

Friends of the Cromford Canal
(Registered charity, number 1164608)
Financial statements
for the year ended 31 December 2021

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**Friends of the Cromford Canal
Trustees' annual report
for the year ended 31 December 2021**

Full name Friends of the Cromford Canal

Organisation type Charitable incorporated organisation

Registered charity number 1164608

Principal address 215 Clipstone Road West, Forest Town, Mansfield, NG19 0HJ

Trustees

David Martin, Chair

John Barker, Vice Chair

John Baylis BEM

Yvonne Shattower, Membership Secretary

Richard Handley, Acting Executive Secretary & Boat Committee Chair

Jack Brown MBE

Ian Hooker LLB

Michael Kelley, MCA Liaison

Hugh Potter, Portal Editor

Sean Dodds

Stephen Parish, from 19/04/2021

Independent examiner

John O'Brien, employee of Community Accounting Plus, Units 1 & 2 North West, 41 Talbot Street, Nottingham, NG1 5GL

Governance and management

The charity is operated under the rules of its CIO – Association constitution adopted 30 November 2015 and most recently amended 20 April 2018.

Recruitment and appointment of new trustees:

1. By election of members attending the Annual General Meeting;
2. Co-option at a Trustee meeting (Co-option only lasts until an AGM when co-opted Trustees must stand for election as in 1.)

Objectives and activities

The objects of the CIO are restoration, reconstruction, preservation and maintenance of the Cromford Canal, its associated buildings, towing path, structures and craft and the conservation of its natural character as a navigable inland waterway system for the benefit of the public.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

Friends of the Cromford Canal

Summary of the main activities undertaken for the public benefit

Generating funds to undertake tactical restoration for the conservation of the existing waterway, and by actively seeking large donations for the restoration of major sections of the disused canal.

These activities benefit the public:

1. by offering a variety of volunteering roles - we have over 100 regular volunteers;
2. by offering public cruising on our trip boat Birdswood;
3. by conserving and restoring the Cromford Canal for the benefit of future generations;
4. by contributing to the general heritage of the World Heritage site;
5. by generating awareness and education of the general public of the historic waterway.

Summary of the main achievements during the period

COMMERCIAL TRADING UPDATE

After the disaster that was 2020 where our heritage trip boat "Birdswood" cost the charity over £23,000 (in part due to employee costs) to deliver nearly zero service (apart from online merchandise), 2021 was a recovery year although Covid much restricted services that we could offer.

- We were unable to operate until June and only then with extremely restricted passenger capacity.
- From mid-July we were able to increase passenger capacity to 2/3rds of our maximum.
- We only operated three days per week instead of four.
- The public at least initially were somewhat reticent in coming out and using our service.

On top of the above we had other challenges:

- The inoperability of Browns bridge led to shortened trips and discounted ticket prices.
- The retirement of the Arraslea Horses meant a loss of a major attraction.

On the upside, last year we ended up delivering 22 private charters, ran 114 trips and carried 1,800 passengers in total – 1,500 of which were pre-booked. Our trading operations generated £18,500 of income, including £4,500 of online and wharf side merchandise sales, which we estimate will mean that we will have contributed over £3,000 to the charities cash reserves in 2021.

We have an active sub-committee of the charity that looks after the operation of the boat and shop and are now actively planning for the upcoming 2022 cruising season (albeit online merchandise sales have been ticking along throughout the winter months).

We successfully passed our bi-annual "out-of-water" inspection (for the boat) by the Maritime & Coastguard Agency before Xmas and are awaiting the bi-annual "in-water" inspection imminently.

Friends of the Cromford Canal

STRATEGIC RESTORATION - BEGGARLEE EXTENSION

In September 2020 we received planning approval for the first piece of canal restoration on the Cromford Canal: - the Beggarlee extension. FCC Trustees are acutely aware that the clock is ticking – the approval has a three-year shelf-life.

Through 2020, a significant amount of behind-the-scenes work has been undertaken by a dedicated sub-committee – the FCC's "Beggarlee Construction Planning team" (CPT).

The CPT has been diligently working through several planning conditions as specified by the Local Authorities involved, so that we can eventually extend the canal from the Langley Mill Basin to Stoney Lane.

The CPT received the finished Geotechnical Report, which has released a lot of dependant activities. Foremost, it has enabled technical discussions to be resumed with Derbyshire Highways on the effect of our flood compensation area on the stability of the A610 road embankment. In addition, finalised versions of the Landscape & Environmental Management Plan and the Water Vole Protection Plan have also been received. We are thus now almost ready to apply to the Local Planning Authorities for discharge of the pre-start planning conditions. The LPAs require at least two months to consider and give their approvals; however, before we start work on-site, we shall require a licence from Derbyshire County Council to commence work on their land, which may unfortunately take longer to obtain.

At the end of 2021 a meeting with the Inland Waterways Association was held to check that we are going down the right path: and consequently, in early 2022 Trustees plan to appoint a professional fund raiser, write up a detailed Action Plan, and engage a Project Manager.

TACTICAL WORK PARTIES

The FCC work parties have worked on the following projects: at Ironville in 2021, the year started off with the FCC repairing damage to the edging stones at Lock 5, necessitating removing the stones using a forklift truck, repairing the support brickwork underneath, replacing the edging stones and replace the fencing.

Work has now been completed, replacing, and repairing the fencing all the way from Lock 3 to Codnor Park Reservoir. The original job started Feb 2021, repairing the fencing near Pinxton Arm Bridge, which had been damaged by the contractors working on the trees near the Reservoir overspill. Guess what, I am told the contractors have done it again around the same area. More unnecessary work. Lime mortar repairs to the inside walls of the Pinxton Arm Bridge. In the abandoned canal section at the Reservoir, work has gone on to remove trees uprooted by high winds, which had fallen across or near the footpath.

Installing three memorial seats around the Reservoir, one result of the seats being put in around the Reservoir, is that visitors can now have a rest part way around and then continue all the way, instead of going so far and then going back to the car park. Clearing vegetation and Himalayan Balsam from the channel at Pinxton Arm Bridge to Lock 2.

Work will be starting soon to repair the little bridge on the far side of the Reservoir.

It is worth noting that the certification of the Lime Mortaring volunteers, draws a much higher costing on the calculated daily rate, as does Masters on Birdswood the FCC narrowboat at Cromford, chain sawing, strimming, driving our dumper truck and any other jobs which requires certificated training.

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Civil engineer volunteers working on the Restoration projects, can qualify for a much higher daily rate, which can increase the calculated yearly value in £, quite significantly.

It has been proven that by being able to produce volunteer figures the FCC can negotiate certain projects for a reduced amount or free, against paying a large amount of money.

At Pinxton wharf the work parties over several workdays, cleared the opposite bank to towpath with a strimmer and hard hand work.

There have been several work parties at Sawmills, the Gauging Narrows have been cleared and the channel up to the bridge is now very accessible. One job, that took a lot of hours was clearing around the four arched bridge, originally, we were looking for the coping stones off the bridge. Several are missing off the bridge and we wondered if they had been pushed into the canal channel. It finished up with the whole area being cleared, but no edging stones were found. I suppose the next step is to dig out the pile of rubble piled up underneath the bridge.

VOLUNTEERING

The charity offers a wide range of volunteering roles: The Covid pandemic severely restricted our activities at the start of the year: nevertheless, the total direct FCC volunteer hours for 2021, was 10,116.5 with 979 travel hours. The total including travel was 11,095.5 volunteer hours.

If calculated, using the DerwentWISE cost structure of a 7hour day, the value of Friends of Cromford Canal volunteer hours for 2021, is £101,917.

BROWNS BRIDGE

The swing bridge at High Peak Junction - locally known as "Browns Bridge" is owned by Derbyshire County Council (DCC). It is a key feature on the Birdswood cruises and allows access to the Leawood end of the canal and the winding hole for Birdswood to turn around. The bridge is opened and closed twice on each Birdswood cruise, but it became increasingly difficult to operate. Accordingly, FCC Trustees decided to declare the bridge inoperable and since we recommenced in June 2021 our cruises have had to be somewhat curtailed.

FCC Trustees came to an agreement with DCC to manage a project to completely renovate the bridge: we commenced work on 13th September with a five-week project window: the project was jointly funded by FCC and DCC, and our contractor was managed by an FCC project team.

Work to repair the bridge was completed in mid-October 2021 and the bridge is much more easily opened so we can run Birdswood right up to the Leawood Pump House again (weeds and silt permitting)!

Derbyshire County Council Cabinet Member for Infrastructure and Environment Councillor Carolyn Renwick said: "We are delighted to see that the historic Brown's Swing Bridge at High Peak Junction on the Cromford Canal has been restored and repaired. "This much-needed work has allowed the popular Birdswood narrow boat trip service to fully resume its journeys along the canal which attracts thousands of visitors a year. "The site plays an important role in helping us attract more visitors, encourage more staycations and increase visitor spend in the county as well as being a much-loved area for locals."

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MODERNISED IT SUPPORT SYSTEMS

Over the last eighteen months, work has been progressing behind the scenes on updating the Information Technology that underpins the FCC: it was felt essential that as the charity moves into the next stage of its development, more efficient, and resilient infrastructure was needed. This article provides an overview of some of the key elements.

In May 2021 – after a three-year gestation – we launched our new website: not only is this a much cleaner, clearer repository for information about the charity and our canal, but we have also now included the ability to join FCC as a member plus provide donations to our cause – direct from the website. Check it out if you haven't already: www.cromfordcanal.org. Google Analytics on the website allows us to see what the most viewed pages are (and much more): intriguingly the Butterley Tunnel page is one of the top attractions!

Being able to communicate easily and securely is vital, and we now almost entirely use Microsoft's Office365 E1 service – a free suite of office software that includes hosted email, and secure cloud-based storage. Trustees and others are now storing all our key documents in a series of secure folders.

Moving the membership onto a platform that enables Direct Debit of subscriptions was something that we managed to introduce in the Autumn of last year, and more than 25% of members who are on annual subscription rates are now on our GoCardless platform.

The ability to easily make donations to the FCC for our restoration causes was seen as being crucial, and the introduction of the GiveAsYouLive platform means that one off and recurrent donations can now be made by anyone in the world: we can even get free donations when people shop online!

The commercial arm of the charity – basically our trip boat and merchandise sales – is now supported by Stripe for online sales, and iZettle – a contactless “in person” payment terminal: last year over 80% of trading income was received by cash-less methods.

Being able to communicate with our audience – whether it be FCC members or the wider public – is key if we are to continue to draw support and interest in our activities. So early in 2020 we started to use Mailchimp - a free service for proactively distributing mass emails in a secure way. Our database of 800 email addresses has been assembled from a variety of means – including user self-subscription from links on our website. Portal, eNewsletters and other news is routinely disseminated this way and the platform allows us to monitor interest levels.

And finally, “social media”: we have full control of our Facebook group and Twitter presence and we regularly post interesting comment: the recent publicity about the Browns Bridge renovation generated over 25,000 views! We have managed to double our Facebook following in the space of just over a year.

So the Friends of the Cromford Canal may be a 15-year-old organisation looking after a 250-year-old canal, but we now use leading edge / industrial strength IT support to help us manage our business.

Friends of the Cromford Canal

The charity's policy on reserves

To comply with their legal duties, the Charity Commission expects trustees to decide upon, publish and monitor their charity's reserves policy as part of their end of year accounts. Although this policy will be monitored and reviewed regularly, it will be amended immediately should the Friends of Cromford Canal (FCC) employ a Project Manager for the Beggarlee Extension.

- A reserves policy is an important part of the internal financial management of the charity by informing both the budget and risk management processes, helping to match its reserves to its requirements and no more. This ensures the reserves held are not too high or too low for its needs.
- A reserves policy explains to the FCC membership, potential funders, donors and stakeholders why it is holding a particular amount of money in reserve. It provides accountability as well as giving confidence that the charity's finances are being properly managed. It provides an indicator of future funding needs as well as the charity's overall resilience.

Reserves are the part of the FCC's unrestricted funds which are freely available to spend on the charity's purposes. However, some of these unrestricted funds may not be readily available because, to spend them, might adversely affect the charity's ability to deliver its aims. There may be the risk of unforeseen emergencies such as a large repair bill for Birdwood, an unexpected operational cost or a need for 'matched funding' which cannot be met immediately by future income alone. For reasons such as these, some funds are kept in reserve.

Restricted funds fall outside the definition of reserves, but the nature and amount of such funds may impact on the charity's reserves policy. Restricted funds are those which have been set aside or donated to the charity for a particular purpose. As an example, money was raised specifically by the membership to help towards the cost of purchasing an area of land required for the Beggarlee Extension. The landowner has yet to agree a price so the money has been 'ring-fenced' (set aside) until his decision is made.

The level of reserves set by the Trustees reflects the FCC's particular circumstances and is monitored throughout the year as part of the normal monitoring and budgetary processes. The Trustees propose to maintain reserves at a level which is at least equivalent to three/six months' operational expenditure.

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Financial risks

We currently have healthy cash reserves on-deposit and intend to generate significant additional funds through our commercial trading activities. We believe we do not have any major financial risks.

To supplement our existing and in-year cash reserves, we plan to engaged the services of a professional fund-raising organisation to raise major donation funding to help us progress with a number of restoration projects.

FCC is supported by our membership: numbers have been static or even in decline over the last few years and our records have left something to be desired: we have a significant number of legacy members who are on really old annual membership rates that do not even cover the cost of us sending our quarterly hard copy journal "Portal" to them by post. Accordingly, we have tried to improve this situation by increasing our annual membership fees, making it easier for new members to join though links on our website, and have introduced a new Direct Debit subscription platform to help us manage membership subscriptions more efficiently. We now have an increasing membership base, have a much-improved grasp on who are legacy members are and what they are paying in terms of annual fees, and are increasingly able to engage with all FCC members more effectively.

Signed on behalf of the charity's trustees:

Signed

Richard Handley, Trustee



Date

15/03/22

**Independent examiner's report to the trustees of
Friends of the Cromford Canal
for the year ended 31 December 2021**

I report to the trustees on my examination of the accounts of Friends of the Cromford Canal (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

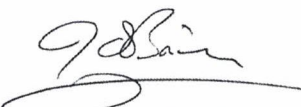
I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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 accounts to be reached.

Signed  Date 23/03/2022
John O'Brien MSc, FCCA, FCIE
Employee of Community Accounting Plus

**Friends of the Cromford Canal
Receipts & payments account
for the year ended 31 December 2021**

2020			Unrestricted	Restricted	2021
Total			Funds	Funds	Total
Funds		Note	£	£	Funds
£					£
	Receipts				
454	Bank interest		570	-	570
365	Fundraising		83	-	83
19374	Grants & donations	2	14146	47300	61446
42000	Legacies		-	-	-
3438	Sales & services		129	-	129
6088	Memberships		5220	-	5220
3225	Trip boat income		18521	-	18521
<u>74944</u>	Total receipts		<u>38669</u>	<u>47300</u>	<u>85969</u>
	Payments				
1056	Admin & accountancy		1227	-	1227
132	Bank charges		165	-	165
6857	Consultancy & planning		375	-	375
10535	Canal structure		1735	1260	2995
-	Construction		-	39415	39415
624	Employee costs		-	-	-
135	Events & room hire		45	-	45
186	FCC office		199	-	199
2087	General insurance		392	-	392
3820	General advertising, printing & websites		3268	-	3268
1588	Legal & professional fees		696	-	696
235	Memberships & subscriptions		18	-	18
104	Miscellaneous expenditure		656	-	656
3012	Printing & stationery		4095	-	4095
-	Signage		1240	-	1240
40	Speakers		100	-	100
30711	Trip boat expenditure	4	7914	1470	9384
20	Volunteer expenses		197	-	197
-	Waterway Officer		945	-	945
-	Sawmills repairs		-	189	189
439	Working party/WRG		778	-	778
<u>61581</u>	Total payments		<u>24045</u>	<u>42334</u>	<u>66379</u>
13363	Net receipts/(payments)		14624	4966	19590
131429	Cash funds at start of this period		138643	6149	144792
-	Transfers between funds		6325	(6325)	-
<u>144792</u>	Cash funds at end of this period		<u>159592</u>	<u>4790</u>	<u>164382</u>

**Friends of the Cromford Canal
Statement of assets and liabilities
at 31 December 2021**

2020			2021
£		Note	£
144686	Cash assets		
	Bank accounts		164332
106	Cash in hand		50
<u>144792</u>			<u>164382</u>
	Other monetary assets		
5000	Stock		2500
1692	Prepayments - Insurances		-
<u>6692</u>			<u>2500</u>
	Assets retained for the charity's own use		
	Trip boat 'Birdswood' & its fixtures & fittings, purchased in July 2013, cost £61,683.		
	Dumper truck, purchased November 2016, cost £3,900.		
	Land at Cromford Canal Langley Mill, purchase completed December 2019, cost £9,697.		
	Land at Cromford Canal at Hartshay, 500 yards, donated.		
	General equipment.		
	Liabilities		
(1519)	Creditors	3	(540)
<u>(1519)</u>			<u>(540)</u>

These financial statements are accepted on behalf of the charity by:

Signed

John Barker, Trustee

Dated

21/03/22

Friends of the Cromford Canal
Notes to the accounts
for the year ended 31 December 2021

1. Receipts & payments accounts

Receipts and payments accounts contain a summary of money received and money spent during the period and a list of assets and liabilities at the end of the period. Usually, cash received and cash spent will include transactions through bank accounts and cash in hand.

2. Grants & donations

	Unrestricted £	Restricted £	Total £
Derbyshire County Council	-	47000	47000
Derbyshire Dales District Council	-	300	300
Derbyshire Federation WI	300	-	300
Donations from individuals	13846	-	13846
	<u>14146</u>	<u>47300</u>	<u>61446</u>

3. Creditors

	£
Admin & accountancy (IE fee)	540
	<u>540</u>

4. Analysis of the costs of the trip boat 'Birdswood'

	£
Advertising & website	529
Bank charges	141
Boat repairs & maintenance	3838
Crew costs	1326
Miscellaneous boat costs	563
Maritime & Coastguard Agency	735
Stock for resale	156
Travel	30
Postage	129
Telephone	180
Rent or lease of buildings	1470
Working party/WRG Tripboat	287
	<u>9384</u>

5. Trustees' remuneration

During this period, a total of £30 was reimbursed to 1 trustee for travel expenses incurred.

Friends of the Cromford Canal

6. Funds analysis

	Opening balance £	Receipts (Payments) £		Transfers £	Closing balance £
Restricted funds					
Sawmills (Severn Trent)	387	-	(189)	-	198
Dredging fund	1785	-	-	-	1785
Weighbridge Shop	3577	-	(1470)	-	2107
Tools	400	300	-	-	700
Browns Bridge	-	47000	(40675)	(6325)	-
	6149	47300	(42334)	(6325)	4790
Unrestricted funds					
General fund	98643	28834	(24045)	6325	109757
Designated funds					
Restoration	40000	-	-	-	40000
Land purchase donations	-	9835	-	-	9835
	138643	38669	(24045)	6325	159592

The specific purposes for which the funds are to be applied are as follows:

Sawmills (Severn Trent) is for the completion of repair to Sawmills gauging narrows.

Dredging fund – towards dredging the Cromford Canal along the route taken by Birdswood.

Weighbridge Shop – to pay for rent & services.

Tools – tool purchases.

Browns Bridge – towards the Browns Bridge refurbishment work.

The transfer from the Browns Bridge fund to the General fund relates to the Bridge costs incurred in prior year in connection to the bridge, and also an agreement with the Council to use the remaining funds for other costs.

7. Related party transactions

There were no related party transactions in this period.

8. Glossary of terms

Creditors: These are amounts owed by the charity, but not paid during the accounting period.

Prepayments: These are services that the charity has paid for in advance, but not used during the accounting period.

Restricted funds: These are funds given to the charity, subject to specific restrictions set by the donor, but still within the general objects of the charity.