

THE CROSSNESS ENGINES TRUST

(A Company Limited by Guarantee)



Unaudited Trustees Report and Financial Statements for the year ending 31 October 2020

HEDLEY DUNK LIMITED

Chartered Accountants & Statutory Registered Auditor
Trinity House, 3 Bullace Lane
Dartford, Kent DA1 1BB

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

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CROSSNESS ENGINES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2020**

J T Foulds (resigned 6 September 2020)
D J Hughes (resigned 19 August 2020)
M Jones
K J Macklen (resigned 13 September 2020)
A Neher
P Nelson
R J Parkinson (resigned 13 September 2020)
K M Ridley
P Walters (resigned 25 August 2020)
J G Warner
A M Williams
M R Hunt (appointed 30 March 2020, resigned 11 August 2020)
F K Germanus-Kunda (appointed 24 August 2020)
K A Thyme Castle (appointed 1 April 2021)

**Company registered
number**

02141756

**Charity registered
number**

297585

Registered office

Thames Water - Old Works
Bazalgette Way
London
SE2 9AQ

Company secretary

M Jones

Accountants

Hedley Dunk Limited
Chartered Accountants and Statutory Auditors
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2020

The chairman presents his statement for the year.

Introduction

Following previous practice this report formally presents the accounts for the last completed financial year to October 2020 and covers progress in other areas to date.

Having weathered the issue of asbestos the Trust was well placed to take full advantage of its 2020 visitor season but with only two weeks to go before the first open day the Trust went into lockdown on 17 March as a response to the Covid-19 pandemic.

Given that the Trust's finances were already under pressure the impact of lockdown was very significant and much attention was given to how the Trust might survive. A number of grant funding opportunities were identified and followed up with some success. Concurrently efforts were made to minimize expenditure to cover only essential items.

Lockdown did provide an opportunity to begin addressing some aspects of organisation and structure, in part to support the move towards becoming an accredited museum. Lockdown has also prompted the Trust to consider how steps can be taken to improve business resilience and considerable work has been put into developing an effective business plan to be adopted as a critical working document.

The easing of restrictions did allow the site to open to visitors in August, although numbers had to be restricted, but by November restrictions were reintroduced and, again, the Trust entered lockdown. The latest easing of lockdown restrictions under the Government roadmap has allowed the Trust to welcome visitors again and it is hoped that, with further relaxation of restrictions, the Trust will work towards delivering a full visitor programme in the near future.

Trust Organisation and Operations

In 2020 the Covid-19 pandemic hit and resulted in the closure of the site from March 2020 and for much of the year, reopening again, in August for group tours and an open day, following strict government and industry covid-19 guidelines under the 'We're Good to Go' mark in partnership with the National Tourist Organisations of Great Britain and Northern Ireland.

The first steam open day that year was on 25 October before 'tier 4' restrictions for London and further lockdown meant the site had to close again and not able to reopen before 17 May 2021 under stage 3 of the Government's road map out of lockdown.

Whilst closed the Trust used the time to plan for reopening and recovery as well as to accelerate the work of the resilience project and change within the organisation. It also used the time to plan and develop, with a Culture Recovery Fund grant, new ways of engaging audiences online and identifying new income streams.

The main challenges then currently facing the Trust are Covid-19 and being able to generate enough income with restricted visitor numbers, due to Covid-19 precautions to cover day to day costs and to fund further conservation and development projects. The Trust has been successful in obtaining emergency funding to cover day to day costs and to prepare and implement different ways of working and operating to attract and engage visitors.

Underlying challenges are the Culture of the Trust and the need to increase diversity of Trustees, volunteers, staff and audiences, with support for those taking on responsibilities. The Trust needs to be a more outward looking organisation with a focus on its customers/audiences with the use of evidence and data to drive improvement and development.

A skills audit is being undertaken among the volunteers and the new structure has identified roles that need to be recruited to with relevant skills. There are three priority areas of finance/accountancy, marketing and engineering.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

The Trust is currently going through a governance review which will be reviewed annually along with the business plan.

Outside the work outlined above the Trust has been approached by Thames Water with a proposal to move the Trust car park to a different location. Preliminary discussions have taken place and it seems likely that the move will be implemented in the next year.

Work is also well advanced on the installation of fiberoptic cable, essential for the delivery of the projects described under Learning and Outreach below.

Health and safety

The year started well recovering from asbestos removal works in 2018 to 2019 until COVID arrived on the scene and changed the way we worked from March 2020.

From the onset of first lockdown, we produced risk assessments and procedures for working through the various stages and levels of restrictions. This encompassed managing visitors and their expectations including being awarded the "Good to Go" mark.

Work has been limited due to restrictions, but training has been continuing where possible including renewal of working with asbestos NNLW (Non-notifiable Non-Licensed Works) and EFAW (Emergency First Aid at Work). There were three incidents involving injury towards the end of 2019 but none were reportable.

COVID restrictions have continued into 2021 and are expected to be with us for a long time to come. We will have to learn to live with them and adapt our actions to ensure that we do not allow it to creep back.

Presentation of Thames Water COMAH (Control of Major Accident Hazards) induction was commenced but has been temporarily suspended due to COVID and is due to resume shortly.

Conservation

Conservation activity has again been disrupted this year. Work restarted on Victoria, following the actions to deal with asbestos, only to be stopped by the pandemic.

More generally there is a concern about the deterioration of some brick and stone work, for example above the sliding doors of the Valve House. The problems relating to brickwork around cast iron downpipes encased in the walls of the Beam Engine House remains an issue to be addressed and more recently cracks in cast ironwork adjacent to Prince Consort have resulted in a decision not to run the engine until we have a better understanding of the problem.

We are currently awaiting a report by a structural engineer on the cracks in cast iron but the Board is concerned that we do not have a complete understanding of the condition of the estate as a whole. The Trust has never undertaken a comprehensive survey and we would like to initiate a regular quinquennial review, finances permitting, which would help us recognise and prioritise the work that needs to be done.

Royal Arsenal Narrow Gauge Railway

During the year 2020 the whole Crossness Engines Trust suffered with lack of public funding and relied on support from various charitable funding sources and some government grants. RANG received an amount of money from HMRC that was a return of Gift Aid from previous donations to the organisation. With this money we purchased 2 sets of points and some Type 1 ballast that will enable us to complete the track to the South West end of the Railway. This work will now go ahead during the warmer months ahead. After completion of the track we will build a station at the South West end of the track.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

During 2020 when there were periods when volunteers were allowed on site RANG personnel have been busy refurbishing a second coach, Maintaining the Loco and first coach and keeping the grounds around the railway in a tidy state including planting flowers and bulbs.

Now that it looks like Covid restrictions will be eased in the near future we look forward to some resemblance of normality and we can get back to normal working practices and push forwards to completion of the railway with permanent stations at each end of the line. We also have plans in place to rewire the first coach and wire the second coach with additional safety features.

Learning and Outreach

The impact of the pandemic has pushed the heritage sector into looking at new ways of engaging with their audiences - on-line. In response Crossness Learning and Outreach developed two project proposals for a funding bid to the Government's DCMS Culture Recovery Fund. The funding application was successful and our work on the projects began in November 2020 and will complete at the end of June 2021.

Virtual Guided Tour (VGT)

On-site Guided Tours for visitors bring in substantial income for the Trust and the site closures and Covid restrictions have had a serious impact on this income stream. The VGT will take visitors on an immersive journey through a series of 360 degree images of the Crossness site, with live commentary provided by their tour guide, followed by a Q and A session at the end enabling visitors to ask questions.

The VGT's will be available for individuals to book on scheduled dates advertised on our website with ticket bookings and payment via Eventbrite. Groups such as U3A's, historical societies and universities will be able to book a VGT at a time of their choosing.

The aim of the project is to monetise the VGT offer and increase our reach and reputation both nationally and internationally. Around 15-20% of our website visitors are from the US, Australia and Canada so I hope that we can tap into this potential market as well as reaching out to university groups across the globe who would otherwise be unable to visit Crossness due to geographical distance and travel restrictions

The Toilet Timeline (TT)

Also currently in development is The Toilet Timeline, an on-line exhibition illustrating the key developments in toilet design and technology - past, present and future.

The Toilet Timeline will be a stand-alone website, embedded in and accessed via the Crossness website either via a mobile phone or PC. Currently, visitors to our website number around 50,000 per annum but from the analytics their dwell time on the site is short and the number of return visits is low.

The aim of the TT is to entertain, educate and inspire on-line audiences, increasing their engagement with the website by creating a fascinating resource for the generalist visitor and a learning resource for the informal/formal study of sanitation design and technology. Some of the thirty three toilets featured in the timeline are from the Trust's own collection of sanitary ware so the exhibition will increase audience accessibility to previously unseen artefacts.

The TT will also include a range of STEAM education resources (STEAM = Science, technology, engineering, art and maths).and activities for teachers to download and use in the classroom.

It will be interesting to see whether and how these new on-line engagement resources broaden and increase our audiences over the coming year and the impact they have on the Trust's income generation going forward.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Finance

For the accounts for financial year 2019/2020 the Board has again elected to seek an Independent Examiners Report rather than a full audit. The report and a copy of the accounts for financial year are incorporated in this document.

The financial performance of the Trust during the year and subsequently has been dominated by the impact of the pandemic and associated lockdowns. The first part of the year tends to be relatively quiet in terms of income generation from visitors and the Trust had prepared to start the visitor programme in early April. Two weeks beforehand all open days and guided tours were cancelled.

The closure of the site meant income was severely reduced, although emergency funding grants, donations and visitor income during the occasions the site could open after the first lockdown enabled the Trust to generate £147,000 in income. Finance support from a number of sources, including the National Lottery Heritage Fund, Historic England Thames Water and the London Borough of Bexley has enabled the Trust to survive.

With costs under strict control and kept to a minimum, taking advantage of the government's Furlough scheme for one member of staff, total expenditure was kept to £131,477.

Trust Membership

The following table shows the membership position at the time of writing.

PERIOD	2018/19	2019/20	TOTAL
New Members	67	22	89
Lost Members	(32)	(34)	(66)
NET TOTALS	35	(12)	23

While we are pleased to welcome all the new members, those we lose by non-renewal are always a matter of regret. The majority are for understandable reasons – illness, death and loss of interest by moving away, into residential care or, for the first time, loss of income because of COVID-19. Another reason is the loss of contact through changes of postal or email address and phone numbers, despite follow-ups by all available means.

However, some members only join for a year. This may be because they see their fee as a one-off donation, rather than the start of a continuing relationship. This possibly arises from a perception that, having visited once, they have “done” Crossness so they don't see any point in visiting again. We need therefore to keep our “offer” fresh.

Since the beginning of the current financial year in November 2019, there has been only a small increase in membership applications, thanks to the Coronavirus closure.

Current membership at 1/5/21

TYPE OF MEMBERSHIP	Nos	% of adult membership
Life (Honorary/Life/Senior)	144	29.48
Individual	67	13.70
Family	61	11.47
Senior Citizen	200	40.90
Unwaged	4	0.60
Student	1	0.20
Reciprocal organisations	13	2.65
TOTALS	489	100.00
Children (under 18) (free)	10	
GRAND TOTALS	499	

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

We currently have 122 volunteers on our books. However, despite COVID19, our volunteer numbers have risen overall in the past year and we look forward to several new volunteers being able to start soon. It is particularly important that we recruit several Team Leaders, some to fill current vacancies, others to build new teams.

The Volunteer Coordinator has started a review of role descriptions to make them more attractive to a wider number of potential volunteers and has had help from Bexley Volunteer Centre in this respect.

External relations

The Trust continues to have excellent relations with both Thames Water and the London Borough of Bexley and the relationship with Peabody continues to develop, particularly in relation to arts base and other social enterprises.

Next steps - the year ahead

During the National Lockdown and closure of the site a lot of planning and development work has been undertaken. A new business plan is the culmination of this planning work and the roadmap for the Trust to recover, refocus and rejuvenate following the pandemic. It aims to fulfil the Trust's new vision and mission which will drive its development and actions with a focus on outcomes, strong financial and project management, as well as regular monitoring and evaluation.

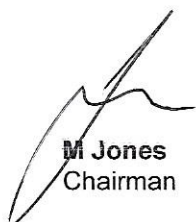
There is a focus on two audiences, the core enthusiast audience and the diverse local community. Programmes and promotion are tailored to engage these audiences and to increase repeat visits. There is a need to broaden the income base with an initial focus on core income generation and then developing new income streams.

Our aim is to increase the number of open days with Prince Consort in steam, partly to offset initially restricted numbers due to Covid-19 and then to build capacity and potential visitor income, although the issues relating to cracks in cast iron around the engine will need to be addressed before we can realise that ambition. We also aim to increase open days when we do not steam, beginning with limited Saturday opening with access from the Thames Path to tap into the increasing numbers of walkers and cyclists using the path. Other open days will be themed to attract new and repeat visits.

In addition we will look at the potential for diversifying the use of the site, not only to provide an additional income stream, but also to help engage new audiences.

To do this we need to develop volunteer and other resources and the Trust will work towards building a much enhanced "front of house" team to allow this to happen.

In other areas the Trust will seek to initiate action to develop a robust plan aimed at addressing the challenges that already exist relating to the physical condition of the buildings on site and will work with Thames Water to achieve the proposed car park relocation.



M Jones
Chairman

Date: 25 June 2021

CROSSNESS ENGINES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees present their annual report together with the financial statements of the Charity for the 1 November 2019 to 31 October 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

● **Policies and objectives**

The principal objective of the company is the restoration and maintenance of the Victorian sewage outfall at Crossness.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)

● **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Structure, governance and management

● **Constitution**

Crossness Engines Trust is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 22 June 1987 and subsequently amended on 06 June 1999.

● **Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

CROSSNESS ENGINES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Statement of Trustees' responsibilities

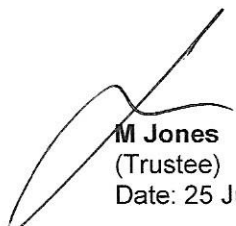
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Approved by order of the members of the board of Trustees and signed on their behalf by:



M Jones
(Trustee)
Date: 25 June 2021

CROSSNESS ENGINES TRUST
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020

Independent Examiner's Report to the Trustees of Crossness Engines Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 October 2020.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts 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.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated: 25 June 2021

Jack Fryer

ACA

Hedley Dunk Limited

Chartered Accountants and Statutory Auditors

CROSSNESS ENGINES TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	84,429	33,166	117,595	274,022
Charitable activities	4	-	35,552	35,552	121,958
Other trading activities		-	2,112	2,112	12,663
Investments	5	-	100	100	95
Other income	6	-	11,181	11,181	-
Total income		<u>84,429</u>	<u>82,111</u>	<u>166,540</u>	<u>408,738</u>
Expenditure on:					
Raising funds		-	296	296	11,769
Charitable activities	7	75,770	91,321	167,091	442,794
Total expenditure		<u>75,770</u>	<u>91,617</u>	<u>167,387</u>	<u>454,563</u>
Net movement in funds		<u>8,659</u>	<u>(9,506)</u>	<u>(847)</u>	<u>(45,825)</u>
Reconciliation of funds:					
Total funds brought forward		1,643,906	185,440	1,829,346	1,875,171
Net movement in funds		8,659	(9,506)	(847)	(45,825)
Total funds carried forward		<u>1,652,565</u>	<u>175,934</u>	<u>1,828,499</u>	<u>1,829,346</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 22 form part of these financial statements.

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BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,706,737	1,764,263
		<u>1,706,737</u>	<u>1,764,263</u>
Current assets			
Stocks	14	21,671	17,860
Debtors	15	16,893	22,456
Cash at bank and in hand		103,523	59,063
		<u>142,087</u>	<u>99,379</u>
Creditors: amounts falling due within one year	16	(20,325)	(34,296)
		<u>121,762</u>	<u>65,083</u>
Net current assets			
		<u>1,828,499</u>	<u>1,829,346</u>
Total assets less current liabilities			
		<u>1,828,499</u>	<u>1,829,346</u>
Net assets excluding pension asset			
		<u>1,828,499</u>	<u>1,829,346</u>
Total net assets		<u>1,828,499</u>	<u>1,829,346</u>
Charity funds			
Restricted funds	18	1,652,565	1,643,906
Unrestricted funds	18	175,934	185,440
		<u>1,828,499</u>	<u>1,829,346</u>
Total funds		<u>1,828,499</u>	<u>1,829,346</u>

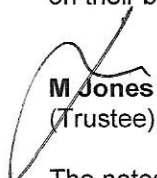
The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 25 June 2021 and signed on their behalf by:


M Jones
(Trustee)

The notes on pages 12 to 22 form part of these financial statements.

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

Crossness Engines Trust is a charitable company limited by guarantee registered and domiciled in the UK. Its principal place of business is the same as its registered office and is shown in the company information. The principal activities and object of the company is that of restoration and maintenance of the Victorian sewage outfall at Crossness.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Crossness Engines Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases..

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Plant and machinery	-	at varying rates to reflect asset's useful economic life from 5 - 20%

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	15,666	15,666	33,576
Grants	84,429	7,500	91,929	240,446
Local Authority Grant	-	10,000	10,000	-
Total 2020	84,429	33,166	117,595	274,022

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Restoration and maintenance of building and engines	35,552	35,552	121,958

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5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank Interest received	100	100	95
	<u>100</u>	<u>100</u>	<u>95</u>

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Job Retention Scheme Grants	11,181	11,181	-
	<u>11,181</u>	<u>11,181</u>	<u>-</u>

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Restoration and maintenance of building and engines	75,770	91,321	167,091	442,794
	<u>75,770</u>	<u>91,321</u>	<u>167,091</u>	<u>442,794</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Total funds 2020 £	Total funds 2019 £
Restoration and maintenance of building and engines	167,091	167,091	442,794
	<u>167,091</u>	<u>167,091</u>	<u>442,794</u>

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Restoration and maintenance of building and engines 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	46,207	46,207	29,753
Depreciation	57,988	57,988	58,124
Purchases	4,623	4,623	268,158
Site facilities and operational costs	36,745	36,745	59,846
Health and safety costs	6,979	6,979	3,712
Office costs	9,515	9,515	17,620
Legal fees	191	191	2,043
Other professional fees	4,813	4,813	3,000
Marketing and publicity	30	30	538
Total 2020	167,091	167,091	442,794

Analysis of support costs

9. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,000 (2019 - £3,000).

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10. Staff costs

	2020 £	2019 £
Wages and salaries	45,154	29,156
Social security costs	9	-
Contribution to defined contribution pension schemes	1,044	597
	<u>46,207</u>	<u>29,753</u>

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Staff	<u>2</u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year.

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1044 (2019 - £597). Contributions totalling £277 (2019 - £318) were payable to the fund at the balance sheet date and are included in creditors.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 October 2020, expenses were reimbursed or paid directly to 6 Trustees (2019 - to 7 Trustees) broken down as follows:

	2020 £	2019 £
Travel	51	-
Catering	749	934
Health and safety costs	1,350	966
General office expenses	1,145	1,243
Maintenance costs	-	4,525
	<u>3,295</u>	<u>7,668</u>

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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 November 2019	1,983,047	368,254	2,351,301
Additions	-	462	462
At 31 October 2020	<u>1,983,047</u>	<u>368,716</u>	<u>2,351,763</u>
Depreciation			
At 1 November 2019	386,517	200,521	587,038
Charge for the year	39,661	18,327	57,988
At 31 October 2020	<u>426,178</u>	<u>218,848</u>	<u>645,026</u>
Net book value			
At 31 October 2020	<u>1,556,869</u>	<u>149,868</u>	<u>1,706,737</u>
At 31 October 2019	<u>1,596,530</u>	<u>167,733</u>	<u>1,764,263</u>

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>21,671</u>	<u>17,860</u>

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	13,145	14,245
Prepayments and accrued income	2,277	856
Tax recoverable	1,471	7,355
	<u>16,893</u>	<u>22,456</u>

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	10,819	11,390
Other taxation and social security	877	567
Pension fund loan payable	277	318
Accruals and deferred income	8,352	22,021
	<u>20,325</u>	<u>34,296</u>

17. Contingent liabilities

The Heritage Lottery Fund granted monies for restoration works. Terms of the grant included a charge over the leasehold property. The charge remains for 25 years from 13 June 2008, under the terms of the charge all or part of the grant can become repayable.

18. Statement of funds

Statement of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
Unrestricted funds				
General Funds	185,440	82,111	(91,617)	175,934
	<u>185,440</u>	<u>82,111</u>	<u>(91,617)</u>	<u>175,934</u>
Restricted funds				
Landfill Tax Credit and English Heritage Fund	17,934	-	-	17,934
Low Carbon Programme	66,144	-	(9,216)	56,928
Restoration Project	1,559,828	-	(44,335)	1,515,493
Asbestos Removal Project	-	14,029	(14,029)	-
Thames Water COVID 19	-	20,000	(4,499)	15,501
NLHF COVID Emergency	-	50,400	(3,691)	46,709
	<u>1,643,906</u>	<u>84,429</u>	<u>(75,770)</u>	<u>1,652,565</u>
Total of funds	<u>1,829,346</u>	<u>166,540</u>	<u>(167,387)</u>	<u>1,828,499</u>

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2019 £
Unrestricted funds					
General Funds	183,230	166,473	(151,507)	(12,756)	185,440
	<u>183,230</u>	<u>166,473</u>	<u>(151,507)</u>	<u>(12,756)</u>	<u>185,440</u>
Restricted funds					
Landfill Tax Credit and English Heritage Fund	17,934	13,721	(13,721)	-	17,934
Low Carbon Programme	75,565	-	(9,421)	-	66,144
Restoration Project	1,594,872	-	(44,044)	9,000	1,559,828
Asbestos Removal Project	3,570	228,544	(235,870)	3,756	-
	<u>1,691,941</u>	<u>242,265</u>	<u>(303,056)</u>	<u>12,756</u>	<u>1,643,906</u>
Total of funds	<u>1,875,171</u>	<u>408,738</u>	<u>(454,563)</u>	<u>-</u>	<u>1,829,346</u>

19. Summary of funds

Summary of funds - current year

	Balance at 1 November 2019 £	Income £	Expenditure £	Balance at 31 October 2020 £
General funds	185,440	82,111	(91,617)	175,934
Restricted funds	1,643,906	84,429	(75,770)	1,652,565
	<u>1,829,346</u>	<u>166,540</u>	<u>(167,387)</u>	<u>1,828,499</u>

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19. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 November 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2019 £
General funds	183,230	166,473	(151,507)	(12,756)	185,440
Restricted funds	1,691,941	242,265	(303,056)	12,756	1,643,906
	<u>1,875,171</u>	<u>408,738</u>	<u>(454,563)</u>	<u>-</u>	<u>1,829,346</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,668,176	38,561	1,706,737
Current assets	(10,619)	152,706	142,087
Creditors due within one year	(4,992)	(15,333)	(20,325)
Total	<u>1,652,565</u>	<u>175,934</u>	<u>1,828,499</u>

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	1,721,727	42,536	1,764,263
Current assets	(59,800)	159,179	99,379
Creditors due within one year	(18,021)	(16,275)	(34,296)
Total	<u>1,643,906</u>	<u>185,440</u>	<u>1,829,346</u>

21. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 October 2020.