

Registered number: 02141756
Charity number: 297585

CROSSNESS ENGINES TRUST
UNAUDITED
TRUSTEES REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

HEDLEY DUNK LIMITED

Chartered Accountants
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 COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2017

Trustees

J Austin (resigned 12 December 2017)
P Catterall
T E Hobbs (appointed 12 December 2017)
C Johnstone (resigned 20 April 2017)
K J Macklen
A Neher
P Nelson
R J Parkinson (appointed 11 July 2017)
R D Turner (appointed 11 July 2017)
J G Warner
A M Williams
P Winders (appointed 25 September 2016)

Company registered number

02141756

Charity registered number

297585

Registered office

Thames Water - Old Works, Bazalgette Way, London, SE2 9AQ

Company secretary

M Jones

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ANNUAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

The chairman presents his statement for the period.

Introduction

Following previous practice this report formally presents the accounts for the last completed financial year to October 2017 and covers progress in other areas to date.

The last year has been overshadowed by the discovery of asbestos in the Beam Engine House. This has had a dramatic impact, particularly on the Trust's ability to generate revenue. We have continued to mount open days, although visitor numbers have reduced significantly and, since the discovery, income from filming has dropped to zero.

Nevertheless the Trust has made significant progress in some areas. The capital elements of the Great Stink Project have been completed. The conversion of the Valve House to a display area for smaller engines has been completed and we have continued to develop our outreach capability - the reaction from schools has been very positive.

Asbestos

The discovery of asbestos in the Beam Engine House in October 2017 has overshadowed much of what has happened since and this is reflected in this report.

A survey received at the time recommended that the building be closed until the issue could be resolved. The Trust acted on this advice immediately and commissioned a more detailed investigation which was used as the basis for defining a scope of works that could be used to invite tenders. The tenders received established that the cost of asbestos remediation was so high that there was no scope for initiating the required work and the Trust has spent considerable time both seeking more competitive tenders and identifying potential funding sources.

The impact of the asbestos on our ability to generate income is significant. The Trust decided to continue to offer access on both open days and through guided tours but at reduced prices. Numbers for guided tours have held up reasonably well but open day visitor numbers have dropped to 20% of what could be expected, no tours through an arrangement with a commercial company have taken place and no income from filming has been generated since the closure.

On a more positive note the Trust is making progress on addressing the problem. Recently Thames Water has committed to providing a significant proportion of the funding required and the Trust is currently engaged in securing the balance with a view to completing the remediation and running a full season of openings in 2019.

Governance

Trust management

The Board of Trustees met formally twelve times during the year 2016/2017.

Meetings have been concerned primarily:

- Completing the work relating to the Great Stink project with the emphasis turning to the development of a programme supporting learning and outreach.
- Taking forward work relating to the HLF funded project looking at organisation, structure and business planning.
- Fundraising
- Developing and promulgating a more rigorous approach Health and Safety.

In 2017 The Trust receive an advance payment covering a project to review its organisation and structure and to develop a business plan.

All volunteers have been encouraged to participate in this exercise and the Trust has made good progress. A business plan has been developed which, whilst challenging, appears to be achievable although there is also a recognition that the asbestos problem has to be resolved if the plan is to be implemented.

During the next few months The Trust will begin to implement the organisational and structural changes that have been identified by the project.

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Works Committee

The Works Committee, which draws representatives from both the Board and volunteer team leaders, meets with the same frequency as the Board and is timed so that issues raised at this committee can be discussed at the subsequent Board meeting.

Finance committee

The sub-committee has met on a number of occasions and has been concerned primarily with:

- developing a more rigorous approach to business and financial planning;
- developing more useful reporting of spend against budget.
- Fundraising

Site Management

The Works Committee has overseen the task of site management during the year. The key areas addressed are:

- health and safety;
- the effect of subsidence on the roads and hard standing around the building;
- site reorganisation to allow the installation of the Valve House redevelopment to proceed;
- Updating the management and maintenance plan to ensure that routine maintenance is undertaken.

Finance

For financial year 2016/2017 the Trust has again elected to seek an Independent Examiners Report rather than a full audit, primarily because financial activity was below the threshold that requires a full audit.

The report and a copy of the accounts for financial year are incorporated in this document.

Membership subscriptions for the year were just over £4700. Income from open days and guided tours is increasingly significant with over £30,000 generated from admissions, whilst the income derived from catering and shop sales both exceeded £11,000 for the year. Income from filming and hosting tours organised by a commercial organisation totalled just under £65,000

Grant income totalled just over £112,000. This was made up of approximately £54,000 being paid in respect of the Great Stink project, just over £44,000 as an advance payment relating to the work on organisation and structuring and around £14,000 covering the purchase of the new boiler.

On the expenditure side the most significant expenditure related to salaries and related costs and to the purchase of plant and equipment, both of which are part funded by HLF grants – totalling around £50,000

Other significant expenditure related to restoration and maintenance of buildings (about £8000). Telephones and Information technology, including the website (about £7000) and insurance (£6300).

Trust Membership

The following table summarises the movement in terms of membership numbers:

PERIOD	15/16	16/17	TOTAL
New Members	41	26	67
Lost Members	(46)	(50)	(96)
NET TOTALS	(5)	(24)	(29)

While we are pleased to welcome all the new members, the number of Lost Members remains a matter of concern. The majority are for understandable reasons – death, moving away, or into residential care. But, despite several reminders by all available means, the continuing trend of loss of contact through changes of postal or email address, phone numbers, or a failure to renew membership, are too high.

There are, also, those who become members for a year but do not then renew their membership but see their fee purely as a one-off donation rather than the start of a continuing relationship.

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This may arise from a perception that, having visited once, that they have “done” Crossness so that they don’t see any point in visiting again. We need therefore to keep our “offer” refreshed.

The current membership is made up as follows:-

MEMBERSHIP TYPE	NUMBER	PERCENTAGE (OF ADULTS)
LIFE (incl. Honorary and Senior Life)	129	27.04%
INDIVIDUAL	60	12.58%
FAMILY	71	13.89%
SENIOR CITIZEN	197	41.30%
STUDENT	0	0%
UNWAGED	7	1.47%
RECIPROCAL	13	2.73%
TOTAL	477	100
CHILDREN (UNDER 18)	10	
GRAND TOTAL	487	

Visitor and outreach

Open Days/Guided tours

Four steaming days and five static days (when Prince Consort was not in steam) were held in 2017:

Date	Attendance
02/04/2017	905
30/04/2017	470
14/05/2017	150
28/05/2017	350
25/06/2017	494
09/07/2017	165
20/08/2017	470
03/09/2017	78
07/09/2017	175
	3,257

The last two open days in the calendar, scheduled for October were cancelled because of the asbestos problem.

In addition 577 people attended sixteen guided tours which are restricted to a maximum of 40 people per visit and we hosted tours by a commercial organization on a fortnightly basis which resulted in a further 700 visitors over the April/October period.

Despite the impact of asbestos later in the year visitor numbers overall were up by nearly 1000 over the previous year.

Learning and Outreach

Delivery of the pilot STEAM programme from May-July is now complete with 300 pupils from six local primary schools participating in both the Introductory Session and the full Activity Day. The programme was intended to be delivered at Crossness but due to the asbestos, the programme had to be adapted as an outreach offer and delivered in schools. As well as modifying the content to keep it relevant, this proved a challenge as all the programme’s resources had to be moved in and out of schools 20 times for the 10 Activity Days, this included the 24 foot long interactive, working model of Bazalgette’s system.

STEAM stands for science, technology, engineering, art and maths and this cross-curricular approach coupled with the programme’s emphasise on hands-on, active learning has proved a great success with both pupils and teachers and reflected in their very positive feedback:

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The learning is memorable, fun, informative and accessible to children of differing abilities. The children loved learning about the technology, history and the science behind the Crossness Engines and loved building their own mechanical models. The working model of Bazalgette's sewage system brought into school was impressive as was the communication and planning before the visit.

The schools STEAM programme, along with all the Learning and Outreach provision, has been evaluated over the past months and this feedback is being collated into an evaluation report which will be available in early August.

The evaluation report is a requirement of the HLF Great Stink funding. However, it will also serve as a valuable, evidence-based document to support our funding applications for the continuation of the Learning and Outreach provision as well as our accreditation application going forward.

The asbestos has had a real impact on the number of education and community groups wanting to visit Crossness, with many group leaders preferring to postpone visits until the Engine House is back open. Despite this set back, participation numbers in Learning and Outreach activities have increased over the course of the 2 year Learning and Outreach contract as shown in these comparative figures.

	Total
Pre Learning and Outreach contract June 1 2015 - May 31 2016	113
L and O Year 1 June 1 2016 - May 31 2017	676
L and O Year 2 (Engine House closed from Oct) June 1 2017- May 31 2018	1078

Conservation

The discovery of asbestos in the Beam Engine House has prevented work on a range of significant activities during the year, including the maintenance of Prince Consort, the completion of installation of the new boiler and conservation

Valve House

When, back in early 2016, the new Exhibition needed provision of storage space in the Boiler House, the Board decided that the Small Engines should be re-located in the Eastern section of the Valve House, but the building in question was in great need of total re-decoration. All, bar one, of the powered engines, can now be operated by compressed air, though not all at once. A number of non-powered machines have also recently found their way there.

The long back wall was known to be partially damp, due to the higher ground level at its rear, and therefore was unlikely to ever become totally dry. So, a temporary and demountable structure (8ft tall but which, if necessary, could be taken down at any point in the future) has been erected to provide a current of air to assist in drying-out. As a deliberate nod in the direction of the original use of the building as a School-room, part of this structure has been painted black to resemble a black-board and to provide a flat surface for information panels about the new residents.

The Trust is most grateful for the varied labours of every one of thirty three volunteers who, over the past two and a quarter years, have, for example, scaled the heights to paint ridge timbers and adjacent roof-boards or high walls, or bent near-double to paint the floor, and especially to those who have re-sculptured towers at frequent intervals, etc to provide safe access for their volunteer colleagues.

Landscaping

A continuing concern has been the impact of subsidence on the areas around the buildings. Thames Water has done some preliminary work investigating sub-surface issues and there are plans to undertake a more detailed survey.

The Great Stink – The Heritage Lottery Fund Project

elements of this project have now been completed and the focus is on developing our learning and outreach works offer through:

- Developing the site as both a visitor attraction and an educational resource;
- Meeting an outstanding requirement of the grant award to achieve museum accreditation.

The project comes to an end, formally, in July 2018 but the Trust will continue to work on both these elements.

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Royal Arsenal Narrow Gauge Railway (RANG)

We received planning permission from the London Borough of Bexley in March 2017 to construct a narrow gauge railway. A subsequent meeting with the Office of Road & Rail Chief Inspector, provided the RANG team with a road map for the way ahead, which is based on the development of a dual gauge 18/24" system.

RANG Railway Operating Procedures are in preparation and will, in due course be submitted to ORR as required.

During early 2018 a grant request was prepared and submitted to the Enover Community Trust. A grant of £29,800 was confirmed in June 2018. The grant has allowed the purchase and restoration of a Severn-Lamb Locomotive (BUSY BASIL) and a rake of carriages. The locomotive will be used to support the laying of track and, subsequently will be used to power a passenger carrying service.

The grant also covers the purchase of ballast to create a track bed, which will then accommodate the first length of track and the cost of modifying the building now renamed the Engine Shed and installing new doors.

The RANG team is increasing in numbers but, as with other areas of activity, more volunteers would be welcome.

External relations

The Trust has excellent relations with both Thames Water and the London Borough of Bexley and continues to develop closer links with The Peabody Trust.

Apart from providing funding to deal with asbestos, as mentioned earlier, Thames Water has been particularly helpful in supporting the Trust on the Health and Safety front.

Next steps - the year ahead

Shortly after I optimistically wrote the equivalent piece for last year's Annual Report the asbestos problem suddenly posed the Trust with a major crisis. I remain optimistic that we can surmount this, as we have previous challenges. However, if insufficient progress has been made on fundraising by September 2018 then a range of options will have to be considered, including drastic ones.

In these circumstances writing a forward look at the coming year is more difficult than usual. Even though we now have a commitment of funding from Thames Water, this will not get us all the way there. The Board is however well-aware of the need to start on clearing the asbestos as soon as possible if we are not to miss another summer season. If there is a shortfall in funding various options are under consideration to enable us to move ahead with this.

When the asbestos is sorted out the Trust should emerge as a stronger, more resilient and sustainable organisation. It has not been great timing having the asbestos issue crop up just when the HLF Resilience Project started. However, at least it highlighted the areas where the organisation needed strengthening. With the help of external consultants and drawing on insights from all quarters of the Trust, we have a reorganisation and Business Plan going forward which should help the Trust to achieve its ambitions.

These include not just restoring Grade I listed buildings and engines through the dedicated work of our fantastic volunteers, but showing these to a public rightly attracted to the glory that is Crossness. To this end we hope in the next year to be able to implement those crucial parts of the Business Plan relating to enhancing Crossness as a heritage attraction. This includes restarting the work on acquiring accredited museum status.

The coming year, of course, also includes on 28 March 2019 the bicentenary of the birth of Sir Joseph Bazalgette, the engineering genius who created Crossness. Quite how we mark this occasion depends on where we are with the asbestos by then, but mark it we will!

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

The Trustees present their annual report together with the financial statements of the company for the 1 November 2016 to 31 October 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

● **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company 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**

The company is registered as a charitable company limited by guarantee (number 02141756) and as a registered charity (number 297585) and was set up by a Memorandum of Association on 22 June 1987 and subsequently amended on 06 June 1999.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 27 July 2018 and signed on their behalf by:

.....
J G Warner
Trustee

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CROSSNESS ENGINES TRUST (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 October 2017.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters 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 anyone other than the company and the company's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the company (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 company 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 company'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

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

I have completed my examination. I can 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 company 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: 27 July 2018

J Outram FCA DChA

HEDLEY DUNK LIMITED

Chartered Accountants

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	112,196	14,221	126,417	503,289
Charitable activities	3	-	119,286	119,286	51,709
Other trading activities		-	11,311	11,311	7,390
Investments	4	-	38	38	268
TOTAL INCOME		<u>112,196</u>	<u>144,856</u>	<u>257,052</u>	<u>562,656</u>
EXPENDITURE ON:					
Raising funds		-	577	577	18,396
Charitable activities		104,778	98,187	202,965	795,981
TOTAL EXPENDITURE	7	<u>104,778</u>	<u>98,764</u>	<u>203,542</u>	<u>814,377</u>
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES		7,418	46,092	53,510	(251,721)
NET MOVEMENT IN FUNDS		7,418	46,092	53,510	(251,721)
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,818,029	156,210	1,974,239	2,225,960
TOTAL FUNDS CARRIED FORWARD		<u><u>1,825,447</u></u>	<u><u>202,302</u></u>	<u><u>2,027,749</u></u>	<u><u>1,974,239</u></u>

The notes on pages 11 to 19 form part of these financial statements.

CROSSNESS ENGINES TRUST
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REGISTERED NUMBER: 02141756

BALANCE SHEET
AS AT 31 OCTOBER 2017

	Note	£	2017 £	2016 £
FIXED ASSETS				
Tangible assets	10		1,852,767	1,879,190
CURRENT ASSETS				
Stocks		23,779		20,210
Debtors	11	25,071		4,502
Cash at bank and in hand		139,120		76,770
		187,970		101,482
CREDITORS: amounts falling due within one year	12	(12,988)		(6,433)
NET CURRENT ASSETS			174,982	95,049
NET ASSETS			2,027,749	1,974,239
CHARITY FUNDS				
Restricted funds	13		1,825,447	1,818,029
Unrestricted funds	13		202,302	156,210
TOTAL FUNDS			2,027,749	1,974,239

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Trustees on 27 July 2018 and signed on their behalf, by:

.....
J G Warner

The notes on pages 11 to 19 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.5 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.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Cash flow

The financial statements do not include a Statement of cash flows because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.7 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	2% straight line
Plant & machinery	-	At varying rates to reflect asset's useful economic life

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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.

1.12 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 company 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 within interest payable and similar charges.

1.13 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 company 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 company 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.

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	14,221	14,221	3,676
Other grants	112,196	-	112,196	499,613
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	112,196	14,221	126,417	503,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2016	499,613	3,676	503,289	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Restoration and maintenance of building and engines	-	119,286	119,286	51,709
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2016	<u> </u>	<u>51,709</u>	<u>51,709</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	38	38	268
	<u> </u>	<u> </u>	<u> </u>
Total 2016	<u>268</u>	<u>268</u>	

5. DIRECT COSTS

	Restoration and maintenance £	Total 2017 £	Total 2016 £
Purchases	30,305	30,305	616,031
Site facilities & operational costs	59,160	59,160	100,705
Health & safety costs	11,546	11,546	907
Office costs	7,400	7,400	6,943
Legal fees	225	225	115
Other professional fees	2,284	2,284	2,520
Advertising	561	561	-
Wages and salaries	25,000	25,000	12,685
National insurance	(227)	(227)	227
Pension cost	96	96	-
Depreciation	57,346	57,346	55,849
	<u> </u>	<u> </u>	<u> </u>
	<u>193,696</u>	<u>193,696</u>	<u>795,982</u>
	<u> </u>	<u> </u>	<u> </u>
Total 2016	<u>795,981</u>	<u>795,981</u>	

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

6. SUPPORT COSTS

	Restoration and maintenan £	Total 2017 £	Total 2016 £
Other professional fees	9,269	9,269	-

During the year ended 31 October 2017, the company incurred the following Governance costs:

£NIL (2016 - £NIL) included within the table above in respect of Restoration and maintenance of building and engines.

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	-	577	577	18,396
Costs of raising funds	-	-	577	577	18,396
Restoration and maintenance of building and engines	24,869	57,346	120,750	202,965	795,981
	24,869	57,346	121,327	203,542	814,377
Total 2016	12,911	55,849	745,617	814,377	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	57,346	55,849
Pension costs	96	-

During the year, no Trustees received any remuneration (2016 - £NIL).
During the year, no Trustees received any benefits in kind (2016 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	25,000	12,684
Social security costs	(227)	227
Other pension costs	96	-
	<u>24,869</u>	<u>12,911</u>

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

	2017 No.	2016 No.
Staff	2	2

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

10. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Plant & machinery £	Total £
Cost			
At 1 November 2016	1,983,047	310,155	2,293,202
Additions	-	30,923	30,923
At 31 October 2017	<u>1,983,047</u>	<u>341,078</u>	<u>2,324,125</u>
Depreciation			
At 1 November 2016	267,534	146,478	414,012
Charge for the year	39,661	17,685	57,346
At 31 October 2017	<u>307,195</u>	<u>164,163</u>	<u>471,358</u>
Net book value			
At 31 October 2017	<u>1,675,852</u>	<u>176,915</u>	<u>1,852,767</u>
At 31 October 2016	<u>1,715,513</u>	<u>163,677</u>	<u>1,879,190</u>

11. DEBTORS

	2017 £	2016 £
Trade debtors	12,416	1,366
Gift aid reclaimable	11,819	2,102
Prepayments and accrued income	836	1,034
	<u>25,071</u>	<u>4,502</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

11. DEBTORS (continued)

12. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	-	147
Trade creditors	10,329	3,038
Other taxation and social security	404	1,088
Other creditors	30	-
Accruals and deferred income	2,225	2,160
	<u>12,988</u>	<u>6,433</u>
	<u>12,988</u>	<u>6,433</u>

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 November 2016 £	Income £	Expenditure £	Balance at 31 October 2017 £
Unrestricted funds				
General Funds - all funds	156,210	144,856	(98,764)	202,302
	<u>156,210</u>	<u>144,856</u>	<u>(98,764)</u>	<u>202,302</u>
Restricted funds				
Landfill Tax Credit and English Heritage Fund	3,659	14,275	-	17,934
Low Carbon Programme	96,724	-	(10,990)	85,734
Restoration project	1,706,146	97,921	(82,288)	1,721,779
CBT - Landscaping	11,500	-	(11,500)	-
	<u>1,818,029</u>	<u>112,196</u>	<u>(104,778)</u>	<u>1,825,447</u>
Total of funds	<u>1,974,239</u>	<u>257,052</u>	<u>(203,542)</u>	<u>2,027,749</u>
	<u>1,974,239</u>	<u>257,052</u>	<u>(203,542)</u>	<u>2,027,749</u>

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

13. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 November 2015 £	Income £	Expenditure £	Balance at 31 October 2016 £
General Funds - all funds	210,769	63,043	(117,602)	156,210
Restricted funds				
Landfill Tax Credit and English Heritage Fund	3,659	-	-	3,659
Low Carbon Programme	108,335	-	(11,611)	96,724
Restoration project	1,891,697	499,613	(685,164)	1,706,146
CBT - Landscaping	11,500	-	-	11,500
	<u>2,015,191</u>	<u>499,613</u>	<u>(696,775)</u>	<u>1,818,029</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 November 2016 £	Income £	Expenditure £	Balance at 31 October 2017 £
General funds	156,210	144,856	(98,764)	202,302
Restricted funds	1,818,029	112,196	(104,778)	1,825,447
	<u>1,974,239</u>	<u>257,052</u>	<u>(203,542)</u>	<u>2,027,749</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 November 2015 £	Income £	Expenditure £	Balance at 31 October 2016 £
General funds	210,769	63,043	(117,602)	156,210
Restricted funds	2,015,191	499,613	(696,775)	1,818,029
	<u>2,225,960</u>	<u>562,656</u>	<u>(814,377)</u>	<u>1,974,239</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,801,379	51,388	1,852,767
Current assets	24,068	163,902	187,970
Creditors due within one year	-	(12,988)	(12,988)
	<u>1,825,447</u>	<u>202,302</u>	<u>2,027,749</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	1,832,911	46,281	1,879,192
Current assets	(14,882)	116,361	101,479
Creditors due within one year	-	(6,432)	(6,432)
	<u>1,818,029</u>	<u>156,210</u>	<u>1,974,239</u>

15. 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 £96 (2016 - £Nil). Contributions totalling £30 (2016 - £Nil) were payable to the fund at the balance sheet date and are included in creditors."

16. RELATED PARTY TRANSACTIONS

There were no related party transactions.

17. CONTINGENT LIABILITY

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 year from 13 June 2008, under the terms of the charge all or part of the grant can become repayable.