

**THE WEY & ARUN CANAL TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

UNAUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

COMPANY NO: 01094232

REGISTERED CHARITY NUMBER: 265331

THE WEY & ARUN CANAL TRUST LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2021

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THE WEY & ARUN CANAL TRUST LIMITED
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2021

Registered Company Limited by Guarantee

Registration Number 01094232 (England and Wales)

Registered Charity number

265331

Registered office

The Granary
Flitchfold Farm
Vicarage Hill
Loxwood
Billingshurst
West Sussex RH14 0RH

Trustees

Tony Coles
Margaret Darvill
Giles Eyre
Tony Ford
Dennis Gillen
Alan Johnson
Julian Morgan
Bill Nicholson
John Reynolds
Sally Schupke
John Talbot

Company Secretary

Giles Eyre

Independent Examiner

John Speed FCA FCIE
JS2 Limited
One Crown Square
Woking, Surrey
GU21 6HR

Solicitors

Lynn Murray & Co Solicitors
Denning House
84 High Street
Cranleigh
Surrey
GU6 8AH

Anderson Rowntree Solicitors
Wisteria House
Petworth
West Sussex
GU28 0AJ

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
ME19 4JQ

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The Wey & Arun Canal Trust Limited ("the Trust") is a charity. The trustees are also directors of the Trust for the purposes of the Companies Act and present their report together with the financial statements of the Trust for the year ended 31st December 2021. They are also prepared so as to meet the requirements for a director's report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's governing document, the Charities Act 2011 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).

OBJECTIVES AND ACTIVITIES

Objects and Activities

The Trust's objects and principal activities have continued to be the restoration, renovation and operation of the Wey & Arun Canal. The aim is to restore the whole 23-mile length of the canal to through navigation.

Aims, Objectives, Strategies and Activities for the Year

The Trust's strategy is to invest in multiple major restoration activities at the same time. This approach clearly presents challenges in terms of funding and resource allocation, but, if successful, will accelerate the achievement of the Trust's objectives. Currently the sections that the Trust has chosen as priorities are (from north to south): (1) the Shalford/Bramley section, including reconnecting the canal to the national waterways network, (2) the Alfold/Dunsfold section, (3) the Ifold/Loxwood section and (4) the Arun Valley section near Wisborough Green.

Public Benefit

When planning activities for the year, the trustees have considered the Charity Commission guidance on public benefit. The Trust's activities benefit the public in many ways including the following:

1. The Trust's vision is to create a green corridor for recreational use and enjoyment by all, but most importantly by towpath users. The towpath beside the Loxwood operational section is accessible to the public at all times and is a public bridleway for part of its length. The Trust maintains the surface of the towpath to a standard which balances the wishes of horse-riders, walkers and cyclists. The Trust also provides permissive paths as a public amenity at Birtley (near Bramley, Surrey – opened in 2021) and in the Hunt Nature Park in Shalford, Surrey.
2. Over a wider area, the Trust has promoted the Wey-South Path, a long-distance footpath recognised by the Ordnance Survey (OS) and following the route of the canal as closely as possible.
3. The Trust encourages water-based activities for all and provides appropriate infrastructure on restored sections of the canal both for private individuals using small unpowered boats (including paddleboards, canoes and kayaks) and for private and community organisations providing similar activities for members of the public or for their community groups.
4. The Trust contributes to the local economy through the activities of its trading company and through its canal restoration activities. In both aspects the Trust has created employment and spends significant sums with local businesses. The Loxwood section of canal is a tourist destination of developing importance, where the public can experience and learn about travel by canal.
5. The Trust is safeguarding the canal as a heritage asset with substantial educational value. The Trust preserves and consolidates surviving structures wherever this is possible; if the structures have deteriorated too much then the Trust plans sensitive rebuilding.
6. The Trust's canal restoration activities promote biodiversity. While restoration work is in progress there can be temporary detriment to wildlife, but the restored habitat is always improved (and will sustain a broader range of wildlife) compared to that which existed before. The Trust encourages the involvement of members of the public and in particular school groups and young people in activities which contribute to the natural environment of the canal.

Contribution of Volunteers

The Trust is volunteer-led and largely dependent on volunteers for its day-to-day activities. Volunteer hours contributed during 2021 are estimated to be equivalent to at least 13 full-time staff. Work by volunteers not only benefits the Trust but also enriches the lives of the volunteers themselves. The Trust envisages that volunteers will continue to play a central role but nevertheless expects that, as its activities develop, more paid staff will be needed in order to ensure consistent administration and the continuity of core activities.

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

The Trust's principal activities during 2021 on each of the sections identified as priorities were as follows:

1. In the Shalford/Bramley section, following submission of the planning application for Phase 1 of the Bramley Link (Gun's Mouth Island to Tannery Lane) work continues on detailed planning of the new canal route. The Shalford Information Centre was completed and opened to the public alongside the Downs Link and adjacent to Hunt Nature Park. South of Bramley, on the Birtley Reach, a new circular walk for public use using a section of new canal towpath and the existing Downs Link path and a temporary bridge over the canal was opened. Preparatory work has continued on a new lifting bridge to replace this temporary bridge and on a second new lifting bridge to replace the causeway carrying a bridleway for which planning permission has been given. Canal bed and ancillary land was acquired at Rooks Hill and Fanesbridge near Bramley, Surrey.
2. In the Alfold/Dunsfold section at Tickner's Heath, a new bridge has been installed to carry pedestrians and a bridleway over a new canal route, and part of that route from the line of the existing canal up to the bridge has been cut. Preparatory work on a temporary re-routing of the road pending construction of a new bridge was commenced. Preparatory work on plans for replacement of a causeway carrying the A281 at Fastbridge, Dunsfold continued.
3. In the Ifold/Loxwood section, at Gennets Farm a lease was taken on a further section of canal and clearance work carried out. Further work was carried out to deal with leaks on the canal at Long Meadow, Drungewick.
4. In the Arun Valley a section of in-water canal at Northlands Farm was acquired and work carried out to manage vegetation on the canal side. Restoration of the Lordings Waterwheel has been progressed. Restoration work at Pallingham Bridge was completed and an archaeological desk-based assessment of Pallingham Docks was carried out.

Other important activities included:

1. Continuing work on the planning application to Waverley Borough Council for a new section of canal at Rushett Farm, between Bramley and Cranleigh.
2. Continuing detailed work on the project to replace the existing bridge on Elmbridge Road near Cranleigh which will provide navigable height.
3. The operation of the Loxwood Canal Centre and Shalford Information Centre (opened in 2021) as central points for welcoming visitors and providing information about the canal.
4. Maintenance and improvement activities on both operational and non-operational sections of the canal.
5. Negotiations with landowners to secure land transfers, leases or permissions for sections of the canal route.
6. Operation of a Mobile Display Vehicle and publicity unit at public events in Surrey and West Sussex to raise awareness of the Trust's work.
7. The addition of a wheelchair-accessible vessel, Walter Grove, to the Trust's fleet of passenger-carrying boats.

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

Fundraising

The current priority projects have an estimated total cost of at least £3 million, meaning that fundraising on an increased scale is clearly required. The Milestone Club, a scheme to encourage members to contribute a monthly sum in addition to their subscriptions, is an extremely useful source of income.

During the year some of the most important sources of income were:

1. Grants from Charitable Trusts and local authorities;
2. Legacies from deceased members and supporters;
3. Membership subscriptions and donations from members;
4. Gift Aid;
5. Recycling, although the recycling of newspaper became financially non-viable and ceased in the spring of 2021;
6. The Christmas Raffle and the Numbers Game (a monthly draw).

Trading company (W&A Enterprises Ltd)

The Trust holds 100% of issued share capital (£12) in its trading subsidiary, W&A Enterprises Ltd. The principal activities of the trading company are to operate boats for private and public trips and the sale of merchandise. The whole of the company's taxable profits are passed to the Trust. The company experienced improved trading conditions in 2021 as the country adapted to Covid-19 restrictions. Capacity on boat trips continued to be reduced as a result.

FINANCIAL REVIEW

Financial position

In summary, the Trust spent 2021 progressing restoration projects and planning future work. During the year the Trust's expenditure (£681,386) was less than income (£788,112).

The Trust relies very largely on the generosity of its members and supporters. Sponsorship and gifts in kind amounted to approximately £20,500 in 2021. The Trust currently pays no rent for its offices in Shalford or The Granary in Loxwood (currently in use for storage).

Reserves Policy

The Trust's general policy is to assign funds to specific projects as soon as they are available, rather than building up substantial reserves. An exception is the Property Fund which is intended to support significant purchases in the future. Membership subscriptions and regular donations are only sufficient to cover core spending, such as staff salaries. Hence the Trust depends on continuous fundraising to support all its major restoration and maintenance activities.

Funds Available

The total funds available to the Trust at the end of 2021 (net assets) are £1,440,210, which includes £254,598 restricted to specific projects. In accordance with the Trust's policy of not holding substantial reserves, a further £401,520 has been assigned by the trustees to current projects. It is the Trust's policy only to assign funds to projects that are in the implementation or planning phases, not for long-term contingencies. As a guideline, this means that assigned funds will normally be spent within 3-5 years; the Trust regularly reviews fund balances and takes action to close funds where the planned work is finished or changed circumstances mean that planned work will not go ahead.

The project areas and the total funds assigned to current projects (including restricted funds) are:

North (Shalford/Bramley)	£256,907
South (Ifold/Loxwood)	£31,937
Summit (Alfold/Dunsfold)	£136,177
Others	£145,969
Total	£570,990

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

The trustees aim for the Trust to hold sufficient unrestricted funds not invested in tangible fixed assets ('the free reserves') to cover between three and six months' running costs. This amounts to approximately £105,000-£210,000. Funds invested in fixed assets at the end of 2021 amounted to £481,681, leaving free reserves of £387,539 which are considered an appropriate level.

Investments and Cash Deposits

In order to minimise any risks, funds available are deposited in a number of financial institutions to maximise cover under the FSCS guarantee scheme. In addition £80,000 has been invested in managed portfolio services for charities.

Contract commitments

The Trust has contracts with Peninsula Business Services to provide support on Human Resources and Health & Safety matters.

FUTURE PLANS

The impact of the Covid-19 pandemic has reduced during the year and is not expected to impact significantly in 2022. The Trust's plans for each of the areas identified as priorities are as follows:

1. In the Shalford/Bramley area:
 - a. To make amendments to the planning application for a new canal route between the River Wey and Gosden to address comments which have been received.
 - b. In the Birtley area to continue work on reinstating bridges in place of causeways that currently block the canal.
 - c. Planning for restoration of the canal in the Fanesbridge area, including reinstatement of a lock and a bridleway bridge,
2. In the Alfold/Dunsfold area:
 - a. To obtain all remaining necessary permissions and start work on construction of the new Tickner's Heath canal crossing.
 - b. To continue planning for the rebuilding of other structures that currently block the canal route along the Summit Level.
 - c. To desilt and reprofile the section of canal between Compasses and Tickner's Heath and enable operation of tripboats.
3. In the Ifold/Loxwood area:
 - a. To continue planning for further extensions of the navigable section.
4. In the Arun Valley area:
 - a. To complete work necessary to bring back into working order Lordings Waterwheel.
 - b. To continue planning for further extensions of the restored section.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is a company limited by guarantee and was formed on 5th February 1973. It is governed by its Memorandum and Articles of Association.

Trustees

Constitutionally, a third of the trustees stand down each year and normally offer themselves for re-election at the Annual General Meeting held in late April each year. New trustees are nominated by the members. Where there are more nominations than vacancies, an election by members present is held at the AGM. No other person, or body external to the Trust, is entitled to appoint any of the trustees. The trustees, at their next meeting after the AGM, then elect the post-holders such as the Chairman, Vice-Chairman and Secretary.

The trustees who served during the year are listed on page 1.

All trustees attend regular board meetings. At the first meeting after the AGM, each trustee is asked to fill one or more of the posts needed by the Trust. Newly appointed trustees are provided with an informal induction to the Trust and mentoring by established trustees.

Organisational Structure

The trustees normally meet once per month. There were 9 meetings of the board (Council of Management) during 2021. The members of the board during that year and their attendance records were:

Sally Schupke (Chairman)	9	Tony Coles	7
Margaret Darvill	9	Tony Ford	8
Dennis Gillen	9	Alan Johnson	9
Julian Morgan	9	John Reynolds	8
John Talbot	9	Bill Nicholson	8
Giles Eyre	7		

At the end of 2021, the Trust had two full-time and five part-time employees and one apprentice. These comprised:

- Two full-time staff dedicated to practical restoration and maintenance activities. One of these is largely assigned to project work in the Summit Level area and the other spent the majority of his time on the operational Loxwood Link section;
- Two part-time Accounts Assistants;
- A part-time Press & Publications Officer;
- Two part-time Administrators;
- A Water Environment Worker apprentice

The day-to-day work of the Trust is carried out largely by volunteers. Key volunteer roles include project managers, working party leaders, publicity, publications, engineering and other specialist technical consultants, finance, membership and website administration and organisation of major fundraising events.

Related Parties

The Trust is affiliated to The Inland Waterways Association, two local wildlife trusts and Surrey Hills Enterprises, but is independent of all these bodies.

The Trust holds 100% of issued share capital (£12) in its trading subsidiary, W&A Enterprises Ltd, and approves the appointment of directors to that body.

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2021

Major Risks

The major risks to which the Trust is exposed, as identified by the trustees, are reviewed annually. The containment of identified risks is a continuing task of the trustees. Some of the major risks identified, and the actions to mitigate them, are as follows:

Risk	Mitigation
Perceived negligence by the Trust, its volunteers or agents	Public Liability Insurance, close liaison with statutory bodies, improved training for volunteers.
Failure of income streams	Careful financial management and a policy of not committing to major work until funds are available. Overheads and recurring expenses are minimised.
Decision by a landowner not to agree or extend a lease	Other than for good reasons, Trust policy is not normally to commit to major expenditure without ownership or a long lease being in place.
Failure of canal structures	Other than where the Trust has agreed to accept responsibility under a specific agreement with a local authority, highway bridges are the responsibility of the local authorities. Regular inspection of smaller structures.
Failure of water supply to operational section	Careful water management and monitoring.
Accidents to visitors, volunteers or general public	Risk assessments for all major activities. Health & Safety Policy in place for working party volunteers. Restoration Group reviews all incidents and takes appropriate action.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Wey & Arun Canal Trust Limited for the purposes of company law) are responsible for preparing the trustees' Annual Report and the group financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company for that period.

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 accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

The trustees' annual report was approved by the trustees on 19 April 2022, and is signed on their behalf by:

.....
 Sally Schupke
 Chairman and Director

THE WEY & ARUN CANAL TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021

I report to the charity trustees on my examination of the accounts of the group and parent company for the year ended 31 December 2021 as set out on pages 9 to 22.

Responsibilities and basis of report

As the charity's trustees of the parent company (who are also the directors of the parent company for the purposes of company law), you are responsible for the preparation of the group accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the group and parent Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your group accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b)) of the 2011 Act.

This report is made solely to the parent charity's trustees, as a body. My work has been undertaken so that I might state to the parent charity's trustees those matters which I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to any party other than the parent charity and charity's trustees as a body, for my examination, for this report, or for the statement I have given below.

Independent examiner's statement

The group's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of The Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

JOHN SPEED FCA FCIE

JS2 Limited
One Crown Square
Woking
Surrey
GU21 6HR

Date:

THE WEY & ARUN CANAL TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations, legacies and similar income	4				
Subscriptions		31,538	-	31,538	32,205
Donations and legacies		334,596	117,848	452,444	287,257
Grants		113,500	97,484	210,984	143,716
Other trading activities					
Fund-raising	5	26,554	-	26,554	12,336
Trading subsidiary income	6	53,932	-	53,932	26,333
Other income	5	5,521	-	5,521	2,322
Investment income					
Bank interest		7,139	-	7,139	16,045
Total Income		572,780	215,332	788,112	520,214
Expenditure					
Expenditure on raising funds					
Costs of raising voluntary income	7	34,748	2,156	36,904	40,468
Trading subsidiary costs	6	25,200	-	25,200	54,183
Charitable activities	8	347,510	271,772	619,282	694,226
Total expenditure		407,458	273,928	681,386	788,877
Net income / (expenditure) for the year		165,322	(58,596)	106,726	(268,663)
Transfers between funds		113,703	(113,703)	-	-
		279,025	(172,299)	106,726	(268,663)
(Loss) / gain on investment assets	13	(378)	-	(378)	1,473
Net movement in funds		278,647	(172,299)	106,348	(267,190)
Reconciliation of funds					
Total funds brought forward		906,965	426,897	1,333,862	1,601,052
Total funds carried forward		1,185,612	254,598	1,440,210	1,333,862

All amounts derive from continuing activities.

All gains and losses recognised in the period are included in the statement of financial activities.

THE WEY & ARUN CANAL TRUST LIMITED (a company registered by guarantee 01094232)

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31ST DECEMBER 2021**

	Note	Consolidated 2021 £	<i>Consolidated 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Fixed assets					
Tangible assets	10	481,681	309,662	481,681	309,662
Investments	11	-	-	12	12
		481,681	309,662	481,693	309,674
Current assets					
Stocks		5,308	5,770	-	-
Debtors	12	128,838	97,294	130,436	134,174
Investments	13	79,321	79,699	79,321	79,699
Short-term deposits		176,474	252,733	176,474	252,733
Cash at bank and in hand		591,692	627,160	581,912	615,566
		981,633	1,062,656	968,143	1,082,172
Creditors: Amounts falling due within one year	14	(23,104)	(38,456)	(16,569)	(30,127)
Net current assets		958,529	1,024,200	951,574	1,052,045
Total assets less current liabilities		1,440,210	1,333,862	1,433,267	1,361,719
The funds of the charity:					
Restricted income funds	15	254,598	426,897	254,598	426,897
Unrestricted income funds:	15				
Designated funds		798,073	723,761	798,073	723,761
Other charitable funds		387,539	183,204	380,596	211,061
Total unrestricted funds		1,185,612	906,965	1,178,669	934,822
Total charity funds		1,440,210	1,333,862	1,433,267	1,361,719

For the year ending 31 December 2021 the parent company and group were entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were approved and authorised for issue by the directors on 19 April 2022 and signed on their behalf by:-

Sally Schupke - Chairman and Director

THE WEY & ARUN CANAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	2021 £	£	2020 £	£
Net cash flow from operating activities					
Net income / (expenditure) for year		106,348		(267,190)	
Adjustments for:					
Interest receivable		(7,139)		(16,045)	
Depreciation and amortisation		34,561		34,187	
Losses / (gains) on investments		378		(1,473)	
Decrease in stock		462		852	
(Increase) in debtors		(31,544)		(69,652)	
(Decrease) in creditors		(15,352)		(29,548)	
Net cash from / (used in) operating activities			87,714		(348,869)
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(206,580)		(22,165)	
Interest received		7,139		16,045	
Net cash flow (used in) investing activities			(199,441)		(6,120)
Net (decrease) in cash and cash equivalents			(111,727)		(354,989)
Cash and cash equivalents brought forward			879,893		1,234,882
Cash and cash equivalents carried forward			768,166		879,893
Cash and cash equivalents consists of:					
Cash at bank and in hand			591,692		627,160
Short-term deposits			176,474		252,733
Cash and cash equivalents carried forward			768,166		879,893

The annexed Notes form part of these financial statements

THE WEY & ARUN CANAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. GENERAL INFORMATION

The Wey & Arun Canal Trust is a company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006 and Charities Act 2011. The address of the registered office is provided in Reference and administrative details. Details of the charity's operations are provided in the Report of the trustees.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with 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) - (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011.

The trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Basis of consolidation

The financial statements consolidate the results of W & A Enterprises Ltd, which is a wholly owned subsidiary undertaking of the charity, on a line by line basis. The accounting year ends are coterminous.

2.3 Parent company disclosure exemptions

The parent charity has taken advantage of the disclosure exemption available in FRS 102 and has not presented a separate statement of cash flows. It has also taken advantage of section 408 of the Companies Act 2006 not to include an individual income and expenditure account for the parent company.

2.4 Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Related tax credit on donations received is accounted for on an accruals basis once the donation has been received.
- All subscriptions are accounted for on a receipts basis.
- Legacies are recognised when there is certainty of receipt and the amount can be measured with sufficient reliability.
- Donated assets and services are included at their estimated open market valuation.

2.5 Expenditure

Expenditure is included when incurred, net of VAT. Costs which are identified as relating to restricted projects are allocated directly to those activities. Costs which relate to the general running of the charity are allocated against unrestricted funds, and within the statement of financial activities these expenses are shown as costs of generating funds, charitable activities, support costs and governance costs. An apportionment of staff wages and office costs between support costs and governance costs has been carried out on the basis of time spent by staff on the various activities.

The cost of charitable activities all relates to the charity's activities of canal restoration, renovation and operation. Support costs are expenditure incurred directly in supporting charitable activity. Restoration costs are generally not of a capital nature. The board is always considering opportunities for land purchases at strategic locations. When land is purchased for an amount exceeding nominal cost, the purchase is capitalised at cost.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Expenditure (continued)

Costs of generating funds include the costs to maintain the Trust's profile with the general public and statutory authorities so as to retain regular financial support, together with the costs of keeping the membership informed of its ongoing activities.

Governance costs are those relating to the charity's compliance with constitutional and statutory requirements.

2.6 Restricted and designated funds

Restricted funds are funds subject to specific conditions imposed by donors as to how they may be used. The purposes and uses of the restricted funds are set out in Note 15 to the accounts.

Designated funds are allocated out of unrestricted funds by the trustees for specific purposes. The use of such funds is at the trustees' discretion.

2.7 Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

2.8 Fixed Assets

Where the trustees consider it appropriate for the restoration and reopening of the canal, the Trust purchases freehold land. The cost of freehold land is capitalised but related costs of the purchase are written off when incurred. With certain exceptions, where the trustees consider these appropriate, all structures (such as locks and bridges) other than the Loxwood Canal Centre are either owned by the land owner, or are adopted by the local council or highway authority. The Loxwood Canal Centre is being written off over an estimated useful life of 50 years. The Shalford Information Centre is being written off over an estimated useful life of 20 years.

Any items of plant and machinery purchased for restoration work costing less than £5,000 are written off in the year of acquisition as their useful life is normally less than one year. Items costing over £5,000 are written off over their expected life on a straight line basis between 5 and 10 years.

The canal boat *Wiggonholt* is being leased to the charity's trading subsidiary and written off by equal annual instalments over its expected useful life of 20 years.

2.9 Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

2.10 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

THE WEY & ARUN CANAL TRUST LIMITED

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

3. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, W & A Enterprises Limited. The summary performance of the charity alone is:

	2021 £	2020 £
Income	734,180	493,881
Profits made by subsidiary company and passed to the Trust	474	-
Interest charged to subsidiary company (see Note 6)	574	
Other charges made to subsidiary company	6,000	6,000
	<u>741,228</u>	<u>499,881</u>
Expenditure	(669,302)	(733,744)
(Loss) / gain on investment assets	(378)	1,473
	<u>71,548</u>	<u>(232,390)</u>
Net movement in funds	<u>71,548</u>	<u>(232,390)</u>

4. DONATIONS, LEGACIES AND SIMILAR INCOME

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Member subscriptions	<u>31,538</u>	<u>-</u>	<u>31,538</u>	<u>32,205</u>
Donations and legacies				
General	75,683	22,848	98,531	51,442
Gift Aid receipts	19,281	-	19,281	14,254
Legacies	160,516	95,000	255,516	183,105
Milestone Club	14,616	-	14,616	14,695
Donated land	44,000	-	44,000	-
Sponsorship	20,500	-	20,500	23,761
	<u>334,596</u>	<u>117,848</u>	<u>452,444</u>	<u>287,257</u>
Grants				
Chichester District Council	-	10,096	10,096	11,334
The D'Oyly Carte Charitable Trust	-	-	-	4,000
Fisherbeck Charitable Trust	3,000	-	3,000	3,000
Loxwood Parish Council	-	-	-	5,000
M J Camp Charitable Foundation	110,000	-	110,000	100,000
National Lottery Heritage Fund	-	-	-	13,100
The Royal Oak Foundation	-	37,388	37,388	-
Sussex Industrial Archaeology Society	500	-	500	-
Others (including grants from donors who wish to remain anonymous)	-	50,000	50,000	7,282
	<u>113,500</u>	<u>97,484</u>	<u>210,984</u>	<u>143,716</u>

During the year the Trust received donated goods and services valued at open market value of £20,500 (2020: £23,761).

THE WEY & ARUN CANAL TRUST LIMITED

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

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Fund raising				
Sales of waste paper etc	5,430	-	5,430	50
Sponsored walk receipts	10,596	-	10,596	2,648
Draws	9,690	-	9,690	8,978
Talks	838	-	838	660
	<u>26,554</u>	<u>-</u>	<u>26,554</u>	<u>12,336</u>
Other income	<u>5,521</u>	<u>-</u>	<u>5,521</u>	<u>2,322</u>

6. RESULTS FROM TRADING ACTIVITY OF SUBSIDIARY AND INTERCOMPANY BALANCE

The charity The Wey & Arun Canal Trust Limited (by guarantee) has a wholly owned trading subsidiary which is incorporated in the U.K. W & A Enterprises Limited operates the Trust's tripboats for public trips and hire under charter, together with the sale of merchandise to support the activities of the charity. A summary of its trading results is shown below. Accounts are filed with the Registrar of Companies.

	2021 £	2020 £
Turnover	53,932	20,726
Cost of sales	<u>(25,200)</u>	<u>(54,183)</u>
	28,732	(33,457)
Government grant: Job retention scheme	-	5,607
Grants from parent charity (see Note 15)	14,096	-
Governance costs	<u>(980)</u>	<u>(950)</u>
	<u>41,848</u>	<u>(28,800)</u>
The subsidiary paid the following to the charity:		
Leasing charges	6,000	6,000
Interest payable to parent company (see below)	574	-
Donations	<u>474</u>	<u>-</u>
	<u>7,048</u>	<u>6,000</u>
Net profit / (loss)	<u>34,800</u>	<u>(34,800)</u>

The activities of the subsidiary company were significantly curtailed due to impact of the Covid-19 outbreak, and a balance of £45,116 was due from the subsidiary to the parent company at 31 December 2020 (see Note 12). From that date, the trustees of the parent charity formally agreed with the directors of the subsidiary company that interest would be payable at 2% per annum on the outstanding intercompany balance until it is settled. The balance is to be settled in full no later than 31 December 2022. The interest charge in 2021 from the parent charity to the subsidiary company was £574.

More subsidiary activities were possible in 2021 than in 2020, with the year end intercompany balance reducing to £7,189 on 31 December 2021.

THE WEY & ARUN CANAL TRUST LIMITED

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

7. COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Staff costs	13,930	-	13,930	23,448
Fund-raising activities expenses	2,864	-	2,864	3,050
Wey-South magazine	6,085	-	6,085	6,228
Publicity and public relations	5,840	-	5,840	1,000
Sponsored walk	27	-	27	63
Wiggonholt depreciation	4,523	-	4,523	4,523
Loxwood Canal Centre depreciation	-	2,156	2,156	2,156
Shalford Information Centre depreciation	1,479	-	1,479	-
	34,748	2,156	36,904	40,468

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Restoration Expenses				
Summit Level	24,911	229,810	254,721	215,807
North	36,138	31,334	67,472	94,903
Loxwood	5,750	500	6,250	49,788
Other	35,549	10,128	45,677	38,182
Training	5,782	-	5,782	5,121
Other expenses		-		
Sponsorship (Note 4)	10,500	-	10,500	11,700
Staff costs	78,217	-	78,217	69,787
Canal operation	6,483	-	6,483	11,339
Insurance	11,411	-	11,411	7,475
Canal maintenance	24,342	-	24,342	92,160
Plant purchases	7,697	-	7,697	2,466
Plant maintenance	10,932	-	10,932	9,112
Plant & equipment depreciation	26,403	-	26,403	27,508
	284,115	271,772	555,887	635,348
Support costs (see below)	63,395	-	63,395	58,878
Cost of charitable activities	347,510	271,772	619,282	694,226
Support costs				
Staff costs	17,195	-	17,195	2,118
Office and other expenses	16,364	-	16,364	10,486
Legal fees	16,274	-	16,274	29,782
Affiliation fees	218	-	218	1,461
Sponsorship (Note 4)	10,000	-	10,000	12,061
Governance costs				
Hall hire and meeting expenses	564	-	564	270
Independent examiner's fees	2,780	-	2,780	2,700
	63,395	-	63,395	58,878

THE WEY & ARUN CANAL TRUST LIMITED

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

9. EMPLOYEE COSTS

No trustees received remuneration during the year (2020: £nil). No trustees were reimbursed for personal expenses during the year (2020: one trustee reimbursed £126).

The total donations received from all trustees during the year were £17,203. There were no conditions associated with these donations.

The costs of the remaining staff were:

	2021	<i>2020</i>
	£	<i>£</i>
Wages and salaries	107,538	<i>100,353</i>
Social security costs	3,087	<i>3,783</i>
Pension costs	1,769	<i>1,697</i>
Redundancy	-	<i>3,800</i>
	<u>112,394</u>	<i><u>109,633</u></i>

No employee earned more than £60,000 during the period. The average full time equivalent number of staff employed by the charity during the year was as follows:

	2021	<i>2020</i>
	No	<i>No</i>
Average full time equivalent number of staff employed	3.8	<i>4.4</i>
Average number of staff employed (headcount)	<u>8</u>	<i><u>9</u></i>

The charity relies substantially on its core team of volunteers. The work carried out covers:

	2021	2021	2021	<i>2020</i>	<i>2020</i>
	Visiting groups hours	Total hours	Value £	<i>Total hours</i>	<i>Value £</i>
Skilled	7,534	9,777	117,324	<i>11,578</i>	<i>138,936</i>
Unskilled	9,126	10,298	123,576	<i>3,418</i>	<i>41,016</i>
Management	266	4,625	55,500	<i>3,951</i>	<i>47,412</i>
Admin/publicity	309	1,899	37,980	<i>1,796</i>	<i>35,920</i>
Estimated Totals	<u>17,235</u>	<u>26,599</u>	<u>334,380</u>	<i><u>20,743</u></i>	<i><u>263,284</u></i>

In accordance with generally accepted accounting practice, these hours are not included as monetary equivalents in sponsorship.

THE WEY & ARUN CANAL TRUST LIMITED

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

10. TANGIBLE FIXED ASSETS

	Freehold Land £	Loxwood Canal Centre £	Shalford Information Centre £	Plant & Equipment £	Wiggonholt £	Subsidiary owned Boats £	Total £
Cost							
At 1st January 2021	77,000	107,789	-	211,218	90,469	12,850	499,326
Additions	169,000	-	29,580	8,000	-	-	206,580
Disposals	-	-	-	-	-	-	-
At 31st December 2021	<u>246,000</u>	<u>107,789</u>	<u>29,580</u>	<u>219,218</u>	<u>90,469</u>	<u>12,850</u>	<u>705,906</u>
Depreciation							
At 1st January 2021	-	19,396	-	103,141	54,277	12,850	189,664
Charge for the year	-	2,156	1,479	26,403	4,523	-	34,561
Eliminated on disposals	-	-	-	-	-	-	-
At 31st December 2021	<u>-</u>	<u>21,552</u>	<u>1,479</u>	<u>129,544</u>	<u>58,800</u>	<u>12,850</u>	<u>224,225</u>
Net book value							
At 31st December 2021	<u>246,000</u>	<u>86,237</u>	<u>28,101</u>	<u>89,674</u>	<u>31,669</u>	<u>-</u>	<u>481,681</u>
At 31st December 2020	<u>77,000</u>	<u>88,393</u>	<u>-</u>	<u>108,077</u>	<u>36,192</u>	<u>-</u>	<u>309,662</u>

11. FIXED ASSET INVESTMENT

	2021 £	2020 £
Wholly owned subsidiary (see Note 6):-		
W&A Enterprises Ltd: 12 ordinary shares of £1 each	12	12
	<u>12</u>	<u>12</u>

12. DEBTORS

	Consolidated 2021 £	Consolidated 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	3,914	5,339	-	-
Legacies receivable	79,865	50,000	79,865	50,000
VAT refunds due	15,650	26,039	15,650	26,039
Due from subsidiary company (see Note 6)	-	-	7,189	45,116
Prepayments	13,960	13,085	12,283	10,188
Other debtors	1,741	-	1,741	-
Income tax recoverable (gift aid)	13,708	2,831	13,708	2,831
	<u>128,838</u>	<u>97,294</u>	<u>130,436</u>	<u>134,174</u>

THE WEY & ARUN CANAL TRUST LIMITED

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

13. CURRENT ASSET INVESTMENT

	Consolidated 2021 £	<i>Consolidated 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Investments listed on recognised stock exchanges	79,321	79,699	79,321	79,699

The historic cost of the investments on 31st December 2021 was £80,000 (2020: £80,000).

Market value brought forward			79,699	78,225
Unrealised gain			(378)	1,473
Market value carried forward			79,321	79,698

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2021 £	<i>Consolidated 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Trade creditors	15,321	28,411	14,769	28,377
Receipts paid in advance	4,777	6,897	-	-
Social security and other taxes	226	448	-	-
Sundry creditors and accruals	2,780	2,700	1,800	1,750
	23,104	38,456	16,569	30,127

THE WEY & ARUN CANAL TRUST LIMITED

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

15. FUNDS

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 Dec 2021 £
a) Restricted Funds					
Loxwood Canal Centre	87,284	-	(2,156)	-	85,128
Restoration funds:					
Summit Level	233,618	1,620	(229,810)	4,762	10,190
North	86,527	70,000	(31,334)	(29,580)	95,613
Loxwood	2,152	-	(500)	211	1,863
General Restoration	13,316	133,616	(10,128)	(75,000)	61,804
Subsidiary company support	4,000	10,096	-	(14,096)	-
Total Restricted Funds	426,897	215,332	(273,928)	(113,703)	254,598

The subsidiary company support fund represents voluntary income which is received by the charity, but is restricted towards supporting the activities of the subsidiary company (see Note 6). The transfer out of the fund represents that income being passed from the parent to the subsidiary in accordance with the original restrictions.

Transfers out of other restricted funds and into the general fund represent the costs of fixed asset purchases which were paid through restricted funds in the year and capitalised.

	Balance at 1 Jan 2020 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 Dec 2020 £
2020					
Restricted Funds					
Loxwood Canal Centre	89,440	-	(2,156)	-	87,284
Restoration funds:					
Summit Level	423,547	-	(189,984)	55	233,618
North	103,228	14,793	(31,494)	-	86,527
Loxwood	560	5,500	(3,944)	36	2,152
General Restoration	6,214	14,165	(7,063)	-	13,316
Subsidiary company support	-	4,000	-	-	4,000
Total Restricted Funds	622,989	38,458	(234,641)	91	426,897

THE WEY & ARUN CANAL TRUST LIMITED

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

15. FUNDS (CONTINUED)

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 Dec 2021 £
b) Unrestricted Funds					
Designated Funds:					
Fixed Assets	222,378	-	-	174,175	396,553
North	231,629	-	-	(70,335)	161,294
Loxwood	80,017	-	-	(49,943)	30,074
Summit	157,868	-	-	(31,881)	125,987
General Restoration	31,869	-	-	52,296	84,165
	<u>723,761</u>	<u>-</u>	<u>-</u>	<u>74,312</u>	<u>798,073</u>
General Funds	211,061	504,374	(381,278)	46,439	380,596
Trading Subsidiary	(27,857)	68,028	(26,180)	(7,048)	6,943
	<u>906,965</u>	<u>572,402</u>	<u>(407,458)</u>	<u>113,703</u>	<u>1,185,612</u>
	<u>1,333,862</u>	<u>787,734</u>	<u>(681,386)</u>	<u>-</u>	<u>1,440,210</u>
Total Funds:					
Retained in parent	1,361,719	719,706	(655,206)	7,048	1,433,267
Retained in subsidiary	(27,857)	68,028	(26,180)	(7,048)	6,943
	<u>1,333,862</u>	<u>787,734</u>	<u>(681,386)</u>	<u>-</u>	<u>1,440,210</u>
	<i>Balance at 1 Jan 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Fund Transfers £</i>	<i>Balance at 31 Dec 2020 £</i>
2020					
Designated Funds:					
Fixed Assets	232,244	-	-	(9,866)	222,378
North	77,842	-	-	153,787	231,629
Loxwood	161,914	-	-	(81,897)	80,017
Summit	335,525	-	-	(177,657)	157,868
General Restoration	23,690	-	-	8,179	31,869
	<u>831,215</u>	<u>-</u>	<u>-</u>	<u>(107,454)</u>	<u>723,761</u>
General Funds	139,905	456,896	(499,103)	113,363	211,061
Trading Subsidiary	6,943	26,333	(55,133)	(6,000)	(27,857)
	<u>978,063</u>	<u>483,229</u>	<u>(554,236)</u>	<u>(91)</u>	<u>906,965</u>
	<u>1,601,052</u>	<u>521,687</u>	<u>(788,877)</u>	<u>-</u>	<u>1,333,862</u>
Total funds:					
Retained in parent	1,594,109	495,354	(733,744)	6,000	1,361,719
Retained in subsidiary	6,943	26,333	(55,133)	(6,000)	(27,857)
	<u>1,601,052</u>	<u>521,687</u>	<u>(788,877)</u>	<u>-</u>	<u>1,333,862</u>

THE WEY & ARUN CANAL TRUST LIMITED

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

15. FUNDS (CONTINUED)

Restricted

The Loxwood Canal Centre fund represents donations specifically received to fund the construction of the asset. Depreciation relating to the asset is being charged against the fund.

Detailed records of restoration funds received and expended are kept by the trust. These have been summarised this year into the geographical areas of the canal and miscellaneous funds.

Unrestricted

The fixed assets fund represents the net book value of fixed assets owned by the charity not funded by restricted income.

The North, South and Summit funds represent the totals of general funds received assigned by the trustees to specific projects on these areas of the canal.

General Restoration Funds reflects the allocation of funds for minor specific projects currently in hand.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Unrestricted Total Funds £	Restricted Funds £	Total Funds £
2021					
Tangible fixed assets	396,553	-	396,553	85,128	481,681
Current assets	14,090	798,073	812,163	169,470	981,633
Creditors falling due within one year	(23,104)	-	(23,104)	-	(23,104)
	<u>387,539</u>	<u>798,073</u>	<u>1,185,612</u>	<u>254,598</u>	<u>1,440,210</u>
2020					
Tangible fixed assets	222,378	-	222,378	87,284	309,662
Current assets	(718)	723,761	723,043	339,613	1,062,656
Creditors falling due within one year	(38,456)	-	(38,456)	-	(38,456)
	<u>183,204</u>	<u>723,761</u>	<u>906,965</u>	<u>426,897</u>	<u>1,333,862</u>

17. FINANCIAL COMMITMENTS

At 31st December 2021, the Trust had committed to pay £55,000 in relation to Compasses Bridge and £22,000 in relation to access works at Northlands Farm.