

Friends of the Cromford Canal
(Registered charity, number 1164608)
Financial statements
for the year ended 31 December 2022

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**Friends of the Cromford Canal
Trustees' annual report
for the year ended 31 December 2022**

Full name Friends of the Cromford Canal

Organisation type Charitable incorporated organisation

Registered charity number 1164608

Principal address 12 Holymoore Road, Holymoorside, Chesterfield, Derbyshire,
S42 7DX

Trustees

David Martin, Chair

John Barker, Vice Chair

Yvonne Shattower, Membership Secretary

Richard Handley, Executive Secretary & Boat Committee Chair

Jack Brown MBE

Ian Hooker LLB

Michael Kelley, MCA Liaison

Hugh Potter, Portal Editor

David Ratner

Stephen Parish

Sean Dodds, until 31 March 2022

John Baylis BEM, until July 2022

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.

Our constitution requires a minimum of three and a maximum of twelve Trustees: we
currently operate with ten, three of whom are standing down and opting to seek re-
election at the 2023 AGM. At an average age of 76 we are acutely aware that our
Trustee cohort needs new blood, and we are always on the lookout for suitable
candidates.

The Trustees operate the charity through core administration function such as
Treasury, Membership, IT etc., plus two main sub-committees, covering Restoration
& Trading operations.

Trustees met nine times during 2022 plus presented the annual report and accounts
at the April AGM: Following the release of lockdowns, most of the Trustee meetings
were held in blended ZOOM & in-person format.

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

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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'.

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 Birdwood;
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.

John Baylis

In July we had to report the very sad news of the sudden passing of Trustee John Baylis: John had been unwell for some time and had begun to wind down his activity with the charity.

John was extremely well known across the canal network, and we had been fortunate to have had the benefit of his experience for some years, as our former chairman, and latterly our executive secretary, John Baylis BEM, played a major role in restoring canals all over the Midlands. He was also a major contributor to the work of the Inland Waterways Association for many years.

Subsequent to John's passing Trustees had to manage some practical implications, such as updating authorized users of our bank accounts, changing charity commission contact details etc.

Operating the charity

Our charity is operated 100% by volunteers and we have over 100 of them, covering Trading operations, Work Parties and specialist roles such as Engineering support. Our volunteers we canvased in the summer and around twenty of them gave us written testimonials on what volunteering means to them: extracts of these testimonials can be seen on the FCC website.

Achieving the aims of the charity

Trustees are mindful that the stated objective of the charity is "the restoration, reconstruction, preservation & maintenance of the Cromford Canal, its associated buildings, towing path, structures & craft & the conservation of its natural character as a navigable inland waterway system for the benefit of the public". Accordingly, we constantly direct and measure ourselves against these aims.

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Restoration: work has finally started at Beggarlee, with land clearance in advance of land drainage work being undertaken by volunteer work parties. However, our fund-raising partner has not been able to secure funding for a project manager to drive this project properly.

Reconstruction: The bridge at the Old Brick Yard at Waterloo Farm at Sawmills has been rebuilt, and the Pinxton Arm Bridge was used for Lime Mortar training to repair the bridge.

Preservation & maintenance: John Barker's weekly work parties have been hard at work as usual repairing fences, hedges, footpaths etc. An audit of all 13 Public Information Boards along the canal was undertaken by Trustee Mike Kelley.

Fund raising - Trading update

During the early spring Birdswood's batteries were removed and sent away for re-conditioning.

Building on the 2021 "Covid recovery year", our internal trading operations (our heritage trip boat "Birdswood" and merchandise sales) 2022 was our most successful year so far, despite a couple of challenges: our on-site operations at Cromford ran from April to October but we had problems which curtailed things a little:

- High weed concentrations through the summer south of Browns Bridge meant that we had to terminate cruises at High Peak Junction.
- The extreme drought conditions in late August but particularly in September meant that we had to cancel one week's worth of trips – including a few charters – until water levels improved.

Despite that, we delivered 39 private charters, ran 152 regular trips plus 8 of our new "premium" trips: overall we carried 3,787 passengers in total – 3,005 of which were pre-booked. Our trading operations generated £45,000 of income, including £11,000 of online and wharf side merchandise sales, which means that we will have contributed over £30,000 to the charity's cash reserves in 2022. A special mention must go to Dave "mushroom man" Wright for the provision of carved wooden mushrooms which we sold nearly 50 of during the year as part of our wharf side sales operation.

We successfully passed our bi-annual "in-of-water" inspection (for the boat) by the Maritime & Coastguard Agency in November and are now actively preparing for the bi-annual "out-of-water" inspection in late 2023.

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 2023 cruising season including developing relationships with other elements of the local visitor economy.

Fund raising – Memberships

Revenues raised from membership fees are the second largest source of our regular funding: migration of existing members and recruitment of new members onto our Direct Debit service continues (we now have 223 on Direct Debit). However, a significant number of FCC members remain on either legacy Standing Orders (118) from their bank, or more significantly continue to pay their subscriptions by cash or cheque (235). Additionally, we have 158 Lifetime members who have paid a one-off

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membership fee to us in previous years. Through a mixture of increasing of subscription fees and correctly applying the revised fees to legacy members we have significantly increased our revenue stream since the previous year.

Fund raising – Strategic

We are developing a Fundraising Strategy which will enable us to review the current effectiveness of a range of fundraising methods already being used by the Charity. We will benefit from having a road map to guide our planning and development of each area of fundraising, with a view to increasing income.

Engagement with external professional fund raisers has had other tangible non-financial benefits for the charity – we've had to update several policy documents and introduce new processes and procedures which means that prospective funders will now see a charity in a much better position to receive and use grants etc. We hope to undertake further external funding work next year.

Strategic relationships

Trustees have taken time through 2022 to cement existing and develop new key relationships: examples of these include;

- Attendance by the chair of Derbyshire County Council to a Trustee meeting.
- Introductory meeting with the new CEO Arkwright Society.
- Formal meetings with Derbyshire County Council's countryside services team.
- Ongoing working relationships with the Erewash Canal Development & Preservation Association.
- Ongoing contact with local Canal & Rivers Trust staff.

Communications and publicity

Keeping the charity in the public eye is key for us and this is done through a variety of means by several different individuals. We published 4 editions of our quarterly journal "Portal" to 600 or so members, 6 editions of our two monthly e-Newsletters – 100 to members and a further 800 to other interested third parties.

We regularly send updates to our database of 900 email contacts and also use social media – mainly Facebook: our FCC Facebook group has grown 300% over the last three years to 2,200 members. We constantly update and refresh content on our new website and had a new edition of our "red leaflet" designed and printed in February. We regularly supply content and articles to a range of partners including DVMWHS, Chesterfield Canal, IWA, Peak advertiser, ECD&PA, Derbyshire Times, Derbyshire Now, Waterways World, and Towpath Talk. We also had a new Birdwood leaflet designed and professionally distributed – 10,000 in 100 locations in Derbyshire.

Public and member engagement

Trustees are acutely aware that we need to constantly engage with not only FCC members, but the wider interested public and we are constantly trying to expand this area of our operation. In 2022 we held a total of nine social events on a variety of subject at the church hall at Ironville, with around 30-40 attendees to each – albeit mainly FCC members, and plan to undertake similar events in other locations in 2023.

In July a thankyou buffet was also provided at the Boat Inn at Pinxton for all the charity's volunteers - around 35 of whom attended.

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Volunteers

We have a stable cohort of dedicated volunteers across the charity who are all well briefed and working towards the charity's strategic aims: without them we would really be unable to function.

Financial review

In summary, the FCC charity has had a very successful year: we've generated a significant surplus from our trading activities, have secured some small and medium sized grants for our ongoing tactical and strategic restoration work and have moved a significant proportion of members onto our Direct Debit platform for their subscription fees. Our public visibility is increasing and we continue to be supported by our wonderful cohort of volunteers. Work has started on the Beggarlee extension where we continue to pursue significant grant funding to help us accelerate our work – something that the late John Baylis was very keen on. We have closed the year increasing our cash reserves from £164,382 to £179,891 although we have a number of ring-fenced projects that will incur expenditure on through 2023.

The charity's policy on reserves

In order 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

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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 land-owner has yet to agree a price so the money has been 'ring-fenced' (set aside) until his decision is made.

Level of Reserves

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.

Signed on behalf of the charity's trustees:

Signed Richard Handley Date 7/3/23
Richard Handley, Trustee

**Independent examiner's report to the trustees of
Friends of the Cromford Canal
for the year ended 31 December 2022**

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 2022.

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 10/3/23
John O'Brien MSc, FCCA, FCIE
Employee of Community Accounting Plus

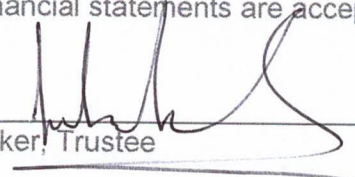
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Receipts & payments account
for the year ended 31 December 2022

2021				2022
Total		Unrestricted	Restricted	Total
Funds		Funds	Funds	Funds
£	Note	£	£	£
Receipts				
570	Bank interest	1251	-	1251
83	Fundraising	763	-	763
61446	Grants & donations	2 12811	13565	26376
129	Sales & services	195	-	195
5220	Memberships	7271	-	7271
18521	Trip boat income	45373	-	45373
<u>85969</u>	Total receipts	<u>67664</u>	<u>13565</u>	<u>81229</u>
Payments				
1227	Admin & accountancy	900	-	900
165	Bank charges	213	-	213
375	Consultancy & planning	29268	-	29268
2995	Canal structure	9094	-	9094
39415	Construction	-	-	-
45	Events & room hire	400	-	400
199	FCC office	403	-	403
392	General insurance	1375	-	1375
3268	General advertising, printing & website	1839	-	1839
696	Legal & professional fees	-	-	-
18	Memberships & subscriptions	125	-	125
656	Miscellaneous expenditure	461	-	461
4095	Printing & stationery	1981	-	1981
-	Repairs & maintenance	559	1472	2031
1240	Signage	-	-	-
100	Speakers	270	-	270
-	Telephone & postage	1487	-	1487
-	Training	276	-	276
-	Travel	100	-	100
9384	Trip boat expenditure	8 12909	2107	15016
197	Volunteer expenses	-	-	-
945	Waterway Officer	-	-	-
189	Sawmills repairs	-	-	-
778	Working party/WRG	481	-	481
<u>66379</u>	Total payments	<u>62141</u>	<u>3579</u>	<u>65720</u>
19590	Net receipts/(payments)	5523	9986	15509
144792	Cash funds at start of this period	159592	4790	164382
<u>164382</u>	Cash funds at end of this period	<u>165115</u>	<u>14776</u>	<u>179891</u>

Friends of the Cromford Canal
Statement of assets and liabilities
at 31 December 2022

2021			2022
£	Cash assets	Note	£
164332	Bank accounts		179841
<u>50</u>	Cash in hand		<u>50</u>
<u>164382</u>			<u>179891</u>
	Other monetary assets		
<u>2500</u>	Stock		<u>2700</u>
<u>2500</u>			<u>2700</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		
<u>(540)</u>	Creditors	3	<u>(1155)</u>
<u>(540)</u>			<u>(1155)</u>

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

Signed 
 John Barker, Trustee

Dated 7/3/23

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Notes to the accounts
for the year ended 31 December 2022

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
	£	£	£
National Lottery Community Fund	-	10000	10000
The D'Oyly Carte Charitable Trust	-	2000	2000
Mansfield Building Society	-	565	565
Gordon Fraser Charitable Trust	-	1000	1000
Foundation Derbyshire	2000	-	2000
M J Camp Charitable Foundation	1000	-	1000
The William Dean Countryside and Educational Trust	1000	-	1000
The HDH Wills 1965 Charitable Trust	500	-	500
N Smith Charitable Settlement	750	-	750
J Bestwick bequest	1962	-	1962
Jacksdale Walking Group	886	-	886
HMRC Gift Aid	1293	-	1293
Sundry donations	3420	-	3420
	12811	13565	26376

3. Creditors

	£
Admin & accountancy (IE fee)	558
Trip boat expenditure: Rent or lease of buildings	597
	1155

4. Trustees' remuneration

During this period, a total of £50 was reimbursed to 1 trustee for travel expenses incurred.

5. Related party transactions

There were no related party transactions in this period.

6. Glossary of terms

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

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7. Funds analysis

	Opening balance £	Receipts (Payments) £		Closing balance £
Restricted funds				
Sawmills (Severn Trent)	198	-	-	198
Dredging fund	1785	-	-	1785
Weighbridge shop	2107	-	(2107)	-
Tools	700	-	-	700
Welfare Unit project	-	10000	-	10000
Project - Lime mortaring	-	2000	(1472)	528
Project - Lock keepers	-	1565	-	1565
	4790	13565	(3579)	14776
Unrestricted funds				
General fund	109757	67664	(62141)	115280
Designated funds				
Restoration	40000	-	-	40000
Land purchase donations	9835	-	-	9835
	159592	67664	(62141)	165115

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.

Welfare Unit project – for the Beggarlee Restoration project.

Project – Lime mortaring – for the training on Lime mortaring at the bridge at Waterloo Farm.

Project – Lock keepers – for the Lock keepers' cottage garden at Ironville.

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

	£
Advertising & website	926
Bank charges	154
Boat insurance	663
Boat repairs & maintenance	1669
Crew costs	593
Legal & professional	1315
Maritime & Coastguard Agency	735
Miscellaenous boat costs	981
Refunds to customers	1790
Stock for resale	3489
Travel	50
Trip boat admin	115
Rent or lease of buildings	2320
Working party/ WRG - Tripboat	216
	<u>15016</u>