

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.

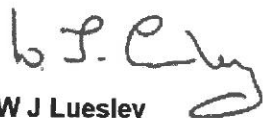
Induction and training of new trustees

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
	<hr/>	<hr/>	<hr/>
At 31 December 2021	2,013	1	2,014
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2021	2,013	1	2,014
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	1	1
	<hr/>	<hr/>	<hr/>

	Notes	2021 £	2020 £
Other investments comprise:			
Investments in subsidiaries	18	1	1
		<hr/>	<hr/>

12 Financial instruments

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

2021 £	2020 £
2,013	-
<hr/>	<hr/>

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
	<hr/>	<hr/>
	63,728	27,964
	<hr/>	<hr/>

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	