

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.

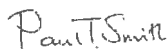
Related parties

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	(63,054)		(68,147)	
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
	6,334	-	(4,437)	1,897
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
	2,880	4,000	(546)	6,334

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