and audiences. A key element in the management of financial risk is the ongoing commitment to gain an increasing number of visitors by offering deals through various mediums, together with attending various community events.

Governing document and constitution

The company is limited by guarantee and hence there is no share capital.

Dudley Canal and Tunnel Trust is governed by its Memorandum and Articles of Association dated 18 September 2015. It is a registered charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Bennett	
D M Caunt	(Resigned 28 March 2023)
R I Langford	
P T Smith	
J Deacon	
L Bradshaw	
K Williams	(Appointed 20 February 2023)
A Truslove	
H O'Connor	
L Head BEM	(Appointed 23 January 2023)
I Collins	(Resigned 22 November 2023)
Dr M C Clark	

Trustees' indemnity

The charity has Trustees' indemnity insurance in place.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Organisational structure

The board of trustees, who meet bi-monthly administer the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity and attend the bi-monthly board meetings to present the Chief Executive's report on the day to day running of the business.

A Finance and HR Manager looks after the Trusts finances and supports the Chief Executive on all HR issues. A Heritage Engagement Officer is responsible for the Trusts education offer as well as its volunteer programme. The Operations manager looks after the boat trips and health and safety requirements. All report to the Chief Executive.

Induction and training of new trustees

New trustees are briefed by the management regarding the operations and their legal obligations under charity and company law. They are also given a tunnel tour to obtain a better understanding of the company history and operations.

Related parties

The charity has a wholly-owned subsidiary, Dudley Canal and Tunnel Trust Enterprises Limited, a limited company whose purpose is to raise monies through commercial enterprise with the aim of profit making so that these profits may be gifted to Dudley Canal and Tunnel Trust to support their charitable purposes.

Auditor

In accordance with the company's articles, a resolution proposing that CK Audit be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

P T Smith

Trustee

Dated: 30 May 2024



DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Dudley Canal and Tunnel Trust for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Opinion

We have audited the financial statements of Dudley Canal and Tunnel Trust (the 'charitable company') and its subsidiary ('the group') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity by discussion and enquiry with the trustees and management team and our general knowledge and experience of the charity.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities SORP, legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators.

Audit response to risks identified

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with trustees and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for long term construction contracts including recognition of income and estimation of costs to complete;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

3 June 2024

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

CK Audit is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	2	134,547	4,000	138,547	101,858	9,866	111,724
Charitable activities	4	761,923	-	761,923	711,792	-	711,792
Other trading activities	3	160,295	-	160,295	147,172	-	147,172
Investments	5	10,439	-	10,439	264	-	264
Other income	6	3,126	-	3,126	7,431	-	7,431
Total income		1,070,330	4,000	1,074,330	968,517	9,866	978,383
Expenditure on:							
Raising funds	7	70,482	-	70,482	72,350	-	72,350
Charitable activities	8	954,469	546	955,015	960,764	14,643	975,407
Other expenditure	14	935	-	935	1,103	-	1,103
Total expenditure		1,025,886	546	1,026,432	1,034,217	14,643	1,048,860
Net gains/(losses) on investments	13	48	-	48	(510)	-	(510)
Net income/(expenditure) and movement in funds		44,492	3,454	47,946	(66,210)	(4,777)	(70,987)
Reconciliation of funds:							
Fund balances at 1 January 2023		432,743	2,880	435,623	498,953	7,657	506,610
Fund balances at 31 December 2023		477,235	6,334	483,569	432,743	2,880	435,623

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 28 form part of these financial statements.

DUDLEY CANAL AND TUNNEL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16		45,067		44,337
Investments	17		11,552		11,504
			<u>56,619</u>		<u>55,841</u>
Current assets					
Stocks	19	30,795		18,789	
Debtors	20	8,812		78,020	
Investments	21	144,445		162,000	
Cash at bank and in hand		344,321		212,058	
		<u>528,373</u>		<u>470,867</u>	
Creditors: amounts falling due within one year	23	(65,805)		(49,881)	
Net current assets			<u>462,568</u>		<u>420,986</u>
Total assets less current liabilities			<u>519,187</u>		<u>476,827</u>
Creditors: amounts falling due after more than one year	24		(35,618)		(41,204)
Net assets excluding pension liability			<u>483,569</u>		<u>435,623</u>
Net assets			<u><u>483,569</u></u>		<u><u>435,623</u></u>
The funds of the charitable company					
Restricted income funds	26	6,334		2,880	
Unrestricted funds		477,235		432,743	
		<u>483,569</u>		<u>435,623</u>	

The notes on pages 13 to 28 form part of these financial statements.

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

DUDLEY CANAL AND TUNNEL TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the trustees on 31 May 2024



P T Smith
Trustee

Company registration number 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST

PARENT CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	16		40,947		39,456
Investments	17		11,551		11,503
			<u>52,498</u>		<u>50,959</u>
Current assets					
Stocks	19	8,378		-	
Debtors	20	5,778		75,485	
Investments	21	144,445		162,000	
Cash at bank and in hand		288,381		131,935	
		<u>446,982</u>		<u>369,420</u>	
Creditors: amounts falling due within one year	23	(68,147)		(50,700)	
Net current assets			378,835		318,720
Total assets less current liabilities			<u>431,333</u>		<u>369,679</u>
			<u><u>431,333</u></u>		<u><u>369,679</u></u>
Income funds					
Restricted funds	26	6,334		2,880	
Unrestricted funds		424,999		366,799	
		<u>431,333</u>		<u>369,679</u>	
		<u><u>431,333</u></u>		<u><u>369,679</u></u>	

The notes on pages 13 to 28 form part of these financial statements.

The net result reported in the Statement of Financial Activities of the parent charity for the year was £61,528 (2022: £53,348).

The financial statements were approved by the Trustees on 31 May 2024

P T Smith
Trustee

Company registration number 09784120

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Dudley Canal and Tunnel Trust is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 501 Birmingham New Road, Dudley, West Midlands DY1 4SB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102).

Grants are included in incoming resources when they are receivable. Performance related grants are deferred and released after any performance conditions are met.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that a settlement will be required and the amount of the obligation can be measured reliably. Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	10% straight line
Boats and equipment	20% reducing balance and at varying rates on cost
Office furniture and equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	31		119,756		(57,498)
Investing activities					
Purchase of tangible fixed assets		(9,902)		-	
Purchase of investments		-		(10,004)	
Transfer (in)/out of short term investments		17,555		(162,000)	
Investment income received		10,439		264	
Net cash generated from/(used in) investing activities			18,092		(171,740)
Financing activities					
Repayment of bank loans		(5,585)		(5,555)	
Net cash used in financing activities			(5,585)		(5,555)
Net increase/(decrease) in cash and cash equivalents			132,263		(234,793)
Cash and cash equivalents at beginning of year			212,058		446,851
Cash and cash equivalents at end of year			344,321		212,058

The notes on pages 13 to 28 form part of these financial statements.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	134,547	4,000	138,547	90,899	9,866	100,765
Grants received	-	-	-	10,959	-	10,959
	<u>134,547</u>	<u>4,000</u>	<u>138,547</u>	<u>101,858</u>	<u>9,866</u>	<u>111,724</u>
Donations and gifts						
Donations	11,631	4,000	15,631	1,097	31	1,128
Donations from Dudley Canal Trust	98,119	-	98,119	10,168	9,835	20,003
Donation from Dudley Canal Trust (Trips) Limited	-	-	-	3,375	-	3,375
Gift aid	24,670	-	24,670	76,259	-	76,259
Other	127	-	127	-	-	-
	<u>134,547</u>	<u>4,000</u>	<u>138,547</u>	<u>90,899</u>	<u>9,866</u>	<u>100,765</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

(Continued)

Grants receivable for core activities

Other	-	-	-	10,959	-	10,959
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,959</u>	<u>-</u>	<u>10,959</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,959</u>	<u>-</u>	<u>10,959</u>

3 Income from other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Shop income	135,188	129,609
Letting and licensing arrangements	7,025	5,751
Catering	18,082	11,812
	<u>160,295</u>	<u>147,172</u>
Other trading activities	<u>160,295</u>	<u>147,172</u>

4 Income from charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Boat income	404,961	382,359
Workshop income	13,438	12,673
Admissions and booking fees	10,978	6,812
Membership	918	829
Rental income	1,880	4,812
Event income	137,031	137,781
Cruises	5,401	3,722
Cafe	187,316	162,804
	<u>761,923</u>	<u>711,792</u>
	<u>761,923</u>	<u>711,792</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	549	264
Interest receivable	9,890	-
	<u>10,439</u>	<u>264</u>

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	<u>3,126</u>	<u>7,431</u>

7 Expenditure on raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Trading costs		
Direct costs	<u>70,482</u>	<u>72,350</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Expenditure on charitable activities

	Direct costs 2023 £	Direct costs 2022 £
Staff costs	487,428	426,877
Depreciation and impairment	7,396	7,729
Electric, gas, telephone and water	49,771	42,671
Insurance	23,823	21,899
Maintenance and upkeep	30,027	53,512
Marketing advertising and PR	18,326	17,793
Service contracts	7,700	6,712
Heritage activities and donations	626	8
Health and safety	2,460	1,896
Consumables	2,016	1,812
Volunteer expenses	-	121
Activities and events	213	443
Events	25,000	22,204
Commission	24,520	24,068
Rent	39,400	142,872
Cruises	1,509	1,867
Specific Historic England spend	-	42
Cafe	76,468	68,507
	<u>796,683</u>	<u>841,033</u>
Share of support and governance costs (see note 10)		
Support	145,996	125,808
Governance	12,336	8,566
	<u>955,015</u>	<u>975,407</u>
Analysis by fund		
Unrestricted funds	954,469	960,764
Restricted funds	546	14,643
	<u>955,015</u>	<u>975,407</u>

Rent, rates and insurance for 2023 includes rent paid to Dudley Canal Trust (Trips) Limited amounting to £36,800 (2022 - £141,000).

9 Net movement in funds

	2023 £	2022 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	7,450	-
Depreciation of owned tangible fixed assets	9,171	10,010
	<u>16,621</u>	<u>10,010</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Support costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	86,390	-	86,390	81,567	81,567
Depreciation	1,775	-	1,775	2,282	2,282
Service costs	31,321	-	31,321	19,650	19,650
Directors expenses	574	-	574	1,975	1,975
Motor travel and entertaining	273	-	273	237	237
Legal and professional fees	2,163	-	2,163	2,140	2,140
Audit and accountancy	-	-	-	79	79
Bank charges	23,500	-	23,500	17,878	17,878
Audit fees	-	7,450	7,450	-	-
Legal and professional	-	1,661	1,661	-	4,639
Accountancy and payroll services	-	3,225	3,225	-	3,927
	<u>145,996</u>	<u>12,336</u>	<u>158,332</u>	<u>125,808</u>	<u>134,374</u>
Analysed between					
Charitable activities	<u>145,996</u>	<u>12,336</u>	<u>158,332</u>	<u>125,808</u>	<u>134,374</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration	7	4
Operational	30	28
Total	<u>37</u>	<u>32</u>

Employment costs

	2023 £	2022 £
Wages and salaries	528,731	469,819
Social security costs	34,951	31,863
Other pension costs	10,136	6,762
	<u>573,818</u>	<u>508,444</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 to £70,000	1	1

Remuneration of key management personnel

	2023 £	2022 £
Aggregate compensation	67,834	61,138

The Trust considers its key management personnel to be the Chief Executive. The employee benefits of key management personnel amounted to £67,834 (2022: £61,138).

13 Gains and losses on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	48	(510)

14 Other expenditure

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Financing costs	935	1,103
	935	1,103

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Tangible Fixed Assets - Group

	Leasehold buildings	Boats and equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2023	2,350	236,436	33,572	272,358
Additions	9,303	-	599	9,902
At 31 December 2023	11,653	236,436	34,171	282,260
Depreciation and impairment				
At 1 January 2023	447	197,232	30,343	228,022
Depreciation charged in the year	235	8,178	758	9,171
At 31 December 2023	682	205,410	31,101	237,193
Carrying amount				
At 31 December 2023	10,971	31,026	3,070	45,067
At 31 December 2022	1,903	39,390	3,044	44,337

Tangible Fixed Assets - Charity

	Leasehold buildings	Boats and equipment	Office furniture and equipment	Total
	£	£	£	£
Cost				
At 1 January 2023	2,350	229,393	33,014	264,757
Additions	9,303	-	599	9,902
At 31 December 2023	11,653	229,393	33,613	274,659
Depreciation and impairment				
At 1 January 2023	447	194,511	30,343	225,301
Depreciation charged in the year	235	7,474	702	8,411
At 31 December 2023	682	201,985	31,045	233,712
Carrying amount				
At 31 December 2023	10,971	27,408	2,568	40,947
At 31 December 2022	1,903	34,882	2,671	39,456

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Fixed asset investments Group and parent

			Listed investments £
Cost or valuation			
At 1 January 2023			11,504
Valuation changes			48
			<u>11,552</u>
At 31 December 2023			
Carrying amount			
At 31 December 2023			11,552
			<u>11,504</u>
At 31 December 2022			
			<u>11,504</u>
		2023	2022
		£	£
Other investments (Charity only) comprise:	Notes		
Investments in subsidiaries		1	1
		<u>1</u>	<u>1</u>

The Charity holds 100% of the issued Ordinary Shares of Dudley Canal and Tunnel Trust Enterprises Limited. This wholly-owned subsidiary undertakes on-site trading to support the charitable activities of the Charity. At 31 December 2023, its net assets and shareholder's funds amounted to £52,234 (2022: £65,942).

18 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	144,445	162,000
	<u>144,445</u>	<u>162,000</u>

19 Stocks

	2023	2022	2023	2022
	Group	Group	Charity	Charity
	£	£	£	£
Finished goods and goods for resale	30,795	18,789	8,378	-
	<u>30,795</u>	<u>18,789</u>	<u>8,378</u>	<u>-</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Debtors

	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Amounts falling due within one year:				
Trade debtors	4,877	9,135	2,762	7,519
Other debtors	919	66,600	-	65,681
Prepayments and accrued income	3,016	2,285	3,016	2,285
	<u>8,812</u>	<u>78,020</u>	<u>5,778</u>	<u>75,485</u>

Other debtors in the charity relates to gift aid claims yet to be received.

21 Current asset investments

	2023 £	2022 £
Fixed term bonds	<u>144,445</u>	<u>162,000</u>

22 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>35,618</u>	<u>41,204</u>
Payable after one year	<u>35,618</u>	<u>41,204</u>

23 Creditors: amounts falling due within one year

	2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
Other taxation and social security	36,353	34,847	33,878	11,318
Trade creditors	11,100	6,407	10,750	6,407
Amounts owed to subsidiary undertakings	-	-	7,453	25,175
Other creditors	2,713	1,840	2,027	1,813
Accruals and deferred income	15,639	6,787	14,039	5,987
	<u>65,805</u>	<u>49,881</u>	<u>68,147</u>	<u>50,700</u>

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Creditors: amounts falling due after more than one year

		2023 Group £	2022 Group £	2023 Charity £	2022 Charity £
	Notes				
Bank loans	22	35,618	41,204	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

25 Retirement benefit schemes

		2023 £	2022 £
Defined contribution schemes			
Charge to profit or loss in respect of defined contribution schemes		10,136	6,762
		<u> </u>	<u> </u>

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

26 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
Richardson Foundation	-	4,000	-	4,000
Historic England	2,880	-	(546)	2,334
	<u>2,880</u>	<u>4,000</u>	<u>(546)</u>	<u>6,334</u>

Previous year:

	At 1 January 2022 £	Incoming resources £	Resources expended £	At 31 December 2022 £
Richardson foundation	2,000	-	(2,000)	-
Harry Payne	-	31	(31)	-
Dudley No. 2 Canal Project	-	9,835	(9,835)	-
Historic England	5,657	-	(2,777)	2,880
	<u>7,657</u>	<u>9,866</u>	<u>(14,643)</u>	<u>2,880</u>

The balance on the Historic England restricted fund includes £2,057 relating to fixed assets which are being depreciated on a 20% reducing balance basis.

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

27 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	432,743	1,070,330	(1,025,886)	48	477,235
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	498,953	968,517	(1,034,217)	(510)	432,743

28 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	43,010	2,057	45,067
Investments	11,552	-	11,552
Current assets/(liabilities)	457,745	4,823	462,568
Long term liabilities	(35,618)	-	(35,618)
	476,689	6,880	483,569
Per balance sheet	477,235	6,334	483,569
Balance to allocate	546	(546)	-
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
At 31 December 2022:			
Tangible assets	41,766	2,571	44,337
Investments	11,504	-	11,504
Current assets/(liabilities)	420,677	309	420,986
Long term liabilities	(41,204)	-	(41,204)
	432,743	2,880	435,623

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Related party transactions

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

During the year a trustee of the charity gained income from the charity through her professional services and wares amounting to £804.

During the year the wife of a trustee of the charity gained income from the charity through selling her wares amounting to £996.

30 Results of the Charity's Subsidiary Trading Company

The Charity (parent) wholly owns a trading subsidiary which is incorporated in the UK and has the same registered office as the Charity. The subsidiary undertaking, Dudley Canal and Tunnel Trust Enterprises Limited (Company Registration No. 10299996) operates the ancillary commercial activities connected to the activities of Dudley Canal and Tunnel Trust. The trading company donates its' taxable profit to the Trust as unrestricted funds. A summary of the results is set out below. Separate unaudited accounts have been filed with the Registrar of Companies, with the same accounting reference date as the Charity.

Profit & Loss Account	2023 £	2022 £
Turnover	185,028	491,262
Cost of sales	(70,482)	(164,928)
Gross profit	115,032	326,334
Administrative expenses	(68,462)	(269,309)
Operating profit	46,570	59,692
Interest payable/receivable	(449)	(1,103)
Profit for year before and after taxation	45,635	58,589

31 Cash generated from operations	2023 £	2022 £
Surplus/(deficit) for the year	47,946	(70,987)
Adjustments for:		
Investment income recognised in statement of financial activities	(10,439)	(264)
Fair value gains and losses on investments	(48)	510
Depreciation and impairment of tangible fixed assets	9,171	10,011
Movements in working capital:		
(Increase)/decrease in stocks	(12,006)	1,766
Decrease/(increase) in debtors	69,208	(11,875)
Increase in creditors	15,924	13,341
Cash generated from/(absorbed by) operations	119,756	(57,498)
Per cash flow statement page	119,756	(57,498)

Accounts

Charity registration number 1166460

Company registration number 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

DUDLEY CANAL AND TUNNEL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Bennett	
	D M Caunt	
	R I Langford	
	P T Smith	
	J Deacon	
	L Bradshaw	
	K Williams	(Appointed 20 February 2023)
	A Truslove	(Appointed 21 September 2022)
	H O'Connor	(Appointed 1 October 2022)
	L Head	(Appointed 23 January 2023)
	I Collins	(Appointed 23 November 2022)
	Dr M C Clark	(Appointed 25 September 2022)
Charity number	1166460	
Company number	09784120	
Principal address	501 Birmingham New Road Dudley West Midlands DY1 4SB	
Independent examiner	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Solicitors	Higgs LLP 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX	

DUDLEY CANAL AND TUNNEL TRUST

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DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)".

Objectives and activities

The principle activity of the charity is the advancement of education for the public benefit, on the history, social history, heritage, economy, geology, geography, archaeology, architecture and other features of the Dudley canal tunnels, inland waterways, mines and its working boards; and the protection, preservation, conservation, maintenance, repair, improvement and development, to a navigable standard, of the Dudley canal tunnels, inland waterways, mines and working boats for the use and benefit of the public.

The strategies employed to achieve the charity's objectives are to:

- Develop an ambitious and forward-looking heritage attraction that celebrates its past achievements whilst looking to grow its infrastructure, develop its offer, reach a wider audience and be a vibrant part of the local community where it is situated.
- Offer opportunities for a broad range of people to become involved and engaged with the history of the tunnels, caverns, waterways and local area. This will be through offering boat trips into the tunnels on open water along with exhibitions and workshops, displays, events, talks, audio visual displays and hands on opportunities.
- Provide employment and volunteer opportunities and work with local community groups and networks and make our resources available to help them deliver their goals.
- Develop and deliver great quality formal and informal education activities for all ages. Become better known for our insight and creative use of our history, our resources, stories and our staff to produce specialist interpretive programs as well as family friendly and curriculum supporting workshops.
- Preserve the Caverns, Tunnels, Mines and Waterways under our care to the highest level. Developing specialist knowledge and approaches to this and sharing knowledge with the wider sector as best practice. Developing a stringent health and safety approach that ensures the safety of all who visit and work within the premises.
- To raise income through our activities to ensure we stay a viable and sustainable business and can further invest in the business. This can be done by selling trip tickets, commercial trade, promoting donations, gift aid and fundraising for our activities.
- To develop mutually supportive partnerships, project work and build relationships which adds to our offer, promotes what is so special about the area and help upskill our workforce, volunteers, operating approaches and activities.
- To raise the profile and awareness of the Trust and ensure all see us as an engaging, productive and professional organisation and heritage attraction. To operate with entrepreneurial flair and creativity and to trade ethically and fairly in all we do.
- To put the visitor at the heart of everything we do.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Despite starting 2022 with warnings of economic downturns, supply issues and the ongoing impact of Covid-19 the Trust had a very productive if not at times challenging year. Like many businesses we had to cut our costs and usage in terms of energy supplies and purchase of materials to make every saving we could whilst maintaining our offer, safety levels and improvements on site.

Staffing

Pleasingly we were able to grow our staff levels and retain the skills and experiences within the teams. New Skippers and crew joined the team at the start of the season along with a new Commercial Manager at the start of the year. A couple of existing roles were developed including support for marketing and promotion.

2022 saw the start of giving out long service awards and twenty-two commendation cards were sent out to those recognised by our visitors for exceptional service.

Boat Trip sales

Our Underground Experience trips sold ahead of budget albeit with a slight change to our normal sales pattern. We have invested in this trip with new displays in the caverns, improved speaker systems onboard and improved lighting. This is our core offer and main income generator, so it is important it delivers to all our visitors. Our customer service reviews are excellent with 98% of reviews stating our offer is very good or excellent.

The open water trips performed a little behind budget, however for 2022 early season additional trips had been added which proved difficult to offer due to poor weather and slow take up – our main season trips remained popular and booking numbers did increase on previous years.

The prices for the trips was increased from the start of the year but still represents excellent value, especially when tied in with Gift Aid.

We also benefitted from launching a new online booking system through our website in May which proved to be very popular.

Governance

Mid-year our Chair announced his plans to retire, and we set about recruiting which was completed in December with the appointment of Mr Ian Collins a local business professional and engineer who is dedicated to raising the profile of the area.

In addition, we were able to recruit a number of new Trustees with a range of skills and experience, including canal society operations, data analysis, digital and cultural inclusion and community health and well-being. This has further strengthened our board as well as diversifying its demographic.

Engagement & Learning

We are seeing a return of school bookings which has seen the department perform well above budget. The new system of delivering workshops via supply teachers and having Sagitta our working boat available to supplement the lessons works very well. For 2022 we reduced our Outreach work so we could concentrate on the onsite learning programme but we will return to this in due course.

Again, prices for the offer were reviewed and benchmarked against similar offers. A small increase per booking was brought in from the beginning of the year.

Volunteering

Our volunteers gave just under 9,000 hours of support for the Trust across many departments. Though our number of volunteers are a little reduced for the year, those on site are far more active and come regularly. At the end of 2022 we heard that one of our stalwart volunteers and Trustees had been awarded the British Empire Medal in the New Years Honours List for the amazing work she does for the Trust.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Promotion and Public Awareness

We were pleased to be part of the Birmingham 2022 Commonwealth Games initiative in a number of activities. Bringing the new Commonwealth Games medals along with their designers from the Birmingham School of Jewellery to the start of the games. Filming with the UK Hurdles Team, providing trips for the Paralympians, welcoming the Queen's Baton onboard at Stourbridge and at the end of the games taking the VIP's and Queen's baton out of the region amid an amazing waterfront ceremony.

In support of the Jubilee in May we launched a range of offers which included a discounted ticket for local children. The weekend included a free art competition, a "Best of British Menu" and special jubilee boat trips and Queen's High Tea's. Take up was good for all activities and the initiative helped raise public awareness at the beginning of the season.

We also appeared on Antiques Road Trip and Four in a Bed in late February.

Towards September the Trust secured funding from Creative Black Country to develop and produce an art installation celebrating its 60th anniversary of when a message was put in a bottle as a call to arms to protect the tunnels and caverns from threat of closure. The project saw three canal cleans ups take place and sixty bottles removed and cleaned and incorporated into the piece. Local children and families took part in the clean ups and members of the local community wrote a range of messages for inclusions in the bottles all highlighting what was special about the place and the people of Dudley.

Financial review

Total income for the year amounted to £708,162 (2021 £757,651). Total expenditure amounted to £653,304 (2021 £577,380). This resulted in a net surplus for the year of £54,348 (2021 net surplus £180,284).

Reserves policy

Our unrestricted funds are freely available to spend on any of the charity's purposes in delivering our aims and keeping our business sustainable. Restricted funds and tangible fixed assets do not form part of our reserves. They are in place to protect the charity and its operations during down turns in business or other major occurrence to ensure it can continue to protect and preserve the unique environment in its care and engage the public with its historic importance. Reserves are also used to support new projects and activities which the Trust has identified as part of its business development and planning.

The Trust aims to maintain a minimum of £250,000 as reserves. This is calculated using the predicted three highest expenditure months for 2022 for non-discretionary spending. Where funds exceed this amount by more than £50,000 the Trust will review the reserve policy and either amend it or identify a way of using the funds to support the charity's objectives. Where funds fall below this amount the Trust will review a "Zero Level" approach, identifying the associated risks and mitigating them, building back reserves and diversifying the funding base.

Our readily available cash reserves are currently £224,000, which is slightly below our policy, however, we are expecting a significant Gift Aid claim payment that will take the reserves over the minimum. Also, we have £162,000 on fixed term deposit with £70,000 of this maturing within 2023.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks. Particular attention has focused on non-financial risks arising from fire, health and safety of staff, trippers and audiences. A key element in the management of financial risk is the ongoing commitment to gain an increasing number of visitors by offering deals through various mediums, together with attending various community events.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Governing document and constitution

The company is limited by guarantee and hence there is no share capital.

Dudley Canal and Tunnel Trust is governed by its Memorandum and Articles of Association dated 18 September 2015. It is a registered charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Bennett	
D M Caunt	
R I Langford	
W J Luesley	(Resigned 1 October 2022)
P T Smith	
J Deacon	
L Bradshaw	
K Williams	(Appointed 20 February 2023)
A Truslove	(Appointed 21 September 2022)
H O'Connor	(Appointed 1 October 2022)
L Head	(Appointed 23 January 2023)
I Collins	(Appointed 23 November 2022)
Dr M C Clark	(Appointed 25 September 2022)

Trustees' indemnity

The charity has Trustees' indemnity insurance in place.

Organisational structure

The board of trustees, who meet bi-monthly administer the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity and attend the bi-monthly board meetings to present the Chief Executive's report on the day to day running of the business.

A Finance and HR Manager looks after the Trusts finances and supports the Chief Executive on all HR issues. A Heritage Engagement Officer is responsible for the Trusts education offer as well as its volunteer programme. The Operations manager looks after the boat trips and health and safety requirements. All report to the Chief Executive.

Induction and training of new trustees

New trustees are briefed by the management regarding the operations and their legal obligations under charity and company law. They are also given a tunnel tour to obtain a better understanding of the company history and operations.

Related parties

The charity has a wholly-owned subsidiary, Dudley Canal and Tunnel Trust Enterprises Limited, a limited company whose purpose is to raise monies through commercial enterprise with the aim of profit making so that these profits may be gifted to Dudley Canal and Tunnel Trust to support their charitable purposes.

The trustees' report was approved by the Board of Trustees.

I Collins

Trustee

Dated: 25 April 2023

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

I report to the trustees on my examination of the financial statements of Dudley Canal and Tunnel Trust (the charitable company) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Wendy Davies FCA

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Dated: 25 April 2023

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	2	282,379	9,866	292,245	408,763	55,916	464,679
Charitable activities	3	407,486	-	407,486	289,038	-	289,038
Other income	4	7,431	-	7,431	3,934	-	3,934
Total income		697,296	9,866	707,162	701,735	55,916	757,651
<u>Expenditure on:</u>							
Charitable activities	5	638,661	14,643	653,304	527,121	50,259	577,380
Net gains/(losses) on investments	9	(510)	-	(510)	13	-	13
Net movement in funds		58,125	(4,777)	53,348	174,627	5,657	180,284
Fund balances at 1 January 2022		308,676	7,657	316,333	134,049	2,000	136,049
Fund balances at 31 December 2022		366,801	2,880	369,681	308,676	7,657	316,333

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUDLEY CANAL AND TUNNEL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		39,456		48,711
Investments	12		11,505		2,014
			<u>50,961</u>		<u>50,725</u>
Current assets					
Debtors	14	75,485		63,728	
Investments	15	162,000		-	
Cash at bank and in hand		131,935		213,324	
		<u>369,420</u>		<u>277,052</u>	
Creditors: amounts falling due within one year	16	(50,700)		(11,444)	
Net current assets			<u>318,720</u>		<u>265,608</u>
Total assets less current liabilities			<u><u>369,681</u></u>		<u><u>316,333</u></u>
Income funds					
Restricted funds	17		2,880		7,657
Unrestricted funds			366,801		308,676
			<u>369,681</u>		<u>316,333</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 25 April 2023

P T Smith
Trustee

Company registration number 09784120

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Dudley Canal and Tunnel Trust is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 501 Birmingham New Road, Dudley, West Midlands DY1 4SB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102).

Grants are included in incoming resources when they are receivable. Performance related grants are deferred and released after any performance conditions are met.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	10% straight line
Boats and equipment	20% reducing balance and at varying rates on cost
Office furniture and equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	274,087	9,866	283,953	117,417	7,035	124,452
Grants received	8,292	-	8,292	291,346	48,881	340,227
	<u>282,379</u>	<u>9,866</u>	<u>292,245</u>	<u>408,763</u>	<u>55,916</u>	<u>464,679</u>
Donations and gifts						
Donations	1,361	31	1,392	19,538	-	19,538
Donations from Dudley Canal Trust	10,168	9,835	20,003	-	-	-
Donation from Dudley Canal Trust (Trips) Limited	3,375	-	3,375	-	7,035	7,035
Gift aid	76,259	-	76,259	71,322	-	71,322
Gift aid from subsidiary	182,924	-	182,924	23,804	-	23,804
Other	-	-	-	2,753	-	2,753
	<u>274,087</u>	<u>9,866</u>	<u>283,953</u>	<u>117,417</u>	<u>7,035</u>	<u>124,452</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Donations and legacies

(Continued)

Grants receivable for core activities

Culture recovery grant	-	-	-	274,593	-	274,593
Furlough grant	-	-	-	16,753	-	16,753
Historic England	-	-	-	-	48,881	48,881
Other	8,292	-	8,292	-	-	-
	<u>8,292</u>	<u>-</u>	<u>8,292</u>	<u>291,346</u>	<u>48,881</u>	<u>340,227</u>

3 Charitable activities

	2022 £	2021 £
Boat income	382,360	272,808
Workshop income	12,673	4,102
Admissions and booking fees	6,812	6,672
Membership	829	1,971
Rental income	4,812	3,485
	<u>407,486</u>	<u>289,038</u>

4 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other income	<u>7,431</u>	<u>3,934</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities

	2022 £	2021 £
Staff costs	209,740	209,439
Depreciation and impairment	7,729	11,396
Electric, gas, telephone and water	42,670	40,900
Professional fees	21,899	17,574
Maintenance and upkeep	49,603	54,909
Marketing advertising and PR	21,062	34,156
Service contracts	5,898	19,831
Heritage activities	8	22
Health and safety	1,896	2,012
Consumables	1,812	1,658
Volunteer expenses	121	3,884
Activities and events	443	91
Accommodation recharge to Enterprise and rent	(40,000)	(40,000)
Commission	63,852	38,703
Rent rates and insurance	142,872	4,418
Specific Culture recovery spend	-	25,247
Specific Historic England spend	42	36,636
	<u>529,647</u>	<u>460,876</u>
Share of support costs (see note 6)	118,723	112,170
Share of governance costs (see note 6)	4,934	4,334
	<u>653,304</u>	<u>577,380</u>
Analysis by fund		
Unrestricted funds	638,661	527,121
Restricted funds	14,643	50,259
	<u>653,304</u>	<u>577,380</u>

Rent, rates and insurance for 2022 includes rent paid to Dudley Canal Trust (Trips) Limited amounting to £141,000 (2021 - nil).

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	81,227	-	81,227	80,804	80,804
Depreciation	1,527	-	1,527	1,135	1,135
Service costs	18,418	-	18,418	15,719	15,719
Directors expenses	1,975	-	1,975	286	286
Motor travel and entertaining	224	-	224	457	457
Legal and professional fees	2,140	-	2,140	4,516	4,516
Bank charges	13,212	-	13,212	9,253	9,253
Legal and professional	-	2,184	2,184	-	884
Accountancy and payroll services	-	2,750	2,750	-	3,450
	<u>118,723</u>	<u>4,934</u>	<u>123,657</u>	<u>112,170</u>	<u>116,504</u>
Analysed between Charitable activities	<u>118,723</u>	<u>4,934</u>	<u>123,657</u>	<u>112,170</u>	<u>116,504</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	4	6
Operational	28	21
Total	<u>32</u>	<u>27</u>
Employment costs	2022 £	2021 £
Wages and salaries	269,577	269,884
Social security costs	17,760	13,937
Other pension costs	3,630	6,422
	<u>290,967</u>	<u>290,243</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 to £70,000	1	-

9 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	(510)	13

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Leasehold buildings £	Boats and equipment £	Office furniture and equipment £	Total £
Cost				
At 1 January 2022	2,350	229,393	33,014	264,757
At 31 December 2022	2,350	229,393	33,014	264,757
Depreciation and impairment				
At 1 January 2022	212	186,158	29,675	216,045
Depreciation charged in the year	235	8,353	668	9,256
At 31 December 2022	447	194,511	30,343	225,301
Carrying amount				
At 31 December 2022	1,903	34,882	2,671	39,456
At 31 December 2021	2,137	43,235	3,339	48,711

12 Fixed asset investments

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

(Continued)

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 January 2022	2,013	1	2,014
Additions	10,001	-	10,001
Valuation changes	(510)	-	(510)
At 31 December 2022	11,504	1	11,505
Carrying amount			
At 31 December 2022	11,504	1	11,505
At 31 December 2021	2,013	1	2,014

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	20	1	1

13 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	162,000	-

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	7,519	3,696
Amounts owed by subsidiary undertakings	-	11,180
Other debtors	65,681	46,952
Prepayments and accrued income	2,285	1,900
	75,485	63,728

Other debtors in 2022 relates to gift aid claims for 2022 yet to be received.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Current asset investments

	2022 £	2021 £
Fixed term bonds	162,000	-

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	11,318	-
Trade creditors	6,407	5,834
Amounts owed to subsidiary undertakings	25,175	-
Other creditors	1,813	612
Accruals and deferred income	5,987	4,998
	<u>50,700</u>	<u>11,444</u>

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Richardson foundation	2,000	-	-	2,000	-	(2,000)	-
Harry Payne	-	31	(31)	-	31	(31)	-
Dudley No. 2 Canal Project	-	7,004	(7,004)	-	9,835	(9,835)	-
Historic England	-	48,881	(43,224)	5,657	-	(2,777)	2,880
	<u>2,000</u>	<u>55,916</u>	<u>(50,259)</u>	<u>7,657</u>	<u>9,866</u>	<u>(14,643)</u>	<u>2,880</u>

The balance on the Historic England restricted fund includes £2,571 relating to fixed assets which are being depreciated on a 20% reducing balance basis.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Tangible assets	36,885	2,571	39,456	45,299	48,711
Investments	11,505	-	11,505	2,014	2,014
Current assets/(liabilities)	318,411	309	318,720	4,245	265,608
	<u>366,801</u>	<u>2,880</u>	<u>369,681</u>	<u>7,657</u>	<u>316,333</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>61,138</u>	<u>52,137</u>

The Trust considers its key management personnel to be the Chief Executive.

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

At 31st December 2022 an amount of £0 was due from Dudley Canal Trust (Trips) Limited (2021 £1,998).

20 Subsidiaries

These financial statements are separate charitable company financial statements for Dudley Canal and Tunnel Trust.

Details of the charitable company subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Dudley Canal Trust Enterprises Limited	England and Wales	Preservation and development of the Dudley Canal Network	Ordinary	100.00

Accounts

Charity registration number 1166460

Company registration number 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DUDLEY CANAL AND TUNNEL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Bennett D M Caunt R I Langford W J Luesley P T Smith J Deacon L Bradshaw	(Appointed 6 April 2021)
Charity number	1166460	
Company number	09784120	
Principal address	501 Birmingham New Road Dudley West Midlands DY1 4SB	
Independent examiner	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Solicitors	Higgs & Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX	

DUDLEY CANAL AND TUNNEL TRUST

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DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)".

Objectives and activities

The principle activity of the charity is the advancement of education for the public benefit, on the history, social history, heritage, economy, geology, geography, archaeology, architecture and other features of the Dudley canal tunnels, inland waterways, mines and its working boards; and the protection, preservation, conservation, maintenance, repair, improvement and development, to a navigable standard, of the Dudley canal tunnels, inland waterways, mines and working boats for the use and benefit of the public.

The strategies employed to achieve the charity's objectives are to:

- Develop an ambitious and forward-looking heritage attraction that celebrates its past achievements whilst looking to grow its infrastructure, develop its offer, reach a wider audience and be a vibrant part of the local community where it is situated.
- Offer opportunities for a broad range of people to become involved and engaged with the history of the tunnels, caverns, waterways and local area. This will be through offering boat trips into the tunnels on open water along with exhibitions and workshops, displays, events, talks, audio visual displays and hands on opportunities.
- Provide employment and volunteer opportunities and work with local community groups and networks and make our resources available to help them deliver their goals.
- Develop and deliver great quality formal and informal education activities for all ages. Become better known for our insight and creative use of our history, our resources, stories and our staff to produce specialist interpretive programs as well as family friendly and curriculum supporting workshops.
- Preserve the Caverns, Tunnels, Mines and Waterways under our care to the highest level. Developing specialist knowledge and approaches to this and sharing knowledge with the wider sector as best practice. Developing a stringent health and safety approach that ensures the safety of all who visit and work within the premises.
- To raise income through our activities to ensure we stay a viable and sustainable business and can further invest in the business. This can be done by selling trip tickets, commercial trade, promoting donations, gift aid and fundraising for our activities.
- To develop mutually supportive partnerships, project work and build relationships which adds to our offer, promotes what is so special about the area and help upskill our workforce, volunteers, operating approaches and activities.
- To raise the profile and awareness of the Trust and ensure all see us as an engaging, productive and professional organisation and heritage attraction. To operate with entrepreneurial flair and creativity and to trade ethically and fairly in all we do.
- To put the visitor at the heart of everything we do.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

When we closed in March 2020 due to the Covid-19 pandemic we believed this would be for a couple of months, we never realised the impact would still be with us two years on. Operating within the many changes, constraints and worries has not been easy but it has forced us to fight, to work creatively and to look at our whole offer from a different viewpoint and from this has come challenges but also many opportunities and silver linings.

2021 has been a strange, demanding and rewarding period for the Trust. For decades museums and visitor attractions have planned for "disasters" to ensure they were well placed and prepared to protect and continue to care for their visitors, staff, collections, and environments. It's fair to say, few ever believed the need would arise where all elements, including the community, the country and indeed the whole world would need protecting as it has during 2020 to 2021.

As a Charitable Trust with a history of 60 plus years in operation we have faced many challenges but the Covid -19 Pandemic, with the fear and uncertainty, lockdowns, and operational restrictions it brought made us question just how long we could continue to be viable. We were faced with dilemmas and the need for quick decisive decisions daily. We needed to be open to earn the income that is so vital to us, but we wanted to protect the people and the community around us and using us. We needed to cut costs, but we knew by doing this we would be impacting livelihoods. We needed to continue to invest in the maintenance and preservation of the historic environment, but we also needed to hold on tight to all our precious resources. Like many organisations our staff are our greatest asset, they believe in our mission and aspirations, many are long standing and have specialist knowledge and experience and we in turn have invested in them. They were all scared and wanted reassurances, clarity regarding our situation and clear communication.

Many of our suppliers struggled to get materials and the equipment we needed, or they were smaller organisations who simply could not continue with the many restrictions in place. Our visitors needed to feel confident in their visit and to see and understand all the safety measures which were in place, and they needed additional support and engagement at a time when our staff levels were stretched either through furlough or by trying to work from home. We were also conscious that we needed to maintain contact with some of our service users who were more isolated and vulnerable, members of our Chit Chat and voluntary groups, local organisations who used our coffee shop as safe places to meet and some of our staff.

Pleasingly we found ways round most of the challenges and hurdles and this is thanks to the dedication, quick thinking and willingness of the staff volunteers and Trustees to come together, albeit socially distanced, determined to get through the year and stay focused on a long-term future. We recognise we were not alone in this – but for every organisation and individual impacted it has been a personal journey.

In terms of infection levels, Dudley maintained a high rate of Covid-19 cases through the year and with the Tier system implemented towards the end of 2020 closing us down we did not reopen till mid 2021, resulting in the loss of a fully booked Christmas offer and Easter which is the tradition start of season for attractions such as us. Despite this due to the work we had done in 2020 we were able to open quickly and safely and saw great visitor footfall and spend on site throughout the remaining year.

Escalate, Accelerate, Pivot and Stretch were all key words associated with how businesses had to operate during 2020 -2021. They are words we certainly recognise here at Dudley Canal and Tunnel Trust as we constantly adjusted to new restrictions, rules and visitors concerns and wants.

We were able to bring a number of projects forward due to the enforced closure giving us time and funding to commit to them. This included a new contemporary website and 120 sq. metres of new interpretation, opening the towpath and highlighting the role of canals in transport, the mining of limestone and minerals, the growth of Dudley town and working life on and around the canal network.

Hurst Cavern benefitted from a new display which centred on the stories of the miners and is more interactive and flexible in use. With digital technology and the dramatic use of light and shadow it has been a well-received addition to the site and our interpretation.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

We were able to commit more time to our trip boat maintenance, stripping back years of paint and improving the surfaces ready for their fresh coats. We upgraded equipment onboard such as new speakers and lighting and we replaced the last of the old charging points. Work began on adding a disabled lift to a second trip boat and we fitted out Sagitta with new lighting, flooring, steps, and interpretation. We also purchased the kit required to add mains electric to the Vic Smallshire to extend its operating period and visitor experience.

A grant through Historic England allowed us to undertake a full site laser scanning project which saw us digitally scan and record above ground, below ground and explore underwater scanning of the whole site. There will be a range of outputs from this but predominantly it allows us to better care for, understand, predict and react to the cavern infrastructure. The project and the changing environments forced us to be creative in approach, but it all proved to be very successful and from the outset very practical and useful.

With our "cultural asset" approach to seeking funding and recognition of the importance of our site we were able to welcome a number of VIP's and supporters on site, including the BBC who came on Good Friday to put out an all-day news broadcast about our successful Culture Recovery 2 funding. We certainly raised our profile both in the cultural sector and in the media and during a period when it was vital to keep ourselves in the public eye.

We were also very pleased to attend the presentation of the 2020-2021 Queen's Award for Voluntary Services in Birmingham, where our volunteers took to the stage to receive our very beautiful award from the Lord Lieutenant of the West Midlands. We were amongst thirty-two awardees for the two years, and it was heartening to have been recognised alongside them for the work our volunteers and staff deliver. Following this a Celebration Ball was held, the first for the Trust, in which we recognised not only the award but the fact we had faced huge adversity and could see signs of coming through it with our passion for the Trust and our commitment to move on and grow still very much intact.

2021 saw us continue to protect jobs and skills at the Trust despite the impact of Covid-19 on our ability to trade. Once again, our staff stepped up to ensure our site and offer was amazing. We reviewed and made changes to our Management Structure and departments which worked well, and we began instigating changes based on the reviews and reports we had commissioned in 2020 with advisors in Catering, Learning, Marketing and Business Resilience.

The Trust had been extremely grateful for the funding and support it had received in 2020 and we were heartened that this continued into 2021 with the Funding from Culture Recovery Fund Round One and Round Two. Historic England Commissioning Grant, Heritage Fund and Government support towards furlough costs and hospitality and leisure continuance.

All this support came with expectations in terms of keeping the business viable for the immediate period, delivering on projects, protecting jobs and positioning the Trust to invest in its ongoing sustainability and resilience. Feedback from the organisation who gave us grants was that we delivered over and above expectations and that we ensured all areas of the Trust and its offer benefitted. In addition to adding value to the site, investing in the staff and their training we were also able to put funds back into our reserves.

Financial review

Total income for the year amounted to £757,651 (2020 £537,939). Total expenditure amounted to £577,380 (2020 £414,243). This resulted in a net surplus for the year of £137,613 (2020 net surplus £123,696).

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy

Our unrestricted funds are freely available to spend on any of the charity's purposes in delivering our aims and keeping our business sustainable. Restricted funds and tangible fixed assets do not form part of our reserves. They are in place to protect the charity and its operations during down turns in business or other major occurrence to ensure it can continue to protect and preserve the unique environment in its care and engage the public with its historic importance. Reserves are also used to support new projects and activities which the Trust has identified as part of its business development and planning.

The Trust aims to maintain a minimum of £200,000 as reserves. This is calculated using the predicted three highest expenditure months for 2022 for non-discretionary spending. Where funds exceed this amount by more than £50,000 the Trust will review the reserve policy and either amend it or identify a way of using the funds to support the charity's objectives. Where funds fall below this amount the Trust will review a "Zero Level" approach, identifying the associated risks and mitigating them, building back reserves and diversifying the funding base.

Our readily available reserves are currently £308,676, which is above our policy. Also, we have an expected income of £98,981 from Dudley Canal Trust, due from an asset sale. The Dudley Canal Trust also hold reserves for use by ourselves, currently £10,167.

To assist with the maintenance of the caverns, mines and canals in the area of our operations, there is a Maintenance Fund held along with Dudley Metropolitan Borough Council and Canal & River Trust. This Fund is not shown in our accounts, and is currently in the region of £600,000.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks. Particular attention has focused on non-financial risks arising from fire, health and safety of staff, trippers and audiences. A key element in the management of financial risk is the ongoing commitment to gain an increasing number of visitors by offering deals through various mediums, together with attending various community events.

Governing document and constitution

The company is limited by guarantee and hence there is no share capital.

Dudley Canal and Tunnel Trust is governed by its Memorandum and Articles of Association dated 18 September 2015. It is a registered charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Bennett

D M Caunt

AA Hazeldine

(Deceased 21 November 2021)

R I Langford

W J Luesley

P T Smith

J Deacon

D Powell

(Appointed 6 April 2021 and resigned 1 October 2021)

L Bradshaw

(Appointed 6 April 2021)

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees' indemnity

The charity has Trustees' indemnity insurance in place.

Organisational structure

The board of trustees, who meet bi-monthly administer the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity and attend the bi-monthly board meetings to present the Chief Executive's report on the day to day running of the business.

A Finance and HR Manager looks after the Trusts finances and supports the Chief Executive on all HR issues. A Heritage Engagement Officer is responsible for the Trusts education offer as well as its volunteer programme. The Operations manager looks after the boat trips and health and safety requirements. All report to the Chief Executive.

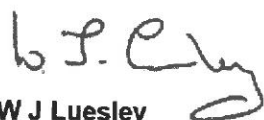
Induction and training of new trustees

New trustees are briefed by the management regarding the operations and their legal obligations under charity and company law. They are also given a tunnel tour to obtain a better understanding of the company history and operations.

Related parties

The charity has a wholly-owned subsidiary, Dudley Canal and Tunnel Trust Enterprises Limited, a limited company whose purpose is to raise monies through commercial enterprise with the aim of profit making so that these profits may be gifted to Dudley Canal and Tunnel Trust to support their charitable purposes.

The trustees' report was approved by the Board of Trustees.



W J Luesley

Trustee

Dated: 26 May 2022

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

I report to the trustees on my examination of the financial statements of Dudley Canal and Tunnel Trust (the charitable company) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


Wendy Davies FCA

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Dated: 27 April 2022

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	2	408,763	55,916	464,679	367,633	45,000	412,633
Charitable activities	3	289,038	-	289,038	104,381	-	104,381
Other income	4	3,934	-	3,934	20,925	-	20,925
Total income		701,735	55,916	757,651	492,939	45,000	537,939
Expenditure on:							
Charitable activities	5	527,121	50,259	577,380	366,422	47,821	414,243
Net gains/(losses) on investments	9	13	-	13	-	-	-
Net movement in funds		174,627	5,657	180,284	126,517	(2,821)	123,696
Fund balances at 1 January 2021		134,049	2,000	136,049	7,532	4,821	12,353
Fund balances at 31 December 2021		308,676	7,657	316,333	134,049	2,000	136,049

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUDLEY CANAL AND TUNNEL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		48,711		44,576
Investments	11		2,014		1
			<u>50,725</u>		<u>44,577</u>
Current assets					
Debtors	13	63,728		27,964	
Cash at bank and in hand		213,324		99,128	
		<u>277,052</u>		<u>127,092</u>	
Creditors: amounts falling due within one year	14	(11,444)		(35,620)	
Net current assets			265,608		91,472
Total assets less current liabilities			<u>316,333</u>		<u>136,049</u>
Income funds					
Restricted funds	15		7,657		2,000
Unrestricted funds			308,676		134,049
			<u>316,333</u>		<u>136,049</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26 May 2022

P. T. Smith

P T Smith
Trustee

Company registration number 09784120

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Dudley Canal and Tunnel Trust is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 501 Birmingham New Road, Dudley, West Midlands DY1 4SB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102).

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Grants are included in incoming resources when they are receivable. Performance related grants are deferred and released after any performance conditions are met.

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	10% straight line
Boats and equipment	20% reducing balance and at varying rates on cost
Office furniture and equipment	20% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	117,417	7,035	124,452	81,654	-	81,654
Grants received	291,346	48,881	340,227	285,979	45,000	330,979
	<u>408,763</u>	<u>55,916</u>	<u>464,679</u>	<u>367,633</u>	<u>45,000</u>	<u>412,633</u>
Donations and gifts						
Donations	19,538	-	19,538	6,019	-	6,019
Donations from Dudley Canal Trust	-	-	-	50,413	-	50,413
Donation from Dudley Canal Trust (Trips) Limited	-	7,035	7,035	659	-	659
Gift aid	71,322	-	71,322	23,063	-	23,063
Gift aid from subsidiary	23,804	-	23,804	1,500	-	1,500
Other	2,753	-	2,753	-	-	-
	<u>117,417</u>	<u>7,035</u>	<u>124,452</u>	<u>81,654</u>	<u>-</u>	<u>81,654</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

(Continued)

Grants receivable for core activities

Culture recovery grant	274,593	-	274,593	154,900	-	154,900
Furlough grant	16,753	-	16,753	130,590	-	130,590
Heritage fund emergency grant	-	-	-	-	45,000	45,000
Historic England	-	48,881	48,881	-	-	-
Other	-	-	-	489	-	489
	<u>291,346</u>	<u>48,881</u>	<u>340,227</u>	<u>285,979</u>	<u>45,000</u>	<u>330,979</u>

3 Charitable activities

	2021 £	2020 £
Boat income (including rally)	272,808	97,302
Workshop income	4,102	3,235
Admissions and booking fees	8,643	2,858
Membership subscriptions	-	986
Rental income	3,485	-
	<u>289,038</u>	<u>104,381</u>

4 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Net gain on disposal of tangible fixed assets	-	1,618
Other income	3,934	19,300
Bank interest and booking fees	-	7
	<u>3,934</u>	<u>20,925</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	2021 £	2020 £
Staff costs	209,439	210,959
Depreciation and impairment	11,396	11,733
Electric, gas, telephone and water	51,707	31,642
Professional fees	17,574	16,215
Maintenance and upkeep	54,909	23,707
Marketing advertising and PR	34,156	17,666
Service contracts	19,831	3,991
Heritage activities	22	281
Health and safety	2,012	416
Consumables	1,658	1,191
Volunteer expenses	3,884	405
Activities and events	91	166
Accommodation recharge to Enterprise	(40,000)	(40,000)
Commission	27,896	10,382
Rent rates and insurance	4,418	14,877
Specific Culture recovery spend	25,247	-
Specific Historic England spend	36,636	-
	<u>460,876</u>	<u>303,631</u>
Share of support costs (see note 6)	112,170	102,933
Share of governance costs (see note 6)	4,334	7,679
	<u>577,380</u>	<u>414,243</u>
Analysis by fund		
Unrestricted funds	527,121	366,422
Restricted funds	50,259	47,821
	<u>577,380</u>	<u>414,243</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	80,804	-	80,804	67,890	-	67,890
Depreciation	1,135	-	1,135	2,056	-	2,056
Service costs	15,719	-	15,719	17,836	-	17,836
Directors expenses	286	-	286	936	-	936
Motor travel and entertaining	457	-	457	54	-	54
Legal and professional fees	4,516	-	4,516	8,004	-	8,004
Bank charges	9,253	-	9,253	6,157	-	6,157
Legal and professional	-	884	884	-	2,861	2,861
Accountancy and payroll services	-	3,450	3,450	-	3,568	3,568
Independent examination fee	-	-	-	-	1,250	1,250
	<u>112,170</u>	<u>4,334</u>	<u>116,504</u>	<u>102,933</u>	<u>7,679</u>	<u>110,612</u>
Analysed between Charitable activities	<u>112,170</u>	<u>4,334</u>	<u>116,504</u>	<u>102,933</u>	<u>7,679</u>	<u>110,612</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	6	7
Operational	13	15
Total	<u>19</u>	<u>22</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Employees

(Continued)

Employment costs	2021 £	2020 £
Wages and salaries	269,884	260,199
Social security costs	13,937	14,007
Other pension costs	6,422	4,643
	<u>290,243</u>	<u>278,849</u>

There were no employees whose annual remuneration was £60,000 or more.

9 Net gains/(losses) on investments

	Unrestricted funds	Total
	2021 £	2020 £
Revaluation of investments	<u>13</u>	<u>-</u>

10 Tangible fixed assets

	Leasehold buildings £	Boats and equipment £	Office furniture and equipment £	Total £
Cost				
At 1 January 2021	300	214,776	33,014	248,090
Additions	<u>2,050</u>	<u>14,617</u>	<u>-</u>	<u>16,667</u>
At 31 December 2021	<u>2,350</u>	<u>229,393</u>	<u>33,014</u>	<u>264,757</u>
Depreciation and impairment				
At 1 January 2021	63	174,629	28,823	203,515
Depreciation charged in the year	<u>150</u>	<u>11,529</u>	<u>852</u>	<u>12,531</u>
At 31 December 2021	<u>213</u>	<u>186,158</u>	<u>29,675</u>	<u>216,046</u>
Carrying amount				
At 31 December 2021	<u>2,137</u>	<u>43,235</u>	<u>3,339</u>	<u>48,711</u>
At 31 December 2020	<u>237</u>	<u>40,148</u>	<u>4,191</u>	<u>44,576</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

(Continued)

11 Fixed asset investments

	Listed investments £	Other investments	Total £
Cost or valuation			
At 1 January 2021	-	1	1
Additions	2,000	-	2,000
Valuation changes	13	-	13
At 31 December 2021	2,013	1	2,014
Carrying amount			
At 31 December 2021	2,013	1	2,014
At 31 December 2020	-	1	1

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	18	1	1

12 Financial instruments

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

2021
£

2,013

-

13 Debtors

Amounts falling due within one year:

	2021 £	2020 £
Trade debtors	3,696	-
Amounts owed by subsidiary undertakings	11,180	18,655
Other debtors	46,952	7,990
Prepayments and accrued income	1,900	1,319
	63,728	27,964

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	-	3,999
Trade creditors	5,834	5,295
Other creditors	612	19,439
Accruals and deferred income	4,998	6,887
	<u>11,444</u>	<u>35,620</u>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds		Balance at 1 January 2021	Movement in funds		Balance at 31 December 2021
	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£
British museum	1,321	-	(1,321)	-	-	-	-
Art connect	1,000	-	(1,000)	-	-	-	-
Richardson foundation	2,500	-	(500)	2,000	-	-	2,000
Heritage grant	-	45,000	(45,000)	-	-	-	-
Harry Payne	-	-	-	-	31	(31)	-
Dudley No. 2 Canal Project	-	-	-	-	7,004	(7,004)	-
Historic England	-	-	-	-	48,881	(43,224)	5,657
	<u>4,821</u>	<u>45,000</u>	<u>(47,821)</u>	<u>2,000</u>	<u>55,916</u>	<u>(50,259)</u>	<u>7,657</u>

The balance on the Historic England restricted fund includes £3,412 relating to fixed assets which are being depreciated on a 20% reducing balance basis.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	45,299	3,412	48,711	44,576	-	44,576
Investments	2,014	-	2,014	1	-	1
Current assets/ (liabilities)	261,363	4,245	265,608	89,472	2,000	91,472
	<u>308,676</u>	<u>7,657</u>	<u>316,333</u>	<u>134,049</u>	<u>2,000</u>	<u>136,049</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>52,137</u>	<u>48,719</u>

The Trust considers its key management personnel to be the Chief Executive.

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

	Sale of asset 2021 £	2020 £
Trustee	<u>-</u>	<u>5,500</u>

At 31st December 2021 an amount of £1,998 was due from Dudley Canal Trust (Trips) Limited. (2020 £12,426 due to Dudley Canal Trust (Trips) Limited).

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries

These financial statements are separate charitable company financial statements for Dudley Canal and Tunnel Trust.

Details of the charitable company subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Dudley Canal Trust Enterprises Limited	England and Wales	Preservation and development of the Dudley Canal Network	Ordinary	100.00	

DUDLEY CANAL AND TUNNEL TRUST

England & Wales - Charity number 1166460

Accounts

Charity Registration No. 1166460

Company Registration No. 09784120 (England and Wales)

DUDLEY CANAL AND TUNNEL TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

DUDLEY CANAL AND TUNNEL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	C A Bennett	
	D M Caunt	
	AA Hazeldine	
	R I Langford	
	W J Luesley	
	P T Smith	
	J Deacon	(Appointed 1 January 2020)
	D Powell	(Appointed 6 April 2021)
	L Bradshaw	(Appointed 6 April 2021)
Charity number	1166460	
Company number	09784120	
Principal address	501 Birmingham New Road Dudley West Midlands DY1 4SB	
Independent examiner	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Solicitors	Higgs & Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 1LX	

DUDLEY CANAL AND TUNNEL TRUST

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DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)".

Objectives and activities

The principle activity of the charity is the advancement of education for the public benefit, on the history, social history, heritage, economy, geology, geography, archaeology, architecture and other features of the Dudley canal tunnels, inland waterways, mines and its working boards; and the protection, preservation, conservation, maintenance, repair, improvement and development, to a navigable standard, of the Dudley canal tunnels, inland waterways, mines and working boats for the use and benefit of the public.

The strategies employed to achieve the charity's objectives are to:

- Develop an ambitious and forward-looking heritage attraction that celebrates its past achievements whilst looking to grow its infrastructure, develop its offer, reach a wider audience and be a vibrant part of the local community where it is situated.
- Offer opportunities for a broad range of people to become involved and engaged with the history of the tunnels, caverns, waterways and local area. This will be through offering boat trips into the tunnels on open water along with exhibitions and workshops, displays, events, talks, audio visual displays and hands on opportunities.
- Provide employment and volunteer opportunities and work with local community groups and networks and make our resources available to help them deliver their goals.
- Develop and deliver great quality formal and informal education activities for all ages. Become better known for our insight and creative use of our history, our resources, stories and our staff to produce specialist interpretive programs as well as family friendly and curriculum supporting workshops.
- Preserve the Caverns, Tunnels, Mines and Waterways under our care to the highest level. Developing specialist knowledge and approaches to this and sharing knowledge with the wider sector as best practice. Developing a stringent health and safety approach that ensures the safety of all who visit and work within the premises.
- To raise income through our activities to ensure we stay a viable and sustainable business and can further invest in the business. This can be done by selling trip tickets, commercial trade, promoting donations, gift aid and fundraising for our activities.
- To develop mutually supportive partnerships, project work and build relationships which adds to our offer, promotes what is so special about the area and help upskill our workforce, volunteers, operating approaches and activities.
- To raise the profile and awareness of the Trust and ensure all see us as an engaging, productive and professional organisation and heritage attraction. To operate with entrepreneurial flair and creativity and to trade ethically and fairly in all we do.
- To put the visitor at the heart of everything we do.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

We entered 2020 on the back of a very poor trading year for the Trust, which had seen significant unforeseen closures and costs incurred. This trading result had necessitated the need for a Radical Profit Improvement Plan, RADPIP, which was produced from a roots and branch review of all trading and operations within the Trust. Plans therefore were already in place to implement extensive cost saving measures and extend the business trading year and grow the offer, all against the backdrop of the impact BREXIT was likely to have on our operations.

Little did we know that by March 2020 we would be facing the biggest and long term challenge the Trust has ever experienced.

Covid 19 Pandemic

Sadly, the Trust was forced to close its doors to visitors on 19th March 2020 following government advice, just prior to the national lockdown on 23rd March 2020. The far-reaching impact of this on the Trust quickly became apparent in terms of loss of trading and the protection of a historic site which could become vulnerable to vandalism, environmental changes and the loss of daily monitoring and upkeep.

Staff were concerned for the site and also, understandably, the protection of their jobs and loss of their skills. Decision making for the Senior Managers was difficult due to there being little understanding on how long lockdowns and restrictions were likely to be and the initial slow and often confusing information and instruction from the Government.

A review of potential redundancies was produced, and initial works begun to set this process in place. Pay and hour cuts, changes to roles and responsibilities and the suspension of agreed pay rises had already been implemented throughout the management team due to RADPIP. Thankfully, the Government Job Retention Scheme (Furlough) was implemented before this process was completed and though there were a small number of redundancies, the rest of the staff, including the CEO, were furloughed and the Chairman and Treasurer of the Trust look over its initial management at this period.

At the time of writing this report we have now been operating under Covid-19 restrictions for 455 days, many of these requiring us to stay closed resulting in zero trading for us. Though we have done everything we can to support ourselves during this period, releasing our reserves, selling property and assets and negotiating with suppliers, we must acknowledge the incredible financial support we have received through tax-payer support via a range of organisations.

Heritage Fund Emergency Grant - £45,000

Paid staff to prepare site for reopening. Worked with professional business advisor. Purchased site safety, social distancing and prevention of transmission equipment and materials. Marketing, home and virtual working equipment, paid essential bills and brought in new staff roles for enhanced daily cleaning and visitor engagement.

Culture Recovery 2020 - £154,900

Support for staff wages, essential costs paid, new site interpretation, use of outdoor spaces, brought in professional services such as education and catering consultants, digital artists and photographers/videographers. Supported business model changes, recruitment of new trustees, boat maintenance and dry dock costs, site presentation and safety adaptations and rebrand of offer.

The second part of the grant, of £154,900, was awarded in 2021 following approval that the first half had been appropriately spent.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Historic England Commissioning Grant - £48,000

Full 3d scan of the system, FE modelling, new interpretation and engagement, forward approach analysis and report.

Culture Recovery 2021 - £154,900

Support for staff wages, essential costs paid, improved on site storage and event management, integrated CRM system, domestic tourism marketing plan, consultant proposal roll out.

Job Retention Scheme - £131,000

Support to furlough jobs and retain positions.

Financial support at this level has given us peace of mind and allowed us to protect the most jobs, pay our suppliers, many who are locally based businesses and adapt and add to our offer rather than just survive. We have taken full advantage of this and used closed times to do essential maintenance on site, improve its use and presentation and ensure of the 15 weeks we could open in 2020 that we offered a site that was fully compliant, safe for all to visit and work in and that also protected our community. We were especially pleased to receive the VisitEngland Good to Go quality mark for our efforts in this area as well as the positive visitor comments which came in through Facebook, Google Reviews and Trip Advisor.

It was a great disappointment therefore, despite rethinking the operations of the Christmas boats that we could not deliver them due to Dudley classed as Tier 3 in November – forcing the closure of all indoor attractions. Though our customers were very understanding of why we had to cancel the event – having to reimburse the sold-out offer had an impact on our year end financial performance and level of comfort going into 2021 as we did not know when we would be able to reopen to the public.

Governance

Despite the challenges of 2020 we were able to recruit and sign-up new Trustees and Directors to join both our main board and Enterprises. The new supporters bring skills and experience in boating, finances, performance and Geotech as well as diversifying the makeup of our board in terms of age and representation. They have already begun to help us develop our offer and operational approach.

Due to the rapid changes of the business approach due to the many covid restrictions and requirements – the decision was taken by the Board to meet virtually and monthly to ensure and maintain ongoing and extensive communication with the Chief Executive. This has worked well and will be reviewed as part of a mixed approach to meetings once the restrictions are all lifted.

The 2020 Annual General Meeting did not go ahead as a “in-person” meeting due to social distancing requirements and the desire to protect the health and well-being of all. So, within the parameters of our Articles of Association a written report was produced and circulated to all members, this was also placed on the Trust's website. A headline recap of 2020 will be included in the 2021 Annual General Meeting.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable Aims

Despite the challenges of the pandemic the Trust was able to continue with its work to care for and preserve the unique caverns, tunnels, abandoned mines and waterways which sit under the heart of Dudley. A full 3d survey of the system was started using cutting edge technology and equipment. This follows on from a very successful pilot which had been undertaken in 2019.

In April 2020 we were also able to celebrate the news that the application for the Black Country UNESCO Geo Park had been successful. We will be working with the Keeper of Geology to raise the profile of this amazing achievement and recognition.

Due to the pandemic we saw trips and school bookings severely reduced but using digital media we were able to keep communication lines open and produce some great online learning offers which were offered free and through our Facebook page use archive material to showcase the history and importance of the Trust and the environment in which it operates. Over 200 digital sessions for Chit Chat, Tunnel Tots and service users were provided along with a daily "special interest" Facebook post.

The success of many of the grant applications came from the recognition of the funders as to the cultural importance of the environment in which we operate and care for as well as the long history of the Trust and the uniqueness of its formation.

Our Offer

For 2020 we had to adapt to restrictions and closures in terms of our main offers, particularly as the caverns are classed as an indoor attraction.

To maintain the required social distancing our boat seating was divided into pods which could seat a family group up to 4 people. Though this worked very well in terms of safety it did mean capacity was cut by 50% and so our pricing also had to be adjusted to suit the pod approach.

Due to support from the grants work began on a new Hurst Cavern Display, we added a new Limestone Cycle interpretation to the towpath, a Little Skippers Play Park offering "Learn through Play" opportunities has been added to the site and the Legger Suite Function Room has had a makeover to make it a more bookable and attractive space.

An historic boat orientation area has been set up to showcase our boats whilst they are on site and new period signage has been added to the adjacent Black Country Museum to provide improved way finder signage.

We have extended the use of the outside areas with additional seating, opening the towpath up for increased visitor access and developed a Towpath Theatre performance space which we will offer to local organisations when restrictions are lifted.

We were able to bring back open water trips on Electra but sadly we are still not able to offer our popular dining cruises on Vic Smallshire.

Our catering offer through Gongoozler has worked well, the balcony in particular has been a really useful refreshment area. We have also benefitted from our indoor spaces being conducive to social distancing which allowed us to introduce plenty of space and one-way routes throughout.

Despite initially holding on to many corporate bookings such as business meetings, weddings and celebrations, towards the end of 2020 these all cancelled as restrictions continued to hit the hospitality industry hard. We have however managed to keep our relationships with the organisers and are ready when we can to welcome them back on site.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Staff and Volunteers

2020 saw us awarded the Queen's Award for Voluntary Services which was a phenomenal achievement. This is the equivalent of an MBE and so we are all proud of this. Sadly, plans to fully celebrate this are on hold, but not forgotten.

Our staff and volunteers have been brilliant in helping us get through this difficult year. All have rolled up their sleeves and helped us get the site ready to reopen, they have all had to learn new ways and approaches to working, to maintain safety and all looked out for each other, especially for those who have had to isolate or were furloughed and had to stay away from the site.

Financial review

Review of financial position

Total income for the year amounted to £537,939 (2019 £512,614). Total expenditure amounted to £414,243 (2019 £569,238). This resulted in a net surplus for the year of £123,696 (2019 net deficit £56,624)

Reserves policy

Our unrestricted funds are freely available to spend on any of the charity's purposes in delivering our aims and keeping our business sustainable. Restricted funds and tangible fixed assets do not form part of our reserves. They are in place to protect the charity and its operations during down turns in business or other major occurrence to ensure it can continue to protect and preserve the unique environment in its care and engage the public with its historic importance. Reserves are also used to support new projects and activities which the Trust has identified as part of its business development and planning.

The Trust aims to maintain a minimum of £170,000 as reserves. This is calculated by reviewing previous year's trading and identifying the three highest expenditure months for essential non-discretionary spending. As the 2020 trading year was exceptional (due to restrictions imposed by the pandemic) the minimum reserves figure remains unchanged, as based upon 2019 trading. Where funds exceed this amount by more than £50,000 the Trust will review the reserve policy and either amend it or identify a way of using the funds to support the charity's objectives. Where funds fall below this amount the Trust will review a "Zero Level" approach, identifying the associated risks and mitigating them, building back reserves and diversifying the funding base.

Our readily available reserves are currently £134,049, which is below our policy. However, we have an expected income in the region of £100,000 from Dudley Canal Trust, due from an asset sale. The Dudley Canal Trust also hold reserves for use by ourselves, currently £9,174.86.

To assist with the maintenance of the caverns, mines and canals in the area of our operations, there is a Maintenance Fund held along with Dudley Metropolitan Borough Council and Canal & River Trust. This Fund is not shown in our accounts, and is currently in the region of £600,000.

Risk management

The trustees have reviewed the major risks to which the charity is exposed and confirm that systems have been established to mitigate those risks. Particular attention has focused on non-financial risks arising from fire, health and safety of staff, trippers and audiences. A key element in the management of financial risk is the ongoing commitment to gain an increasing number of visitors by offering deals through various mediums, together with attending various community events.

DUDLEY CANAL AND TUNNEL TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Governing document and constitution

The company is limited by guarantee and hence there is no share capital.

Dudley Canal and Tunnel Trust is governed by its Memorandum and Articles of Association dated 18 September 2015. It is a registered charity with the Charity Commission.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

C A Bennett	
D M Caunt	
AA Hazeldine	
R W Jones	(Resigned 15 January 2020)
R I Langford	
W J Luesley	
P T Smith	
J Deacon	(Appointed 1 January 2020)
D Powell	(Appointed 6 April 2021)
L Bradshaw	(Appointed 6 April 2021)

Trustees' Indemnity

The charity has Trustees' indemnity insurance in place.

Organisational structure

The board of trustees, who meet bi-monthly administer the charity. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity and attend the bi-monthly board meetings to present the Chief Executive's report on the day to day running of the business.

A Finance and HR Manager looks after the Trusts finances and supports the Chief Executive on all HR issues. A Heritage Engagement Officer is responsible for the Trusts education offer as well as its volunteer programme. The Operations manager looks after the boat trips and health and safety requirements. All report to the Chief Executive.

Induction and training of new trustees

New trustees are briefed by the management regarding the operations and their legal obligations under charity and company law. They are also given a tunnel tour to obtain a better understanding of the company history and operations.

Related parties

The charity has a wholly-owned subsidiary, Dudley Canal and Tunnel Trust Enterprises Limited, a limited company whose purpose is to raise monies through commercial enterprise with the aim of profit making so that these profits may be gifted to Dudley Canal and Tunnel Trust to support their charitable purposes.

The trustees' report was approved by the Board of Trustees.



W J Luesley

Trustee

Dated: 20 September 2021

DUDLEY CANAL AND TUNNEL TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF DUDLEY CANAL AND TUNNEL TRUST

I report to the trustees on my examination of the financial statements of Dudley Canal and Tunnel Trust (the charitable company) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.


Wendy Davies FCA

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Dated: 20 September 2021

DUDLEY CANAL AND TUNNEL TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	367,633	45,000	412,633	207,632	5,483	213,115
Charitable activities	4	104,381	-	104,381	295,252	-	295,252
Other income	5	20,925	-	20,925	4,247	-	4,247
Total income		492,939	45,000	537,939	507,131	5,483	512,614
<u>Expenditure on:</u>							
Charitable activities	6	366,422	47,821	414,243	568,576	662	569,238
Net income/(expenditure) for the year/ Net movement in funds		126,517	(2,821)	123,696	(61,445)	4,821	(56,624)
Fund balances at 1 January 2020		7,532	4,821	12,353	68,977	-	68,977
Fund balances at 31 December 2020		134,049	2,000	136,049	7,532	4,821	12,353

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DUDLEY CANAL AND TUNNEL TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		44,576		62,164
Investments	11		1		1
			<u>44,577</u>		<u>62,165</u>
Current assets					
Debtors	12	27,964		11,624	
Cash at bank and in hand		99,128		25,633	
		<u>127,092</u>		<u>37,257</u>	
Creditors: amounts falling due within one year	13	(35,620)		(87,069)	
Net current assets/(liabilities)			<u>91,472</u>		<u>(49,812)</u>
Total assets less current liabilities			<u>136,049</u>		<u>12,353</u>
Income funds					
Restricted funds	14		2,000		4,821
Unrestricted funds			134,049		7,532
			<u>136,049</u>		<u>12,353</u>

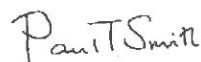
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 September 2021



P T Smith
Trustee

Company Registration No. 09784120

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Dudley Canal and Tunnel Trust is a charitable company incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 501 Birmingham New Road, Dudley, West Midlands DY1 4SB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice 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 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

No amount is included in the financial statements for volunteer time in line with SORP (FRS102).

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Grants are included in incoming resources when they are receivable. Performance related grants are deferred and released after any performance conditions are met.

1.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	10% straight line
Boats and equipment	20% reducing balance and at varying rates on cost
Office furniture and equipment	20% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	81,654	-	81,654	207,632	2,500	210,132
Grants received	285,979	45,000	330,979	-	2,983	2,983
	<u>367,633</u>	<u>45,000</u>	<u>412,633</u>	<u>207,632</u>	<u>5,483</u>	<u>213,115</u>
Donations and gifts						
Donations	6,019	-	6,019	11,286	2,500	13,786
Donations from Dudley Canal Trust	50,413	-	50,413	116,873	-	116,873
Donation from Dudley Canal Trust (Trips) Limited	659	-	659	2,861	-	2,861
Gift aid	23,063	-	23,063	37,122	-	37,122
Gift aid from subsidiary	1,500	-	1,500	39,490	-	39,490
	<u>81,654</u>	<u>-</u>	<u>81,654</u>	<u>207,632</u>	<u>2,500</u>	<u>210,132</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

(Continued)

Grants receivable for core activities

Culture recovery grant	154,900	-	154,900	-	-	-
Furlough grant	130,590	-	130,590	-	-	-
Heritage fund emergency grant	-	45,000	45,000	-	-	-
Other	489	-	489	-	2,983	2,983
	<u>285,979</u>	<u>45,000</u>	<u>330,979</u>	<u>-</u>	<u>2,983</u>	<u>2,983</u>

4 Charitable activities

	2020 £	2019 £
Boat income (including rally)	97,302	267,520
Workshop income	3,235	20,424
Admissions and booking fees	2,858	6,009
Membership subscriptions	986	1,299
	<u>104,381</u>	<u>295,252</u>

5 Other income

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Net gain on disposal of tangible fixed assets	1,618	-
Other income	19,300	-
Bank interest and booking fees	7	4
Rental income	-	4,243
	<u>20,925</u>	<u>4,247</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	210,959	221,001
Depreciation and impairment	11,733	13,629
Electric, gas, telephone and water	31,642	50,273
Professional fees	20,109	19,487
Maintenance and upkeep	23,707	27,258
Marketing advertising and PR	17,666	17,903
Service contracts	3,991	9,975
Heritage activities	281	2,746
Health and safety	416	1,004
Consumables	1,191	2,141
Volunteer expenses	405	606
Activities and events	166	274
Accommodation recharge to Enterprise	(40,000)	(40,000)
Commission	10,382	39,506
Rent rates and insurance	10,983	59,281
	<u>303,631</u>	<u>425,084</u>
Share of support costs (see note 7)	102,933	121,480
Share of governance costs (see note 7)	7,679	22,674
	<u>414,243</u>	<u>569,238</u>
Analysis by fund		
Unrestricted funds	366,422	568,576
Restricted funds	47,821	662
	<u>414,243</u>	<u>569,238</u>

Rent, rates and insurance for 2020 includes rent paid to Dudley Canal Trust (Trips) Limited amounting to nil (2019 - £46,000).

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	67,890	-	67,890	81,808	-	81,808
Depreciation	2,056	-	2,056	2,604	-	2,604
Service costs	17,836	-	17,836	20,898	-	20,898
Directors expenses	936	-	936	2,625	-	2,625
Motor travel and entertaining	54	-	54	2,166	-	2,166
Legal and professional fees	8,004	-	8,004	413	-	413
Sundries	-	-	-	960	-	960
Bank charges	6,157	-	6,157	10,006	-	10,006
Legal and professional	-	2,861	2,861	-	14,467	14,467
Accountancy and payroll services	-	3,568	3,568	-	6,957	6,957
Independent examination fee	-	1,250	1,250	-	1,250	1,250
	<u>102,933</u>	<u>7,679</u>	<u>110,612</u>	<u>121,480</u>	<u>22,674</u>	<u>144,154</u>
Analysed between Charitable activities	<u>102,933</u>	<u>7,679</u>	<u>110,612</u>	<u>121,480</u>	<u>22,674</u>	<u>144,154</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administration	7	7
Operational	15	17
Total	<u>22</u>	<u>24</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

(Continued)

Employment costs	2020 £	2019 £
Wages and salaries	260,199	281,090
Social security costs	14,007	19,180
Other pension costs	4,643	2,539
	<u>278,849</u>	<u>302,809</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Tangible fixed assets

	Leasehold buildings	Boats and equipment	Office furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	300	219,776	33,014	6,499	259,589
Disposals	-	(5,000)	-	-	(5,000)
At 31 December 2020	<u>300</u>	<u>214,776</u>	<u>33,014</u>	<u>6,499</u>	<u>254,589</u>
Depreciation and impairment					
At 1 January 2020	33	164,095	26,797	6,499	197,424
Depreciation charged in the year	30	11,733	2,026	-	13,789
Eliminated in respect of disposals	-	(1,200)	-	-	(1,200)
At 31 December 2020	<u>63</u>	<u>174,628</u>	<u>28,823</u>	<u>6,499</u>	<u>210,013</u>
Carrying amount					
At 31 December 2020	<u>237</u>	<u>40,148</u>	<u>4,191</u>	<u>-</u>	<u>44,576</u>
At 31 December 2019	<u>267</u>	<u>55,680</u>	<u>6,217</u>	<u>-</u>	<u>62,164</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets (Continued)

11 Fixed asset investments

	Other Investments
Cost or valuation	
At 1 January 2020 & 31 December 2020	1
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	17	1	1

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	3,066
Amounts owed by subsidiary undertakings	18,655	-
Other debtors	7,990	-
Prepayments and accrued income	1,319	8,558
	<u>27,964</u>	<u>11,624</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	3,999	7,279
Trade creditors	5,295	9,460
Amounts owed to subsidiary undertakings	-	48,147
Other creditors	19,439	16,973
Accruals and deferred income	6,887	5,210
	<u>35,620</u>	<u>87,069</u>

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		Balance at 31 December 2020
	Incoming resources	Resources expended	Balance at January 2020	Incoming resources	Resources expended	
	£	£	£	£	£	£
British museum	1,983	(662)	1,321	-	(1,321)	-
Art connect	1,000	-	1,000	-	(1,000)	-
Richardson foundation	2,500	-	2,500	-	(500)	2,000
Heritage grant	-	-	-	45,000	(45,000)	-
	<u>5,483</u>	<u>(662)</u>	<u>4,821</u>	<u>45,000</u>	<u>(47,821)</u>	<u>2,000</u>

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	44,576	-	44,576	62,164	-	62,164
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	89,472	2,000	91,472	(54,633)	4,821	(49,812)
	<u>134,049</u>	<u>2,000</u>	<u>136,049</u>	<u>7,532</u>	<u>4,821</u>	<u>12,353</u>

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>48,719</u>	<u>52,261</u>

The Trust considers its key management personnel to be the Chief Executive.

DUDLEY CANAL AND TUNNEL TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Related party transactions

(Continued)

Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

	Sale of asset	
	2020	2019
	£	£
Trustee	5,500	-

At 31st December 2020 amounts owed to Dudley Canal Trust (Trips) Limited was £14,406 (2019 £12,426). This is included in other creditors.

17 Subsidiaries

These financial statements are separate charitable company financial statements for Dudley Canal and Tunnel Trust.

Details of the charitable company subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Dudley Canal Trust Enterprises Limited	England and Wales	Preservation and development of the Dudley Canal Network	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Dudley Canal Trust Enterprises Limited	22,965	30,685

