

THE CROSSNESS ENGINES TRUST



Unaudited Trustees Report and Financial Statements for the year ending 31 October 2019

HEDLEY DUNK LIMITED

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

CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

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CROSSNESS ENGINES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 OCTOBER 2019

Trustees	V C Beswick (appointed 23 January 2019, resigned 13 September 2019) P Catterall (resigned 23 January 2019) J T Foulds (appointed 6 August 2019) D J Hughes (appointed 25 October 2019) M Jones (appointed 25 October 2019) K J Macklen A Neher P Nelson R J Parkinson K M Ridley (appointed 6 August 2019) P Walters (appointed 6 August 2019) J G Warner A M Williams P Winders (resigned 12 April 2019) M R Hunt (appointed 30 March 2020)
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
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2019

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 2019 and covers progress in other areas to date.

The 2019 financial year was impacted significantly by the ongoing cost and building closure permitting removal of asbestos from our Grade I listed building. By March 2019 a significant amount of work had been completed, after a costs of over £500k, allowing the Trust to offer a full programme of events during the year. The asbestos problem has not disappeared – there is more to deal with but this is being managed effectively. The work was funded largely from generous support from Thames Water Utilities, Cory Riverside and Historic England.

The financial impact of this work was significant – all cash reserves were expended because of asbestos and that emphasized the importance of developing a business plan which would deliver financial resilience. However, the business planning process has again been interrupted – this time by the Covid-19 pandemic. This has emphasised the fragility of the Trust, and the need to build a strong foundation to achieve a robust and sustainable income for the future, allowing our conservation work to continue and providing enhanced visitor and volunteer enjoyment.

On the positive side, the Trust has been in receipt of emergency funding, bridging the gap in lost income in 2020. All costs have been reduced to the minimum for the time being, and we have a focus on re-opening with appropriate precautions – achieving the Good to Go mark in August 2020. Response from volunteers, donors and funders, has been magnificent. 2021 will be challenging.

Trust Organisation and Operations

The Board of Trustees met formally fourteen times during the year 2018/2019. Meetings have been concerned primarily:

- Resolution of the asbestos problem;
- Seeking ways to ensure that structural issues both within the Beam Engine House and across the site can be addressed;
- Addressing the challenges resulting from the depletion of financial resources as a result of the asbestos remediation programme;
- 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. Recently significant progress has been made. The challenge now is to continue the process of implementing envisaged changes to organisational structure and to commit to a more rigorous approach to business planning.

Structurally, to develop and become sustainable the Board has recognised that there needs to be a clear focus on operation challenges, and strategic/medium term business planning. To this end a Board proposal to restructure the management was approved in July 2020 – delivering a Trustee Board, and an Operational Board. Responsibilities for all legal and governance issues remain with the trustees, who will focus on the strategy, Trust sustainability over the coming years, and challenging and inspiring stakeholders and operational board. The Operational Board, will meet for the first time this year, and will take day to day responsibility for key areas including the development and delivery of the business plan, overseeing conservation and delivering education and visitor services.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

Health and safety

COVID-19

The pandemic has had a huge effect on the world, the UK, and every business, the Trust is no exception. Covid-19 caused a site lockdown in March 2020. The impact of this is a severe strain on the finances, with zero income from visitors and other activities, such as filming, until the end of July 2020.

Our first concern was to implement processes and ways of working which would allow those volunteers who come to site to work safely. Subsequently we turned our attention to what needed to be done to allow visitors to come to site, in the process achieving the Good to Go mark.

At the time of writing we have welcomed two visitor groups to site and later in August will run an open day – although it will be significantly different to previous open-days with visitor numbers being severely limited. Plans will remain flexible, with the aim always to open safely, to a maximum number of visitors and volunteers.

ASBESTOS

The asbestos removal contractors finished early in 2019 allowing the Trust to celebrate Sir Joseph Bazalgette's 200th birthday in March.

Three areas have remained out of bounds due to retained or suspected asbestos,). Further funding will be required to clear these areas.

We have acted positively regarding asbestos; an Asbestos Management Plan including the asbestos register and action plan is in place and this is updated regularly.

All volunteers have received Asbestos Awareness training and a limited number also took Notifiable Non-Licensed Work (NNLW) training to allow us to remove low risk asbestos items such as gaskets, brake shoes and pads in old electrical switchgear.

TRAINING

We had a good chance to review our skills need, qualifications and approval process for equipment and machinery use and implemented the following training:

- Asbestos Awareness and NNLW as mentioned above
- IPAF (cherry picker & static lifter)
- LOLER (fork lift, mini digger and dumper)
- PASMA (mobile scaffolding)
- Face Fit (for wearing protective masks as PPE)
- Abrasive Wheels

Our first aiders qualifications run until later in 2020 so no training was required.

ACCIDENTS

We had three accidents reported last year but there were no RIDDOR incidents or hospitalisations.

Conservation

The impact of the asbestos issue and the subsequent reduction in available funds have continued to have an impact. The arrival of the pandemic in the early part of this year has also introduced delay and created further challenges.

However work has again started on the restoration of Victoria and on the installation and commissioning of the new boiler.

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

The problems relating to brickwork around cast iron downpipes encased in the walls of the Beam Engine House has yet to be addressed but, with a gradual return to normality, we will be able to return to this topic.

More work has been done on the condition of the site below ground and we are continuing discussions with Thames Water on how this might be continued.

Royal Arsenal Narrow Gauge Railway

The railway has carried 1419 passengers since the operation started on June 23 2019 operating from the intermediate platform some 100 metres short of the end destination, with many positive comments from visitors.

Track laying is almost complete, thirty metres left to build to the final lower station, at the engine shed the loop platform is nearly complete.

Restoration work has started on our second carriage which incorporates wheelchair access.

New tool room has been constructed in the engine shed complete with donated lathe. All work has been carried out by our team of dedicated volunteers.

Avonside locomotive WOOLWICH (previously owned by Royal Gunpowder Mills) left site early in 2020 for restoration with its new owners Statfold Barn Railway, at Tamworth.

Learning and Outreach

Learning and Outreach audience engagement numbers have increased since the last report and so has the income generated for the Trust from L and O site visits by universities, specialist interest groups and University of the Third Age (U3A). The following table summarises the progress over the last few years:

	Total	Child	Student 18+	Adult	
1 Jun 15 – 31 May 16	113				Pre Learning and Outreach contract
1 Jun 16 – 31 May 17	676	222	190	264	L and O Year 1
1 Jun 17 – 31 May 18	1107	647	92	368	L and O Year 2

(Engine House closed 13 Oct - 31 May -Asbestos)

1 Jun 18 – 31 May 19	1722	863	111	748	L and O Year 3
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(Engine House closed 1 Jun – 28 Mar -Asbestos)

1 Jun 19 – 31 Mar 20	2159	1046	203	910	L and O Year 4 (Part)
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(COVID cancels from 16/3/20)

Offering these site visits on non-volunteer days, during the evenings and at weekends has been key to this continued growth. This has only been possible through the support of volunteers prepared to come in on these additional days and be the legally required second person on site.

Engineering for a Cleaner World' is our new STEM (Science, Technology, Engineering, Maths) learning offer for secondary schools and has been developed in partnership with Cory Riverside. The programme has been accredited by the Engineering Development Trust and focuses on the critical role of effective waste management in sustaining the health and well-being of people and the environment. Fortunately, just before the covid closure, we were able to pilot the programme with staff and Year 8 pupils from the Harris Academy in Thamesmead and evaluation gathered from participants was positive. The programme has now been marketed to key staff from all 16 secondary schools in Bexley with the aim of full engagement in the spring and summer terms 2021.

CROSSNESS ENGINES TRUST
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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

For Learning and Outreach, the post Covid world offers a new challenge to develop different ways to educate, entertain and inspire our audiences with the Crossness site and its stories.

Finance

For the accounts for financial year 2018/2019 the Board has again elected to seek an Independent Examiners Report rather than a full audit. The possibility of conducting a full audit has been raised in the past and was considered. However this is not an essential activity and it was considered unwise to commit additional funding to a full audit in the light of the impact that the Coronavirus has had on our ability to generate income.

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

Membership subscriptions for the year were just over £5200.

Grants received during the year included £130,000 from Cory Riverside towards asbestos remediation and in excess of £80,000 from Historic England. RANG also received a grant of over £13,000.

On the expenditure side the most significant cost related to work done in relation to asbestos remediation.

Other significant expenditure related to salaries and associated costs (just under £30,000), telephones and Information technology, including the website (about £7,300), fundraising and insurance (about £6,400)

Trust Membership

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

PERIOD	2017/18	2018/19	TOTAL
New Members	70	67	137
Lost Members	(20)	(32)	(52)
NET TOTALS	(50)	35	85

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

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

Current membership at 12/07/20

TYPE OF MEMBERSHIP	Nos	% of adult membership
Life (Honorary/Life/Senior)	141	28.42
Individual	66	13.31
Family	83	16.73
Senior Citizen	187	37.70
Unwaged	5	1.01
Student	1	0.21
Reciprocal organisations	13	2.62
TOTALS	496	100.00
Children (under 18) (free)	11	
GRAND TOTALS	507	

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CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

We currently have 132 Volunteers on our books. I am pleased to report that our Volunteer numbers have risen overall in the past year, and while COVID-19 caused a recruitment hiccup, our numbers have started to increase again, particularly in the Gardening Dept. but the revamp of the Bexley Volunteer Services Council has recently yielded several names. Notwithstanding, the Trust needs to review its Role Descriptions to make them more attractive to a wider number of potential Volunteers.

External relations

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

Next steps - the year ahead

A business plan has been developed to cover which concentrates on the three objectives of Recovery, ReFocusing and Rejuvenation. The focus for the Trust at present is 100% on Recovery. Core challenges are the development of a wider and more inclusive plan for volunteer recruitment / retention and development of our income streams.

The immediate needs are to continue the Recovery actions:

- Emergency funding bid
- Task Force action to develop short, & longer term consistent income streams
- Conservation work within financial constraints
- Local community engagement using learning and outreach, events, and volunteer recruitment
- Greater access to the heritage site
- Best in class visitor experience

For the medium term the Business Plan will Refocus and Rejuvenate. Key objectives are to:

- Develop a consistent series of Steam Festivals incorporating related or linked organizations.
- Development of community events - Eg: possible links/support for the growing cultural scene
- Expanded diversity in volunteers, membership, and management
- Museum Accreditation, will raise the standard of the Trust, enable access to funds we currently are excluded
- Recognition of Volunteers, Donors and key funding partners
- New Exhibition for wider visitor engagement

Key to this is focus on income streams, so the Trust can develop and enhance the investment in conservation, development programs; such as the museum & archive access, learning and outreach, and widening participation.

The immediate recovery actions and the Business plan will enable the Trust to flourish. However, the next 18 months will be difficult.

The longer term vision encompasses the progress in radically better environmental treatment of sewage, water scarcity, rising sea levels and climate change – all link very well with both the Trust, and the new Tideway tunnel – the 21st century version of Bazalgette masterpiece. To this end we will explore in our 10 year plan a development that captures the relevance of this work, the 'science of water' aimed specifically to share the benefits and impact of modern water treatment, to a wider, younger & environmentally aware audience.

Chairman
Date:

CROSSNESS ENGINES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

The Trustees present their annual report together with the financial statements of the Company for the year 1 November 2018 to 31 October 2019. 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 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Company 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 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**

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 revised in 2019. —

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



M Jones
(Trustee)

Date: 7 September 2020

CROSSNESS ENGINES TRUST
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

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 2019.

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 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: 7 September 2020

Stephen M Fryer
Hedley Dunk Limited

FCA

CROSSNESS ENGINES TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	242,265	31,757	274,022	409,219
Charitable activities	4	-	121,958	121,958	21,283
Other trading activities		-	12,663	12,663	2,084
Investments	5	-	95	95	14
Total income		<u>242,265</u>	<u>166,473</u>	<u>408,738</u>	<u>432,600</u>
Expenditure on:					
Raising funds		-	11,769	11,769	6,266
Charitable activities	6	303,056	139,738	442,794	578,911
Total expenditure		<u>303,056</u>	<u>151,507</u>	<u>454,563</u>	<u>585,177</u>
Net (expenditure)/income		<u>(60,791)</u>	<u>14,966</u>	<u>(45,825)</u>	<u>(152,577)</u>
Transfers between funds	16	<u>12,756</u>	<u>(12,756)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(48,035)</u>	<u>2,210</u>	<u>(45,825)</u>	<u>(152,577)</u>
Reconciliation of funds:					
Total funds brought forward		1,691,941	183,230	1,875,171	2,027,748
Net movement in funds		(48,035)	2,210	(45,825)	(152,577)
Total funds carried forward		<u>1,643,906</u>	<u>185,440</u>	<u>1,829,346</u>	<u>1,875,171</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
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BALANCE SHEET
FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	1,764,263	1,813,317
		<u>1,764,263</u>	<u>1,813,317</u>
Current assets			
Stocks	12	17,860	23,388
Debtors	13	22,456	267,017
Cash at bank and in hand		59,063	56,256
		<u>99,379</u>	<u>346,661</u>
Creditors: amounts falling due within one year	14	(34,296)	(284,807)
Net current assets		<u>65,083</u>	<u>61,854</u>
Total assets less current liabilities		<u>1,829,346</u>	<u>1,875,171</u>
Net assets excluding pension asset		<u>1,829,346</u>	<u>1,875,171</u>
Total net assets		<u><u>1,829,346</u></u>	<u><u>1,875,171</u></u>
Charity funds			
Restricted funds	16	1,643,906	1,691,941
Unrestricted funds	16	185,440	183,230
Total funds		<u><u>1,829,346</u></u>	<u><u>1,875,171</u></u>

The Company 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 07 September 2020 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Income

All income is recognised once the 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.

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

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

2.3 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Company 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 Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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

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

Depreciation is provided on the following basis:

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

2.5 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.

2.6 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.

2.7 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.

2.8 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 in the Statement of Financial Activities as a finance cost.

2.9 Financial instruments

The Company 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.10 Pensions

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

2.11 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.

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

3. Income from donations and legacies

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,819	31,757	33,576	16,894
Grants	240,446	-	240,446	392,325
Total 2019	242,265	31,757	274,022	409,219

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Restoration and maintenance of building and engines	121,958	121,958	21,283

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank Interest received	95	95	14
	<u>95</u>	<u>95</u>	<u>14</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Restoration and maintenance of building and engines	303,056	139,738	442,794	578,911
	<u>303,056</u>	<u>139,738</u>	<u>442,794</u>	<u>578,911</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Total funds 2019 £	Total funds 2018 £
Restoration and maintenance of building and engines	442,794	442,794	578,911
	<u>442,794</u>	<u>442,794</u>	<u>578,911</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Restoration and maintenance of building and engines 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	29,753	29,753	30,219
Depreciation	58,124	58,124	57,556
Purchases	268,158	268,158	245,802
Site facilities and operational costs	59,846	59,846	218,044
Health and safety costs	3,712	3,712	11,409
Office costs	17,620	17,620	6,421
Legal fees	2,043	2,043	660
Other professional fees	3,000	3,000	2,300
Marketing and publicity	538	538	3,500
Transport costs	-	-	3,000
Total 2019	442,794	442,794	578,911

Analysis of support costs

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £3,000 (2018 - £2,400).

CROSSNESS ENGINES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

9. Staff costs

	2019 £	2018 £
Wages and salaries	29,156	29,919
Contribution to defined contribution pension schemes	597	300
	<u>29,753</u>	<u>30,219</u>

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

	2019 No.	2018 No.
Staff	<u>1</u>	<u>2</u>

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

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 October 2019, expenses totalling £7668 were reimbursed or paid directly to 7 Trustees (2018 - £NIL to no Trustees)

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 November 2018	1,983,047	359,184	2,342,231
Additions	-	9,070	9,070
At 31 October 2019	<u>1,983,047</u>	<u>368,254</u>	<u>2,351,301</u>
Depreciation			
At 1 November 2018	346,856	182,058	528,914
Charge for the year	39,661	18,463	58,124
At 31 October 2019	<u>386,517</u>	<u>200,521</u>	<u>587,038</u>
Net book value			
At 31 October 2019	<u>1,596,530</u>	<u>167,733</u>	<u>1,764,263</u>
At 31 October 2018	<u>1,636,191</u>	<u>177,126</u>	<u>1,813,317</u>

12. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>17,860</u>	<u>23,388</u>

13. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	14,245	262,236
Prepayments and accrued income	856	538
Tax recoverable	7,355	4,243
	<u>22,456</u>	<u>267,017</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	11,390	159,699
Other taxation and social security	567	235
Pension fund loan payable	318	150
Accruals and deferred income	22,021	124,723
	<u>34,296</u>	<u>284,807</u>

15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	59,063	56,256
Financial assets that are debt instruments measured at amortised cost	14,246	262,236
	<u>73,309</u>	<u>318,492</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(14,390)</u>	<u>(265,401)</u>

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

16. Statement of funds

Statement of funds - current year

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

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

16. Statement of funds (continued)

Statement of funds - prior 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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,825,447	392,925	(544,131)	17,700	1,691,941
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	<hr/> 2,027,748 <hr/>	<hr/> 432,600 <hr/>	<hr/> (585,177) <hr/>	<hr/> - <hr/>	<hr/> 1,875,171 <hr/>

17. Summary of funds

Summary of funds - current year

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

CROSSNESS ENGINES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

17. Summary of funds (continued)

Summary of funds - prior 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>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,766,192	47,125	1,813,317
Current assets	194,473	152,188	346,661
Creditors due within one year	(268,724)	(16,083)	(284,807)
Total	<u>1,691,941</u>	<u>183,230</u>	<u>1,875,171</u>

19. 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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20. 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 £597 (2018 - £300). Contributions totalling £318 (2018 - £150) were payable to the fund at the balance sheet date and are included in creditors.

21. Related party transactions

There were no related party transactions within the reporting period that require disclosure.