

THE CROSSNESS ENGINES TRUST



Unaudited Trustees Report and Financial Statements 31 October 2018

Charity Number 297585

HEDLEY DUNK LIMITED
Chartered Accountants & Registered Auditors
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 2018**

Trustees

J Austin (resigned 16 December 2017)
P Catterall (resigned 23 January 2019)
K J Macklen
A Neher
P Nelson
R J Parkinson
R D Turner (resigned 25 September 2018)
J G Warner
A M Williams
P Winders (resigned 23 April 2019)
V C Beswick (appointed 23 January 2019)

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
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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 2018 and covers progress in other areas to date.

The issue of asbestos during the financial year ending in October 2018 continued to dominate our activities. Subsequently, as a result of significant financial support from Thames Water Utilities, Cory Environmental and Historic England we have been able to engage contractors to remove asbestos in many areas of the Beam Engine House. There is more work to do but the Trust has done much in the last year to raise awareness of the issue amongst volunteers and to adopt an effective asbestos management plan.

As a result of the work done by March 2019 the Trust was in a position to re-open fully – just in time to mark the 200th anniversary of the birth of Sir Joseph Bazalgette. Our first open day on 31 March 2019 attracted more visitors than all the open days in 2018 and, since then we have also been able to generate income from commercial filming.

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. As a result the process of removal started only at the very end of the financial year

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 significantly. No tours through an arrangement with a commercial company have taken place during 2018 and no income from filming was generated during the year.

During the latter part of 2018 and the first quarter of 2019 the asbestos issue was, in large part, resolved. There are areas that still contain asbestos but these are not normally accessed by volunteers or visitors and are sealed. It is planned that these areas will be tackled once funding has been secured to cover the cost of the work.

Governance

Trust management

The Board of Trustees met formally fourteen times during the year 2017/2018.

Meetings have been concerned primarily:

- Resolution of the asbestos problem;
- Improving governance and developing a more effective organisational structure;
- Fundraising;
- Developing and promulgating a more rigorous approach Health and Safety.

During the year the Trust has continued to work on the project funded by the National Lottery Heritage Fund to look at organisation and structure and to develop a business plan but progress has been slow, in part due to the challenges relating to asbestos.

A lot of preparatory work has been done – the challenge now is to begin the process of implementing envisaged changes to organisational structure and to commit to a more rigorous approach to business planning.

Early in 2019 Professor Pippa Catterall stepped down as chair of the Board and very soon afterwards Pam Winders also left the Board, both of whom showed great commitment to supporting the Trust in achieving its objectives. We have begun the process of finding a new chair but, so far have not been successful.

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Health and Safety

As mentioned above we still have challenges around asbestos but are managing this within the Asbestos Management Plan and are communicating this outside of the organisation via the Outreach and Learning Officer in a Group Visitors Assessment.

To re-enforce the importance of the issue, Asbestos Awareness training was introduced for all and a number of volunteers have also undertaken certification for non-licensed asbestos works.

Beyond this the Board and Works Committee have devoted considerable time to considering how compliance with Health and Safety best practice can be applied to all areas of the Trust's activities.

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:

- the financial impact of asbestos removal
- developing a more rigorous approach to business and financial planning;
- 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;
- updating the management and maintenance plan to ensure that routine maintenance is undertaken.

Finance

For financial year 2017/2018 the Board 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.

The asbestos problem had a very significant impact on income. Open days and guided tours continued through the year although, because the Beam Engine House was closed, the cost of admission to visitors was halved. Even with reduced admission charges numbers of visitors were significantly lower.

Two important sources of income – filming and commercial coach tours – generated no revenue at all during the year.

Grants received during the year totalled around £392,000. This was made up of approximately £110,000 – the final payment relating to the Great Stink project, just over £16,000 – the second payment in advance of expenditure to support the work on organisation and structuring and around £16,000 covering the RANG project to lay track and restore rolling stock. £250,000 was also received during the year for the asbestos removal project.

Another significant income source was Gift Aid, the Trust not have claimed for a number of years.

On the expenditure side the most significant cost related to work done in relation to asbestos remediation (just in excess of £247,000) and with work done on landscaping as part of the Great Stink project (£69,600) Other significant expenditure related to salaries and associated costs (just under £30,000), telephones and Information technology, including the website (about £6200), fundraising (just over £6000) and insurance (about £5300).

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Trust Membership

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

PERIOD	2016/17	2017/18	TOTAL
New Members	26	70	96
Lost Members	(50)	(20)	(70)
Net TOTALS	(24)	50	26

While we are pleased to welcome all the new members, those we lose by not renewing their memberships are always a matter of regret. The majority are for understandable reasons – illness, death and loss of interest by moving away or into residential care. Another reason is the loss of contact through changes of postal or email address and phone numbers, despite follow-ups by all available means.

A few members join for a year but do not renew. This may be because, rather than the start of a continuing relationship, they see their fee as a one-off donation, possibly arising 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 2018, there has been a steady increase in membership applications, and we have been pleased to welcome a number of volunteers into our ranks although we still need to recruit to certain specific roles.

Current membership

TYPE OF MEMBERSHIP	Nos	% of adult membership
Life (Honorary/Life/Senior)	137	27.4
Individual	66	13.2
Family	79	15.8
Senior Citizen	199	39.8
Unwaged	6	1.2
Student	0	0
Reciprocal	13	2.6
Totals	500	100
Children	(under 18) (free)	9
GRAND TOTALS	509	

Visitors and outreach

Open Days/Guided tours

During 2018 we were unable to Steam Prince Consort and there was no access to the Beam Engine House were held in 2017. Visitor numbers for the year are shown below:

Date	Attendance	Date	Attendance
2018		2017	
14/04/2018	377	02/04/2017	905
20/05/2018	94	30/04/2017	470
17/06/2018	125	14/05/2017	150
15/07/2018	106	28/05/2017	350
12/08/2018	139	25/06/2017	494
23/09/2018	362	09/07/2017	165
		20/08/2017	470
		03/09/2017	78
		17/09/2017	175
		15/10/2017	0
		29/10/2017	0
Total	1203		3257

The last two open days in the calendar for 2018, scheduled for October, were cancelled because of the asbestos problem.

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In addition 537 people attended fifteen guided tours which are restricted to a maximum of 40 people.

Learning and Outreach

As reported last year delivery of the pilot STEAM (science technology, engineering, art, maths) programme for schools from May-July was a significant success despite the fact that the programme had to be taken out to schools rather than delivered at Crossness.

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 open. Despite this set back, participation numbers in Learning and Outreach activities continue to increase.

		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
Land O Year 2 (Engine House closed Oct 13- May 31)	June 1 2017 - May 31 2018	1107
L and O Year 3(Engine House closed Oct 13- May 31)	June 1 2017 - May 31 2018	1722

Conservation

Asbestos has continued to dominate the narrative this year. There has been no access to the Beam Engine House at all during the twelve months covered by this report which has severely reduced the Trust's ability to undertake refurbishment.

Asbestos has been removed from all areas accessible to visitors and volunteers but a big disappointment has been that the works were not as extensive as originally envisaged and the East Basement remains untreated and out of bounds.

The asbestos contractors moved out in time for restoration and maintenance work to complete allowing Prince Consort to run under steam as part of the Bazalgette's 200th birthday celebrations at the end of March.

Because of the asbestos problem, work on Victoria had come to a stop. Since we have been allowed back in work on the painting has proceeded at a rapid pace with much of the beam and ironwork having been primed Valve House

The Valve House project has continued apace with completion in July 2018. We now have, on display, a range of smaller pumps which can be operated using compressed air.

It has been open to the public for some time now and has been well received by the visitors.

Landscaping

A continuing concern has been the impact of subsidence on the areas around the buildings. A desk survey was carried out some time ago and, during the last few weeks Thames Water has commissioned a site survey. This is now underway.

Museum

We continue to work towards museum accreditation. The process has not been started formerly but the Collection Team has made significant progress in the last year:

- An emergency plan has been written and submitted to the Board for their approval.
- An emergency team created, and plans for training have been drafted.
- 147 items have been catalogued on MODES – the software we have installed for collections management.
- An inventory of 335 unaccessioned items has been completed
- 95% of items have been written in the accession register – only the plans are left to complete.
- A database of all the plans has been created and saved on the site computer system, with links to digitised plans.

Royal Arsenal Narrow Gauge Railway (RANG)

Good progress has been made on the railway project. The grant from the Enover Community Trust and a crowdfunding initiative have resulted in locomotive BUSY BASIL and a carriage being restored to working order, permitting a limited passenger operation being brought into service. The Office of Rail and Road have approved the running of a run "push/pull" operation until Lower Station complete.

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One hundred and ninety metres of track have now been laid and it is planned to lay a further 220 metres of track this year and to start work on the Lower Station to permit full operation from 2020.

As part of the 200th anniversary celebrations BUSY BASIL was renamed BAZALGETTE by Sir Peter Bazalgette on the 200th Anniversary of Sir Joseph's birth.

The RANG labour force continues to grow with 18 volunteers on books, most working a three day week.

External relations

The Trust continues to have 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 continues to support the Trust on the Health and Safety front.

Next steps - the year ahead

2018 has been a challenging year for the Trust but, having weathered the asbestos problem the future looks somewhat brighter. It is, however, is still challenging. Dealing with the asbestos, although partly funded by generous donations from Thames Water, Historic England and Cory Environmental, ate into the Trust's financial reserves leaving very little to support the day to day expenses incurred.

Since March 2019, though, it has been clear that the financial situation is improving. Our first open day with Prince Consort in steam for almost 18 months generated in excess of £14,000. Guided tours are fully booked and we have also been able to accommodate both filming and a resumption of visits by a commercial coach operator, both significant income sources.

This trend is likely to continue, allowing the Trust to turn its attention to a number of challenges including

1. dealing with the remaining asbestos;
2. completing the work required to bring about change to the organisational structure and the adoption of effective business planning;
3. resolving the issues relating to potentially unstable areas around the buildings;
4. seeking, with Thames Water, to agree a revised lease.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018

The Trustees present their annual report together with the financial statements of the company for the 1 November 2017 to 31 October 2018. 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 30 July 2019 and signed on their behalf by:



.....
J G Warner
Trustee

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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018

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 2018.

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 The Institute of Chartered Accountants in England & Wales, 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: 30/07/2019

Stephen M Fryer FCA

HEDLEY DUNK LIMITED
Chartered Accountants

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	392,925	16,294	409,219	126,417
Charitable activities	3	-	21,283	21,283	119,286
Other trading activities		-	2,084	2,084	11,311
Investments	4	-	14	14	38
TOTAL INCOME		<u>392,925</u>	<u>39,675</u>	<u>432,600</u>	<u>257,052</u>
EXPENDITURE ON:					
Raising funds		-	6,266	6,266	577
Charitable activities		544,131	34,780	578,911	202,965
TOTAL EXPENDITURE	7	<u>544,131</u>	<u>41,046</u>	<u>585,177</u>	<u>203,542</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between Funds	13	(151,206) 17,700	(1,371) (17,700)	(152,577) -	53,510 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(133,506)</u>	<u>(19,071)</u>	<u>(152,577)</u>	<u>53,510</u>
NET MOVEMENT IN FUNDS		<u>(133,506)</u>	<u>(19,071)</u>	<u>(152,577)</u>	<u>53,510</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>1,825,447</u>	<u>202,301</u>	<u>2,027,748</u>	<u>1,974,238</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,691,941</u></u>	<u><u>183,230</u></u>	<u><u>1,875,171</u></u>	<u><u>2,027,748</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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		1,813,317		1,852,767
CURRENT ASSETS					
Stocks		23,388		23,778	
Debtors	11	267,017		25,071	
Cash at bank and in hand		56,256		139,120	
		346,661		187,969	
CREDITORS: amounts falling due within one year	12	(284,807)		(12,988)	
NET CURRENT ASSETS			61,854		174,981
NET ASSETS			1,875,171		2,027,748
CHARITY FUNDS					
Restricted funds	13		1,691,941		1,825,447
Unrestricted funds	13		183,230		202,301
TOTAL FUNDS			1,875,171		2,027,748

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 30 July 2019 and signed on their behalf, by:



J G Warner

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

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

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.

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 2018**

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 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	600	16,294	16,894	14,221
Other grants	392,325	-	392,325	112,196
Total donations and legacies	392,925	16,294	409,219	126,417
Total 2017	112,196	14,221	126,417	

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**NOTES TO THE FINANCIAL STATEMENTS
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3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Restoration and maintenance of building and engines	-	21,283	21,283	119,286
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	<u> </u>	<u>119,286</u>	<u>119,286</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest received	14	14	38
	<u> </u>	<u> </u>	<u> </u>
Total 2017	<u>38</u>	<u>38</u>	

5. DIRECT COSTS

	Restoration and maintenance £	Total 2018 £	Total 2017 £
Purchases	245,802	245,802	30,305
Site facilities & operational costs	218,044	218,044	59,160
Health & safety costs	11,409	11,409	11,546
Office costs	6,421	6,421	7,400
Legal fees	660	660	225
Other professional fees	2,300	2,300	2,284
Advertising	3,500	3,500	561
Transport costs	3,000	3,000	-
Wages and salaries	29,919	29,919	25,000
National insurance	-	-	(227)
Pension cost	300	300	96
Depreciation	57,556	57,556	57,346
	<u>578,911</u>	<u>578,911</u>	<u>193,696</u>
	<u> </u>	<u> </u>	<u> </u>
Total 2017	<u>193,696</u>	<u>193,696</u>	

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

6. SUPPORT COSTS

	Restoration and maintenan £	Total 2018 £	Total 2017 £
Other professional fees	-	-	9,269
	<u> </u>	<u> </u>	<u> </u>
Total 2017	<u>9,269</u>	<u>9,269</u>	

During the year ended 31 October 2018, the company incurred the following Governance costs:
£NIL (2017 - £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 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	-	-	6,266	6,266	577
Costs of raising funds	<u> </u>	<u> </u>	<u>6,266</u>	<u>6,266</u>	<u>577</u>
Restoration and maintenance of building and engines	30,219	57,556	491,136	578,911	202,965
	<u>30,219</u>	<u>57,556</u>	<u>497,402</u>	<u>585,177</u>	<u>203,542</u>
Total 2017	<u>24,869</u>	<u>57,346</u>	<u>121,327</u>	<u>203,542</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	57,556	57,346
Pension costs	300	96
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2017 - £NIL).
During the year, no Trustees received any benefits in kind (2017 - £NIL).
During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

9. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	29,919	25,000
Social security costs	-	(227)
Other pension costs	300	96
	<u>30,219</u>	<u>24,869</u>

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

	2018 No.	2017 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 2017	1,983,047	341,078	2,324,125
Additions	-	18,106	18,106
At 31 October 2018	<u>1,983,047</u>	<u>359,184</u>	<u>2,342,231</u>
Depreciation			
At 1 November 2017	307,195	164,163	471,358
Charge for the year	39,661	17,895	57,556
At 31 October 2018	<u>346,856</u>	<u>182,058</u>	<u>528,914</u>
Net book value			
At 31 October 2018	<u>1,636,191</u>	<u>177,126</u>	<u>1,813,317</u>
At 31 October 2017	<u>1,675,852</u>	<u>176,915</u>	<u>1,852,767</u>

CROSSNESS ENGINES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

11. DEBTORS

	2018 £	2017 £
Trade debtors		
Gift aid reclaimable	262,236	12,416
Prepayments and accrued income	4,243	11,819
	538	836
	267,017	25,071

12. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors		
Other taxation and social security	159,699	10,329
Other creditors	235	404
Accruals and deferred income	150	30
	124,723	2,225
	284,807	12,988

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 November 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2018 £
Unrestricted funds					
General Funds - all funds	202,301	39,675	(41,046)	(17,700)	183,230
Restricted funds					
Landfill Tax Credit and English Heritage Fund	17,934	16,080	(16,080)	-	17,934
Low Carbon Programme	85,734	-	(10,169)	-	75,565
Restoration Project	1,721,779	126,245	(270,852)	17,700	1,594,872
Asbestos Removal Project	-	250,600	(247,030)	-	3,570
	1,825,447	392,925	(544,131)	17,700	1,691,941
Total of funds	2,027,748	432,600	(585,177)	-	1,875,171

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

13. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 November 2016 £	Income £	Expenditure £	Balance at 31 October 2017 £
General Funds - all funds	156,210	144,856	(98,764)	202,302
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>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 November 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 October 2018 £
General funds	202,301	39,675	(41,046)	(17,700)	183,230
Restricted funds	1,825,447	392,925	(544,131)	17,700	1,691,941
	<u>2,027,748</u>	<u>432,600</u>	<u>(585,177)</u>	<u>-</u>	<u>1,875,171</u>

SUMMARY OF FUNDS - PRIOR 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>



Registered Office: Thames Water – Old Works, Bazalgette Way,, London SE2 9AQ
A Company Limited by Guarantee: Registered in England No. 2141756
A Registered Charity: No. 297585