

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

UNAUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2022**

COMPANY NO: 01094232

REGISTERED CHARITY NUMBER: 265331

THE WEY & ARUN CANAL TRUST LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2022

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THE WEY & ARUN CANAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST DECEMBER 2022

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 (retired April 2022)

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

Glanvilles 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 2022

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 2022. They are also prepared so as to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements 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/Cranleigh 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 in the Hunt Nature Park in Shalford, Surrey, at Birtley (near Bramley, Surrey – opened in 2021), under Loxwood High Street and from Drungewick Lane to Long Meadow.
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 2022 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 2022 on each of the sections identified as priorities were as follows:

1. In the Shalford/Bramley section, the scheme design for Phase 1 of the Bramley Link (Gun's Mouth Island to Tannery Lane) has been reviewed and revised in response to concerns raised by the planning application. South of Bramley, on the Birtley Reach, work commenced on construction of the new lifting bridge to replace the causeway carrying a bridleway and an archaeological assessment of the original swing bridge was carried out. At Rooks Hill and Fanesbridge near Bramley, Surrey, the planning application is progressing with minor revisions being made in response to matters raised, and at Rushett Common a review and redesign of the scheme is being carried out following the refusal in January 2022 of our previous planning application.
2. At Rye Farm, a planning application is progressing and at Elmbridge Road the Trust has continued in dialogue with the landowner and Surrey County Council in relation to the road widening and works to provide a new bridge with navigable clearance, and our planning application is progressing. An initial design for the scheme at the A281 at Fastbridge, Dunsfold has been developed in conjunction with landowners. At Tickner's Heath (Stage 1) the Trust has continued with the new canal cut and construction of training walls on the north side and the first area of landscape planting has been completed, but otherwise the scheme has been on hold pending technical and legal agreement with Surrey County Council. At Tickner's Heath (Stage 2) Common Land Consent has been granted and the planning application is progressing.
3. In the Ifold/Loxwood section, work has continued on the refurbishment of Drungewick Lock, a large number of unsafe ash trees have been removed, with associated replanting, new pumps have been installed at Brewhurst Lock as part of a large maintenance programme on this section and 3 new canoe landing stages have been installed.
4. In the Arun Valley refurbishment of the water wheel at Lordings Lock was completed.

Other important activities included:

1. The operation of the Loxwood Canal Centre and Shalford Information Point (opened in 2021) as central points for welcoming visitors and providing information about the canal.
2. Reorganisation of full-time maintenance staff.
3. Maintenance and improvement activities on both operational and non-operational sections of the canal.
4. Negotiations with landowners to secure land transfers, leases or permissions for sections of the canal route.
5. 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.
6. Drafting of new Articles to replace the existing Memorandum and Articles of Association of the Trust and update both the governance provisions of the Trust and its Objects. These have been made available for consultation and will be submitted to members of the Trust for approval at the next Annual General Meeting.

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

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. The Christmas Raffle and the Numbers Game (a monthly draw);
6. The Poddle sponsored walk.

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 2022 but boat trips were limited due to lack of water during the long dry spell.

FINANCIAL REVIEW

Financial position

In summary, the Trust spent 2022 progressing restoration projects and planning future work. During the year the Trust's expenditure (£556,529) was greater than income (£519,040).

The Trust relies very largely on the generosity of its members and supporters. Sponsorship and gifts in kind amounted to approximately £21,525 in 2022. 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 2022 (net assets) are £1,400,499, which includes £310,970 restricted to specific projects. In accordance with the Trust's policy of not holding substantial reserves, a further £302,488 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)	£170,877
South (Ifold/Loxwood)	£23,378
Summit (Alfold/Dunsfold)	£74,593
Others	£261,638
Total	£530,486

THE WEY & ARUN CANAL TRUST LIMITED
TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

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' operational running costs. This amounts to approximately £75,000 - £150,000. Funds invested in fixed assets at the end of 2022 amounted to £524,416, leaving free reserves of £345,597 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.

Contract commitments

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

FUTURE PLANS

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/Cranleigh 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.
 - d. To collaborate with Surrey County Council in developing plans for a road crossing at navigable height at Elmbridge.
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 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 (as amended in 2018). New Articles to replace the existing Memorandum and Articles of Association of the Trust and update both the governance provisions of the Trust and its objects will be proposed at the 2023 AGM for approval.

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 8 meetings of the board (Council of Management) during 2022. The members of the board during that year and their attendance records were:

Sally Schupke (Chairman)	8	Tony Coles	7
Margaret Darvill	7	Tony Ford	7
Dennis Gillen	8	Alan Johnson	6
Julian Morgan	8	John Reynolds	8
Giles Eyre	8	Bill Nicholson	8
John Talbot (retired April 2022)	4		

At the end of 2022, the Trust had two full-time and five part-time employees. These comprised:

- Two full-time staff dedicated to practical restoration and maintenance activities;
- Two part-time Accounts Assistants;
- A part-time Press & Publications Officer;
- Two part-time Administrators.

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 2022

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 18 April 2023, 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 2022

I report to the charity trustees on my examination of the accounts of the group and parent company for the year ended 31 December 2022 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 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income					
Donations, legacies and similar income	4				
Subscriptions		28,892	-	28,892	31,538
Donations and legacies		140,608	48,819	189,427	452,444
Grants		150,129	54,193	204,322	210,984
Other trading activities					
Fund-raising	5	19,533	-	19,533	26,554
Trading subsidiary income	6	52,443	-	52,443	53,932
Other income	5	16,474	-	16,474	5,521
Investment income					
Bank interest		7,949	-	7,949	7,139
Total Income		416,028	103,012	519,040	788,112
Expenditure					
Expenditure on raising funds					
Costs of raising voluntary income	7	33,608	2,156	35,764	36,904
Trading subsidiary costs	6	19,752	-	19,752	25,200
Charitable activities	8	446,702	54,311	501,013	619,282
Total expenditure		500,062	56,467	556,529	681,386
Net (expenditure) / income for the year		(84,034)	46,545	(37,489)	106,726
Transfers between funds		(9,827)	9,827	-	-
		(93,861)	56,372	(37,489)	106,726
(Loss) on investment assets	13	(2,222)	-	(2,222)	(378)
Net movement in funds		(96,083)	56,372	(39,711)	106,348
Reconciliation of funds					
Total funds brought forward		1,185,612	254,598	1,440,210	1,333,862
Total funds carried forward		1,089,529	310,970	1,400,499	1,440,210

All amounts derive from continuing activities.

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

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31ST DECEMBER 2022**

	Note	Consolidated 2022 £	<i>Consolidated 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Fixed assets					
Tangible assets	10	524,416	481,681	524,416	481,681
Investments	11	-	-	12	12
		524,416	481,681	524,428	481,693
Current assets					
Stocks		3,960	5,308	-	-
Debtors	12	49,256	128,838	50,789	130,436
Investments	13	-	79,321	-	79,321
Short-term deposits		617,931	328,677	617,931	328,677
Cash at bank and in hand		244,053	439,489	234,790	429,709
		915,200	981,633	903,510	968,143
Creditors: Amounts falling due within one year	14	(39,117)	(23,104)	(35,913)	(16,569)
Net current assets		876,083	958,529	867,597	951,574
Total assets less current liabilities		1,400,499	1,440,210	1,392,025	1,433,267
The funds of the charity:					
Restricted income funds	15	310,970	254,598	310,970	254,598
Unrestricted income funds:	15				
Designated funds		743,932	798,073	743,932	798,073
Other charitable funds		345,597	387,539	337,123	380,596
Total unrestricted funds		1,089,529	1,185,612	1,081,055	1,178,669
Total charity funds		1,400,499	1,440,210	1,392,025	1,433,267

For the year ending 31 December 2022 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 18 April 2023 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 2022

	2022		2021	
	£	£	£	£
Net cash flow from operating activities				
Net (expenditure) / income for year	(39,711)		106,348	
Adjustments for:				
Interest receivable	(7,949)		(7,139)	
Depreciation and amortisation	53,885		34,561	
Losses on investments	2,222		378	
Decrease in stock	1,348		462	
Decrease / (increase) in debtors	79,582		(31,544)	
Increase / (decrease) in creditors	16,013		(15,352)	
Net cash from operating activities		105,390		87,714
Cash flow from investing activities				
Payments to acquire tangible fixed assets	(96,620)		(206,580)	
Proceeds from the sale of investments	77,099		-	
Interest received	7,949		7,139	
Net cash flow (used in) investing activities		(11,572)		(199,441)
Net increase / (decrease)				
in cash and cash equivalents		93,818		(111,727)
Cash and cash equivalents brought forward		768,166		879,893
Cash and cash equivalents carried forward		861,984		768,166
Cash and cash equivalents consists of:				
Cash at bank and in hand	244,053		439,489	
Short-term deposits	617,931		328,677	
Cash and cash equivalents carried forward		861,984		768,166

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 2022

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:

	2022 £	2021 £
Income	466,597	734,180
Profits made by subsidiary company and passed to the Trust	24,000	474
Interest charged to subsidiary company (see Note 6)	-	574
Other charges made to subsidiary company	6,000	6,000
	<u>496,597</u>	<u>741,228</u>
Expenditure	(535,617)	(669,302)
(Loss) on investment assets	(2,222)	(378)
	<u>(41,242)</u>	<u>71,548</u>
Net movement in funds	<u>(41,242)</u>	<u>71,548</u>

4. DONATIONS, LEGACIES AND SIMILAR INCOME

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Member subscriptions	<u>28,892</u>	<u>-</u>	<u>28,892</u>	<u>31,538</u>
Donations and legacies				
General	47,958	28,819	76,777	98,531
Gift Aid receipts	32,198	-	32,198	19,281
Legacies	23,675	20,000	43,675	255,516
Milestone Club	15,252	-	15,252	14,616
Donated land	-	-	-	44,000
Sponsorship	21,525	-	21,525	20,500
	<u>140,608</u>	<u>48,819</u>	<u>189,427</u>	<u>452,444</u>
Grants				
Canoe Foundation	-	6,000	6,000	-
Charities Aid Foundation	17,001	-	17,001	-
Chichester District Council	-	-	-	10,096
Fisherbeck Charitable Trust	4,000	-	4,000	3,000
Loxwood Fete Committee	-	600	600	-
Loxwood Parish Council	-	6,000	6,000	-
M G Blane Charitable Will Trust	750	-	750	-
M J Camp Charitable Foundation	120,000	-	120,000	110,000
The Royal Oak Foundation	-	38,593	38,593	37,388
Surrey County Council	1,224	-	1,224	-
Sussex Industrial Archaeology Society	-	-	-	500
Waverley Borough Council	5,000	-	5,000	-
Others (including grants from donors who wish to remain anonymous)	2,154	3,000	5,154	50,000
	<u>150,129</u>	<u>54,193</u>	<u>204,322</u>	<u>210,984</u>

During the year the Trust received donated goods and services valued at open market value of £21,525 (2021: £20,500).

THE WEY & ARUN CANAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022**

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	<i>Total Funds 2021 £</i>
Fund raising				
Sales of waste paper etc	-	-	-	5,430
Sponsored walk receipts	9,338	-	9,338	10,596
Draws	8,364	-	8,364	9,690
Talks	1,831	-	1,831	838
	19,533	-	19,533	26,554
Other income	16,474	-	16,474	5,521

6. RESULTS FROM TRADING ACTIVITY OF SUBSIDIARY

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.

	2022 £	2021 £
Turnover	52,443	53,932
Cost of sales	(19,752)	(25,200)
	32,691	28,732
Grants from parent charity	-	14,096
Governance costs	(1,160)	(980)
	31,531	41,848
The subsidiary paid the following to the charity:		
Leasing charges	6,000	6,000
Interest payable to parent company (see below)	-	574
Donations	24,000	474
	30,000	7,048
Net profit	1,531	34,800

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. 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. By 31 December 2021, the balance was back in line with a usual operational balance between the two entities at £7,189, and was £3,195 at 31 December 2022 (see Note 12). Consequently, no interest was charged in the 2022 year.

THE WEY & ARUN CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

7. COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Staff costs	14,085	-	14,085	13,930
Fund-raising activities expenses	2,374	-	2,374	2,864
Wey-South magazine	5,976	-	5,976	6,085
Publicity and public relations	5,151	-	5,151	5,840
Sponsored walk	20	-	20	27
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	1,479
	<u>33,608</u>	<u>2,156</u>	<u>35,764</u>	<u>36,904</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Restoration Expenses				
Summit Level	27,165	9,835	37,000	254,721
North	67,774	28,019	95,793	67,472
Loxwood	4,046	1,964	6,010	6,250
Other	796	2,635	3,431	45,677
Training	4,226	-	4,226	5,782
Other expenses		-		
Sponsorship (Note 4)	11,025	-	11,025	10,500
Staff costs	66,857	-	66,857	78,217
Canal operation	16,333	-	16,333	6,483
Insurance	10,162	-	10,162	11,411
Canal maintenance	91,037	11,858	102,895	24,342
Plant purchases	2,743	-	2,743	7,697
Plant maintenance	24,794	-	24,794	10,932
Plant & equipment depreciation	45,727	-	45,727	26,403
	<u>372,685</u>	<u>54,311</u>	<u>426,996</u>	<u>555,887</u>
Support costs (see below)	74,017	-	74,017	63,395
Cost of charitable activities	<u>446,702</u>	<u>54,311</u>	<u>501,013</u>	<u>619,282</u>
Support costs				
Staff costs	20,700	-	20,700	17,195
Office and other expenses	29,449	-	29,449	16,364
Legal fees	9,881	-	9,881	16,274
Affiliation fees	187	-	187	218
Sponsorship (Note 4)	10,500	-	10,500	10,000
Governance costs				
Hall hire and meeting expenses	200	-	200	564
Independent examiner's fees	3,100	-	3,100	2,780
	<u>74,017</u>	<u>-</u>	<u>74,017</u>	<u>63,395</u>

THE WEY & ARUN CANAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022**

9. EMPLOYEE COSTS AND KEY MANAGEMENT PERSONNEL

The trustees make up the key management personnel of the charity. No trustees received remuneration during the year (2021: £nil). No trustees were reimbursed for personal expenses during the year (2021: None).

The total donations received from all trustees during the year were £347. There were no conditions associated with these donations.

The costs of the remaining staff were:

	2022	<i>2021</i>
	£	<i>£</i>
Wages and salaries	99,832	<i>107,538</i>
Social security costs	1,937	<i>3,087</i>
Pension costs	1,351	<i>1,769</i>
	<u>103,120</u>	<i><u>112,394</u></i>

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

	2022	<i>2021</i>
	No	<i>No</i>
Average full time equivalent number of staff employed	3.2	<i>3.8</i>
Average number of staff employed (headcount)	<u>7</u>	<i><u>8</u></i>

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

	2022	2022	2022	<i>2021</i>	<i>2021</i>
	Visiting groups hours	Total hours	Value	<i>Total hours</i>	<i>Value</i>
			£		<i>£</i>
Skilled	8,582	9,231	110,772	<i>9,777</i>	<i>117,324</i>
Unskilled	8,759	9,827	117,924	<i>10,298</i>	<i>123,576</i>
Management	299	4,173	50,076	<i>4,625</i>	<i>55,500</i>
Admin/publicity	849	2,083	41,660	<i>1,899</i>	<i>37,980</i>
Estimated Totals	<u>18,489</u>	<u>25,314</u>	<u>320,432</u>	<i><u>26,599</u></i>	<i><u>334,380</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 2022

10. TANGIBLE FIXED ASSETS

	Freehold Land £	Loxwood Canal Centre £	Shalford Information Centre £	Plant & Equipment £	Wiggonholt £	Subsidiary owned Boats £	Total £
Cost							
At 1st January 2022	246,000	107,789	29,580	219,218	90,469	12,850	705,906
Additions	-	-	-	96,620	-	-	96,620
Disposals	-	-	-	(22,500)	-	-	(22,500)
At 31st December 2022	<u>246,000</u>	<u>107,789</u>	<u>29,580</u>	<u>293,338</u>	<u>90,469</u>	<u>12,850</u>	<u>780,026</u>
Depreciation							
At 1st January 2022	-	21,552	1,479	129,544	58,800	12,850	224,225
Charge for the year	-	2,156	1,479	45,727	4,523	-	53,885
Eliminated on disposals	-	-	-	(22,500)	-	-	(22,500)
At 31st December 2022	<u>-</u>	<u>23,708</u>	<u>2,958</u>	<u>152,771</u>	<u>63,323</u>	<u>12,850</u>	<u>255,610</u>
Net book value							
At 31st December 2022	<u>246,000</u>	<u>84,081</u>	<u>26,622</u>	<u>140,567</u>	<u>27,146</u>	<u>-</u>	<u>524,416</u>
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>

11. FIXED ASSET INVESTMENT

	2022 £	2021 £
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 2022 £	Consolidated 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	-	3,914	-	-
Legacies receivable	-	79,865	-	79,865
VAT refunds due	23,055	15,650	23,055	15,650
Due from subsidiary company (see Note 6)	-	-	3,195	7,189
Prepayments	13,203	13,960	11,541	12,283
Other debtors	2,969	1,741	2,969	1,741
Income tax recoverable (gift aid)	10,029	13,708	10,029	13,708
	<u>49,256</u>	<u>128,838</u>	<u>50,789</u>	<u>130,436</u>

THE WEY & ARUN CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

13. CURRENT ASSET INVESTMENT

	Consolidated 2022 £	<i>Consolidated 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Investments listed on recognised stock exchanges	-	79,321	-	79,321
Market value brought forward			79,321	79,699
(loss) in the year			(2,222)	(378)
Sales proceeds			(77,099)	-
Market value carried forward			-	79,321

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 2022 £	<i>Consolidated 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Trade creditors	33,350	15,321	32,960	14,769
Receipts paid in advance	1,338	4,777	-	-
Social security and other taxes	1,274	226	1,013	-
Sundry creditors and accruals	3,155	2,780	1,940	1,800
	39,117	<i>23,104</i>	35,913	<i>16,569</i>

THE WEY & ARUN CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

15. FUNDS

	Balance at 1 Jan 2022 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 Dec 2022 £
a) Restricted Funds					
Loxwood Canal Centre	85,128	-	(2,156)	-	82,972
Restoration funds:					
Summit Level	10,190	-	(9,835)	-	355
North	95,613	48,819	(28,019)	9,827	126,240
Loxwood	1,863	6,600	(7,938)	-	525
General Restoration	61,804	47,593	(8,519)	-	100,878
Total Restricted Funds	254,598	103,012	(56,467)	9,827	310,970
2021					
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
b) Unrestricted Funds					
Designated Funds:					
Fixed Assets	396,553	-	-	44,891	441,444
North	161,294	-	-	(116,657)	44,637
Loxwood	30,074	-	-	(7,221)	22,853
Summit	125,987	-	-	(51,749)	74,238
General Restoration	84,165	-	-	76,595	160,760
	798,073	-	-	(54,141)	743,932
General Funds	380,596	361,363	(479,150)	74,314	337,123
Trading Subsidiary	6,943	52,443	(20,912)	(30,000)	8,474
	1,185,612	413,806	(500,062)	(9,827)	1,089,529
	1,440,210	516,818	(556,529)	-	1,400,499
Total Funds:					
Retained in parent	1,433,267	464,375	(535,617)	30,000	1,392,025
Retained in subsidiary	6,943	52,443	(20,912)	(30,000)	8,474
	1,440,210	516,818	(556,529)	-	1,400,499

THE WEY & ARUN CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

15. FUNDS (CONTINUED)

	Balance at 1 Jan 2021 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 Dec 2021 £
2021					
<i>Designated Funds:</i>					
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>
<i>Total funds:</i>					
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>

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.

THE WEY & ARUN CANAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2022

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Unrestricted Total Funds £	Restricted Funds £	Total Funds £
2022					
Tangible fixed assets	441,444	-	441,444	82,972	524,416
Current assets	(56,730)	743,932	687,202	227,998	915,200
Creditors falling due within one year	(39,117)	-	(39,117)	-	(39,117)
	<u>345,597</u>	<u>743,932</u>	<u>1,089,529</u>	<u>310,970</u>	<u>1,400,499</u>
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>

17. FINANCIAL COMMITMENTS

At 31st December 2022, the Trust had committed to pay £55,000 in relation to Compasses Bridge and £22,000 in relation to access works at Northlands Farm.