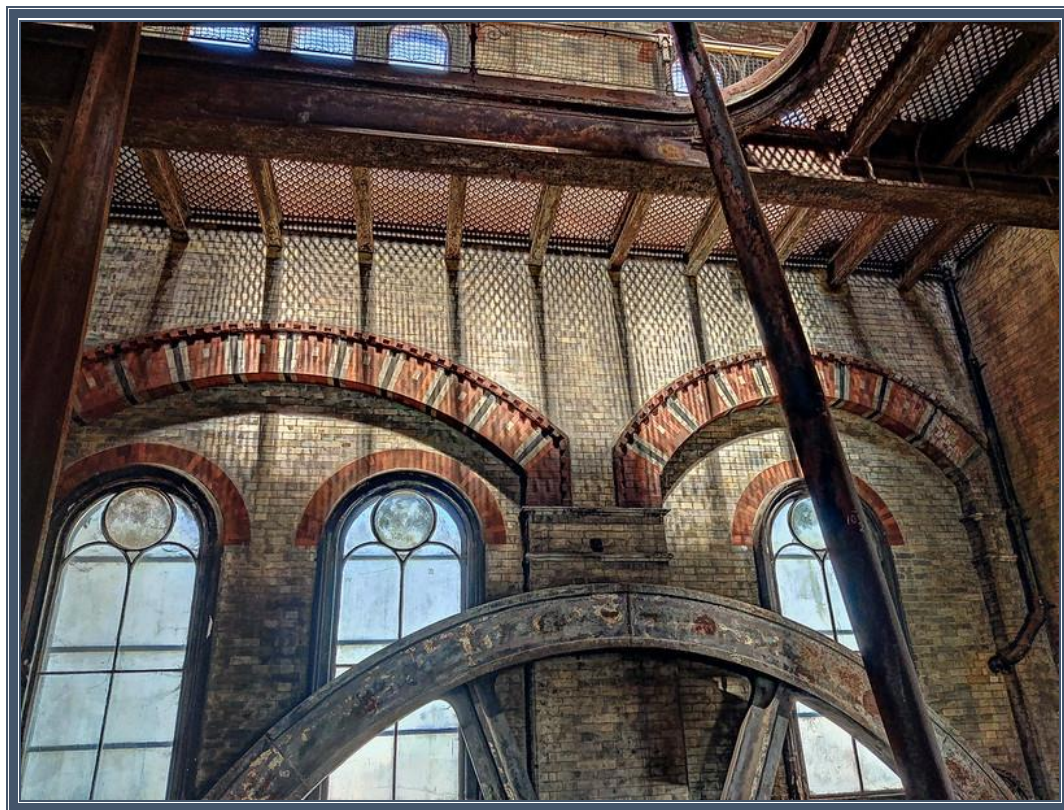


THE CROSSNESS ENGINES TRUST

(A Company Limited by Guarantee)



Photograph: Steve James

UNAUDITED TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

HEDLEY DUNK LIMITED
Chartered Accountants & Statutory 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
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2021**

M Jones
A Neher
P Nelson
K M Ridley
J G Warner
A M Williams
F K Germanus-Kunda
K A Thyme Castle (appointed 1 April 2021, resigned 9 August 2021)
E Bardlick (appointed 8 March 2022)

**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 2021

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 2021 and covers progress in other areas to date.

The predominant feature of the year has been the Covid-19 pandemic which continued to have an impact on the Trust in terms of its ability to generate income. At the start of the year guided tours and open days had been reintroduced following the guidelines that had been published but these were brought to a halt by the lockdown starting just before Christmas and extending into the first half of 2021.

The easing of restrictions did allow the site to re-open to visitors from April 2021 and we have seen an increase in visitor numbers as a result back to levels that could have been expected pre-pandemic.

Trust Organisation and Operations

Some time ago the Trust received funding to support work on the development of a business plan and to develop better ways of ensuring business resilience. Covid-19 had a significant impact on our ability to take this project forward but the Trust has spent considerable time on considering how both organisational structure and operations could be improved.

Whilst this project is now complete there is a recognition that this work must continue. The Trust has been taking part in the Heritage Compass Programme, which comes to an end later in 2022. Heritage Compass has helped us to begin a programme of organisational and cultural change. Sessions with volunteers and Trustees have developed a case for change, an As is /To be exercise to formalise what we want the Trust to be like and we will be holding a further sessions to determine the steps needed to get there.

The Heritage Compass programme has also published the first of its success guides based on benchmarking data from Heritage Organisations taking part in the Programme. The first guide is on Shops and cafes and will help inform the development of our shops and café. Further guides will cover other aspects of sustainability and will help us in furthering evidence based decision making in developing the Trust.

The first annual volunteer survey was conducted in March 2022 to help us understand the motivations for volunteering and what volunteers enjoy and what they dislike and help improve the volunteer experience. The survey found that 82% rated their overall experience as positive which is encouraging, but with some areas of improvement needed around support from the Board. This is being addressed through the organisational and cultural change sessions mentioned previously. The next volunteer survey will take place in spring 2023 and will help monitor progress and other ways to improve the volunteer experience.

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.

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 fibre-optic cable, essential for the delivery of the projects described under Learning and Outreach.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

Health and safety

COVID once again dominated the Trusts activities with the second lockdown running from 5 November 2020 to 2 December 2020 and the third lockdown starting on 6 January 2021 followed by a four step roadmap for lifting the lockdown finishing on 19 July 2021. Step 2 of the roadmap allowed us to welcome limited numbers of volunteers from 12 April and with Step 3 for limited guests from 17 May.

Accidents and incidents continued to be a concern although none were reported for the first six months of the year. There were two accidents with minor injuries including one to a visitor; three incidents were reported and one potential incident. This highlighted the need to prevent visitors and guests straying on to Thames Water property.

Training was difficult to organise but the government allowed extension of many qualifications so operations could continue. We were able to conduct training for the fork lift truck so we renewed 6 licences. Asbestos work training was carried out in November 2021. Thames Water induction training (COMAH) was stopped during the year and recommenced in November 2021.

A few changes to operation of the site have been brought about as a result of a brief report from Savills, who manage Thames Water properties. A number of the recommendations had already been adopted before the report, and after risk assessments undertaken by the Trust additional precautions were taken for access to the Engine House Beam Floor and Valve House both in terms of visitors and volunteers.

Conservation

Structural issues relating to cracks in cast-iron close to the engines and loose brickwork in the Beam Engine House and the lintel above the sliding doors in the Valve House have continued to be a cause for concern. Following an initial investigation little progress has been made in relation to the cracks in cast iron but, more recently, Thames Water has committed to covering the cost of a full investigation and this is now underway.

Work on the conservation of Victoria has also slowed, in part because of the cast-iron problem but also because work is required to ensure that the lifting points above the engine are sufficiently robust. All of the bright metal part of Victoria have been cleaned and protective coatings have been applied.

Collections

The collections departments (archives and artefacts) follow SPECTRUM guidelines for Museums. Procedures for collections care and administration are codified in the various policies and plans written in preparation of the Trust seeking Museum Accreditation.

Modes Compact cataloguing software is used to record key information about the archive collections, such as their accession numbers, provenance, and location.

During the year: the Collections team has

- updated the Emergency Plan; Archive Documentation Policy; Artefact Documentation Policy, and Care and Collections Policy as required for Museum Accreditation.
- catalogued over 1,000 items on MODES, clearing the cataloguing backlog.
- reinstated behind the scenes collections tours on open days. The tours have been fully booked and receive positive feedback from attendees.

Work that is ongoing includes:

- creating a finding aid of digital photographs in the archive collection.
- a sensitivity review of the Chronicle prior to accessioning.
- rehousing the Arthur Green archive collection using more suitable materials (acid free folders and boxes).
- the Stereophagus sewage pump, acquired in 2016 from Southend-on-Sea Borough Council, is now being conserved by a team in the Fitting Shop.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

- a partially completed model of a portable stationary steam engine, donated in 2013, is now being completed by a team in the Fitting Shop.
- every artefact has a record card. These are being checked and updated. Over half of this task has been completed.

Royal Arsenal Narrow Gauge Railway

It has taken RANG volunteers just over four years to get to the point where the Trust is able to fully operate the loco and carriages. We have renovated the locomotive, now renamed as Bazalgette, and two carriages, laid track the length of the John Ridley path, constructed and dismantled three temporary platforms as well as constructed the full length platforms both ends of the line.

The platform at the end of the down slope of the John Ridley path was completed just prior to the 14th November 2021 Open Day. That allowed us to start operating the train the complete length of the line pulling both carriages.

Unfortunately on the December 2021 Open Day the loco started to struggle to pull both carriages out from the end platform. We tried with one carriage but encountered the same issue so it was prudent to take it out of service to prevent a major breakdown. With hindsight given the age of the loco we should have anticipated possible mechanical issues when the loco was put under full load.

The train was non-operational for January and will remain so until the fault can be investigated and repaired. Given the estimated cost of repair (c£10,000) the Trust had to seek external funding to cover this amount and a crowdfunding initiative is now underway.

Learning and Outreach

In 2021 and 2022 we increased the number of Open Days every month in line with the Business Plan. Although we are currently unable to steam, we have been regularly welcoming over 300 visitors at each Open Day, ahead of the 250 target. We have also been able to collect a year's data from our Audience Agency Visitor Survey to better understand our audiences and their motivations for visiting. This information will be used to flesh out the audience development and marketing planning in the Business Plan and produce a more detailed Audience Development/Marketing plan. The plan will enable the Trust to fine tune its offer and better target promotion to key audiences to increase numbers and income. The Audience Agency visitor survey has been reviewed and renewed for 2022-23 with fewer questions.

Visits from educational establishments are recovering in the post pandemic phase and consistently deliver excellent feedback.

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 outlined below began in November 2020.

Virtual Guided Tour (VGT)

Much of the work on the virtual guided tour has been completed but launch has been delayed because of the limited capability of our existing website to host the tour. A project is underway to redevelop the website. This will both allow the virtual guided tour to be offered to website visitors through a paywall and introduce better ways of managing and updating website content.

The Toilet Timeline (TT)

The Toilet Timeline, a stand-alone website, embedded in and accessed via the Crossness website either via a mobile phone or PC, is now live.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

Finance

For the accounts for financial year 2021/2022 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 again been much influenced by the impact of the pandemic and associated lockdowns.

During financial year 2020/2021 the Trust came very close to becoming insolvent and it was through support from a number of sources, including the National Lottery Heritage Fund, Historic England Thames Water and the London Borough of Bexley that the Trust has survived.

More recently income from open days, group visits, guided tours and events organised for photography groups is showing signs of recovery, although we continue to be hampered by the inability to steam. Costs have been and will continue to be monitored closely.

Trust Membership

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

PERIOD	2019/20	2020/21	TOTAL
New Members	22	05	27
Lost Members	(34)	(28)	(62)
NET TOTALS	(12)	(23)	(45)

While we are always pleased to welcome 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 the escalating health needs of family members, for some, a return to paid work, and, not for the first time, the current economic situation. A further reason is the loss of contact through changes of postal or email address and phone numbers, despite follow-ups by all available means.

Again, some members only join for a year, perhaps because they see their fee as a one-off donation, rather than the start of a continuing relationship. This may stem from a perception that, having visited once, they have “done” Crossness, they don’t see any point in re-visiting us. We need therefore to keep our “offer” fresh. Hopefully, the Toilet Timeline and Virtual Guided Tour will redress this to some extent.

Since the beginning of the current financial year in November 2021, there have been 15 new members and a number of important positions have now been filled. However, 41 have not renewed their subscriptions for 22/23.

Current membership

TYPE OF MEMBERSHIP	Nos	% of adult membership
Life (Honorary/Life/Senior)	147	32.45
Individual	64	14.13
Family	40	8.83
Senior Citizen	182	40.18
Unwaged	3	0.66
Student	4	0.88
Reciprocal organisations	13	2.87
TOTALS	463	100.00
Children (under 18) (free)	3	
GRAND TOTALS	456	

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

We currently have 100+ Volunteers on our books. However, despite the reduction in the COVID19 risks, there are a number of potential Volunteers whom we must follow-up to see whether we can look forward to their active participation. We still need to recruit four Team Leaders, (for Catering, Cleaning, Tour Guides and Gardening) either to fill current vacancies, or to build new teams.

However, our visitors' appreciation of our helpful, informative and knowledgeable volunteers remains undimmed.

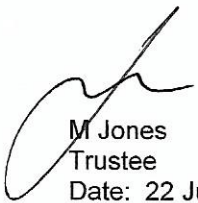
External relations

The Trust continues to have good 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

The priorities for the year ahead are to:

- resolve the issues relating to cracks in cast-iron and return Prince Consort to steam;
- address some wider building repair issues in the Beam Engine House and in the Valve House;
- develop a much enhanced Front of House team to supplement the dedicated (and overstretched) core volunteers who enable the Open Days to happen, and to further increase opening in line with the Business Plan. The Front of House volunteer team will have an overhauled induction and training programme to encourage a more local and diverse pool;
- launch a new website which will streamline the online booking experience for Open Days and tours as well as providing a paywall for the virtual guided tour. It will have a cleaner look and feel with integrated social media and will help people get to the information they need quicker. It will have better analytics for a better understanding of the use of the site;
- progress towards Museum Accreditation.
- review The Business Plan and Outcomes Framework in November 2022 following a full year of opening after National Covid-19 lockdown.



M Jones
Trustee
Date: 22 July 2022

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021

The Trustees present their annual report together with the financial statements of the Charity for the 1 November 2020 to 31 October 2021. 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.

● **Reserves policy**

The Trust has a reserves policy which aims to maintain reserves to cover:

- running costs for six months;
- unplanned essential repairs;
- redundancy.

Together these elements total £140,000.

At present unrestricted income available falls well below that target; at 31 October 2021 the total available funding available to the Trust was £19,764. The key reasons for this are:

- The impact of the Covid pandemic;
- The inability to offer visitors the option of visiting when the engine in steam which has had a significant impact on the Trust's ability to generate income.

As the impact of the Covid-19 pandemic lessens and work proceeds on addressing the building structure issues the Trust will seek to build the level of reserves during future financial years.

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 and 17 September 2019.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2021

• **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.

Statement of Trustees' responsibilities

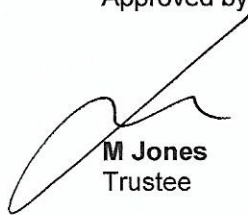
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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: 22 July 2022

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021

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 2021.

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 [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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: 22 July 2022

Jack Fryer

ACA

Hedley Dunk Limited

Chartered Accountants and Statutory Auditors

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	42,135	19,540	61,675	117,595
Charitable activities	4	-	70,550	70,550	35,552
Other trading activities		-	2,447	2,447	2,112
Investments	5	-	5	5	100
Other income	6	-	-	-	11,181
Total income		<u>42,135</u>	<u>92,542</u>	<u>134,677</u>	<u>166,540</u>
Expenditure on:					
Raising funds		12,709	413	13,122	296
Charitable activities	7	139,989	93,080	233,069	167,091
Total expenditure		<u>152,698</u>	<u>93,493</u>	<u>246,191</u>	<u>167,387</u>
Net expenditure		(110,563)	(951)	(111,514)	(847)
Transfers between funds	18	10,847	(10,848)	(1)	-
Net movement in funds		<u>(99,716)</u>	<u>(11,799)</u>	<u>(111,515)</u>	<u>(847)</u>
Reconciliation of funds:					
Total funds brought forward		1,652,565	175,934	1,828,499	1,829,346
Net movement in funds		(99,716)	(11,799)	(111,515)	(847)
Total funds carried forward		<u>1,552,849</u>	<u>164,135</u>	<u>1,716,984</u>	<u>1,828,499</u>

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

The notes on pages 12 to 23 form part of these financial statements.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,655,696	1,706,737
		<u>1,655,696</u>	<u>1,706,737</u>
Current assets			
Stocks	14	21,666	21,671
Debtors	15	49,859	16,893
Cash at bank and in hand		20,249	103,523
		<u>91,774</u>	<u>142,087</u>
Creditors: amounts falling due within one year	16	(30,485)	(20,325)
Net current assets		<u>61,289</u>	<u>121,762</u>
Total assets less current liabilities		<u>1,716,985</u>	<u>1,828,499</u>
Net assets excluding pension asset		<u>1,716,985</u>	<u>1,828,499</u>
Total net assets		<u><u>1,716,985</u></u>	<u><u>1,828,499</u></u>
Charity funds			
Restricted funds	18	1,552,850	1,652,565
Unrestricted funds	18	164,135	175,934
Total funds		<u><u>1,716,985</u></u>	<u><u>1,828,499</u></u>

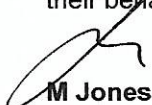
The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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 22 July 2022 and signed on their behalf by:


M Jones
Trustee

The notes on pages 12 to 23 form part of these financial statements.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

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), 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

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 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	11,540	11,540	15,666
Grants	42,135	8,000	50,135	91,929
Local Authority Grant	-	-	-	10,000
Total 2021	42,135	19,540	61,675	117,595

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Restoration and maintenance of building and engines	70,550	70,550	35,552

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5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank Interest received	5	5	100
	<u>5</u>	<u>5</u>	<u>100</u>

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Job Retention Scheme Grants	-	-	11,181
	<u>-</u>	<u>-</u>	<u>11,181</u>
Total 2020	<u>11,181</u>	<u>11,181</u>	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Restoration and maintenance of building and engines	139,989	93,080	233,069	167,091
	<u>139,989</u>	<u>93,080</u>	<u>233,069</u>	<u>167,091</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £	Total funds 2020 £
Restoration and maintenance of building and engines	233,069	233,069	167,091
	<u>233,069</u>	<u>233,069</u>	<u>167,091</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Restoration and maintenance of building and engines 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	62,799	62,799	46,207
Depreciation	60,456	60,456	57,988
Purchases	19,879	19,879	4,623
Site facilities and operational costs	59,224	59,224	36,745
Health and safety costs	4,689	4,689	6,979
Office costs	16,711	16,711	9,515
Legal fees	171	171	191
Other professional fees	4,200	4,200	4,813
Marketing and publicity	4,940	4,940	30
Total 2021	233,069	233,069	167,091

Analysis of support costs

9. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,000 (2020 - £3,000).

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10. Staff costs

	2021 £	2020 £
Wages and salaries	60,000	45,154
Social security costs	1,373	9
Contribution to defined contribution pension schemes	1,426	1,044
	<u>62,799</u>	<u>46,207</u>

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

	2021 No.	2020 No.
Staff	<u>2</u>	<u>2</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 £1,426 (2020 - £1,044). Contributions totalling £317 (2020 - £277) 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 (2020 - £NIL).

During the year ended 31 October 2021, expenses were reimbursed or paid directly to 3 Trustees (2020 - to 6 Trustees) broken down as follows:

	2021 £	2020 £
Travel	108	51
Catering	1,663	749
Health and safety costs	5,987	1,350
General office expenses	1,374	1,145
	<u>9,132</u>	<u>3,295</u>

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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 November 2020	1,983,047	368,716	2,351,763
Additions	-	9,415	9,415
At 31 October 2021	<u>1,983,047</u>	<u>378,131</u>	<u>2,361,178</u>
Depreciation			
At 1 November 2020	426,178	218,848	645,026
Charge for the year	39,661	20,795	60,456
At 31 October 2021	<u>465,839</u>	<u>239,643</u>	<u>705,482</u>
Net book value			
At 31 October 2021	<u>1,517,208</u>	<u>138,488</u>	<u>1,655,696</u>
At 31 October 2020	<u>1,556,869</u>	<u>149,868</u>	<u>1,706,737</u>

14. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>21,666</u>	<u>21,671</u>

15. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	37,175	13,145
Prepayments and accrued income	2,364	2,277
Tax recoverable	1,500	1,471
Grants receivable	8,820	-
	<u>49,859</u>	<u>16,893</u>

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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,783	10,819
Other taxation and social security	1,025	877
Pension fund loan payable	317	277
Accruals and deferred income	23,360	8,352
	<u>30,485</u>	<u>20,325</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.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

Statement of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2021 £
Unrestricted funds					
General Funds	175,934	92,542	(93,493)	(10,848)	164,135
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds					
Landfill Tax Credit and English Heritage Fund	17,934	-	-	-	17,934
Low Carbon Programme	56,928	-	(9,208)	-	47,720
Restoration Project	1,515,493	13,812	(59,581)	1,433	1,471,157
Thames Water COVID 19	15,501	-	(15,263)	-	238
NLHF COVID Emergency	46,709	-	(40,369)	9,414	15,754
NLHF Culture Recovery Fund	-	28,323	(28,276)	-	47
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,652,565	42,135	(152,697)	10,847	1,552,850
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> <hr/> 1,828,499	<hr/> <hr/> 134,677	<hr/> <hr/> (246,190)	<hr/> <hr/> (1)	<hr/> <hr/> 1,716,985

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior 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
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
	1,643,906	84,429	(75,770)	1,652,565
Total of funds	1,829,346	166,540	(167,387)	1,828,499

19. Summary of funds

Summary of funds - current year

	Balance at 1 November 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2021 £
General funds	175,934	92,542	(93,493)	(10,848)	164,135
Restricted funds	1,652,565	42,135	(152,697)	10,847	1,552,850
	1,828,499	134,677	(246,190)	(1)	1,716,985

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Summary of funds (continued)

Summary of funds - prior 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>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,625,717	29,979	1,655,696
Current assets	(52,867)	144,641	91,774
Creditors due within one year	(20,000)	(10,485)	(30,485)
Total	<u>1,552,850</u>	<u>164,135</u>	<u>1,716,985</u>

Analysis of net assets between funds - prior year

	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>

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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 2021.