



The Canal Museum Trust
Annual Report and Accounts

For the year ended 31st March 2003

Registered Charity No. 277484



1. Introduction

The Trust's charitable objectives concern the education of the public in regard to inland waterways, and our only activity is the management and development of the London Canal Museum.

The Trust is governed by its Constitution of 1979 and an Order and Scheme of the Charity Commission. The Council of Management controls the Trust's affairs. The members of the Council of Management are elected each year by all the members of the Trust at the annual general meeting. There are no paid staff.

The 2002-3 financial year was a year of consolidation, continued progress, and we began to see the real benefits of all the work of the previous two years as visitor numbers began to increase. We completed our infrastructure improvements, carried through a range of small improvements, and began the process of raising funds for a redevelopment of the first floor of the museum.

2. Completing the Infrastructure Refurbishment.

At the start of the 2002-3 financial year on 1st April 2002 builders were working to complete the final stages of the project to refurbish our toilets, kitchen, and education room, and to build a new disabled visitors' toilet, near the entrance on the ground floor. The Trust was delighted by the high quality facilities which were achieved as a result of this project.

3. Museum Development

During the financial year members of the Council of Management worked to secure funding for the refurbishment of the museum's first floor and its exhibitions. Plans were developed for a resurfaced floor, and for new exhibitions on several topics, building on the introductory ground floor exhibition. These efforts are expected to bear fruit during the following financial year when it is planned to progress a range of initiatives to further improve access for the disabled.



Plans were also progressed to install a lift to the first floor to make it accessible to disabled visitors using wheelchairs.

Whilst working towards these large developments the Trust also carried out some improvements with the benefit of small grants and its own resources. Two additional exhibition panels cover the decline of the canals and the revival in recent years, and we were grateful for financial support from the Inland Waterways Association for this project. A stand was installed to enable us to add a new "flip-book" offering additional information about the ice trade for those with a detailed interest. We upgraded the sound system in the cabin of the narrowboat Coronis so as to improve reliability. We purchased copies of and rights to display two unique

aerial photographs of Battlebridge Basin taken in 1921, to be used in new displays during the 2003-4 financial year.

Our main staircase was provided with a non-slip surface and tactile colour contrasting nosings as an aid to disabled visitors and for the safety of all users. There were enhancements to the building's emergency lighting.

The Council of Management took the decision to devote more of our income to the cleanliness of the new facilities and we entered into a contract with a local cleaning contractor for regular cleaning, and for an entrance door mat which is regularly cleaned.

4. Education

The Trust's education work continued during the year. Visits from local schools increased and co-operation with Laburnum Boat Club brought in several Hackney schools.

A notable success was again National Science week which this year became a fortnight because of the high demand. We were delighted to work with and receive support from British Waterways, Islington Business Education Partnership, and London's

Waterway Partnership. Children from local schools took boat trips on the canal and participated in science workshops, which drew on the museum's collection. Themes for the workshops included tunnel building, forces, as used in pulling boats, and canal creatures. On 8th March "Science Saturday" was successfully held at which the science activities were available to members of the public.



The museum hosted a local history initiative for Elizabeth Garret Anderson School for pupils at Key Stage 3. This was so successful that it is intended to develop the activity further.

Children's activity days were held in the summer holidays. These were attended by groups from Islington based play centres and families. Boat trips and "hands on" activities were offered. The Trust would like to thank British Waterways for their support with finance and staffing for these days.

Work was started on a "Victorian activity pack" at Key stage 2. This was in response to demands from teachers. The museum's building and collection are well suited to providing such resources. A new graphic panel devoted to canal children was designed as part of this initiative.

The website was considerably enhanced by the addition of education material. This includes suggestions for pre and post visit work which increases the value of the visit.

5. Maintaining the Fabric of the Building

We are fortunate enough to have stewardship of an interesting building with a unique heritage of Victorian ice wells. The need to maintain the building in good order is therefore a high priority for the long term future of the museum.

A range of minor repairs and small enhancements were undertaken at the end of the financial year, including repainting of the large Edwardian front sliding door which had not been redecorated since 1992. Minor improvements were made to prevent scraping on the brickwork.

Over several dates a range of painting and decorating was carried out with the help of the Community Service Volunteers under the supervision of the Trust. Most parts of the museum have now been recently decorated in this or other projects.

Plans started to be made for the replacement of the glazed doors and windows which form the back of the ground floor, looking out over Battlebridge Basin. The existing structure is life expired.

6. Finance

The year was a healthy one in terms of the Trust's financial position. The Trust's ordinary income, listed in the accounts as "activities for generating funds" was 33% higher than the previous year, at £60,474. All the four main income sources of admissions, shop revenue, mooring fees and venue hire showed increases. The reduction in the Trust's total income was wholly attributable to fluctuations caused by grants for capital projects. The Trust began the year with an overdraft at the bank, which was again attributable wholly to grant aided projects – this was cleared shortly after the end of the financial year when grants payable in arrears were received.

The venue hire operation had to a notable day in February when the museum was chosen for the launch of the government's annual report on sustainable development by the Prime Minister.

An important milestone in the Trust's financial history was passed shortly before the end of the financial year when the amount outstanding on the mortgage loan fell below £40,000. The original loan was £80,000 and we are delighted to have been able to reduce this by more than half. Predominantly repayments are made from the Trust's ordinary income but some is contributed by the Canal Museum Keystone Fund.

The Trust's policy in respect of reserves is to work towards a reserve of £10,000 held in an accessible interest bearing account. The purpose of the reserve is to provide for unplanned urgent expenditure. In particular, it is prudent, when operating a Victorian building, open to the public, to have sufficient reserves available for emergency building maintenance should the need arise. Whilst £12,906 was held in reserve at the end of the year, most was assigned to specific future projects for museum improvement rather than contingency purposes.

7. Visitors

Visitor numbers increased by 21% compared to the previous financial year. The number was 6745 excluding those visitors who came to the museum for a private event, estimated at a

further 3,000. The largest increase was of child visitors, over 1000 children more than in the previous year were recorded, mainly in school groups.

8. Collection Management

Work continued on improving the care of the collection, with particular regard to the archive collection. A dehumidifier was purchased for the library and archives as an aid to long term preservation of documents and photographs.

9. Risks

The Trust has a long record of surviving, on occasions through difficult periods. The major risks are the loss of key personnel and the possibility of a downturn in business in respect of our activities for generating funds. The Trust seeks to deal with these issues by forward planning so far as practicable.

10. Conclusion

2002-3 was a year in which the museum's underlying business expanded. Solid achievements of museum improvement started in the previous year were completed and further small enhancements were added. Planning began for the next stage of further major improvements. The Trust wishes to undertake a number of projects to improve access to the museum for disabled visitors including the ambulant disabled and those with impaired hearing or vision. In addition it is planned to redevelop the first floor gallery of the museum, complementing the ground floor, and improving the value of the museum as a resource for public education. Work will continue to market the museum, to attract schools and families, and to enhance the visitor experience.

Registered Charity Number 277484

THE CANAL MUSEUM TRUST

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003

CONTENTS

	Page
Legal and administrative information	a
Examiners report	b
Balance sheet	c
Statement of financial activities	d
Schedule of movement in funds	e
Notes	f



THE CANAL MUSEUM TRUST
LEGAL AND ADMINISTRATIVE INFORMATION
AS AT 31 MARCH 2003

Registered Charity Number: 277484

Chair: M Gwalter

Treasurer: M Sach

Trustees: M Gwalter
A Huntley
T Lewis
M Sach
R Squires
M Tucker
A Ward
V Pinder
W Davidson
M Stevens

Secretary: T Lewis

Address: 12-13 New Wharf Road
London
N1 9RT

Accountants: SBM & Co.
Chartered Accountants
117 Fentiman Road
Vauxhall
London
SW8 1JZ

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

Solicitors: Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE CANAL MUSEUM TRUST
FOR THE YEAR ENDED 31 MARCH 2003

We report on the accounts of the charity, set out on pages b to j.

Respective responsibilities of the Trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993(the Act) does not apply.

It is our responsibility to:

- Examine the accounts (under section 43(3)(a) of the 1993 Act);
- Follow the procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act;and
- State whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

1. which gives us reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act.

have not been met; or which, in our opinion,

2. attention should be drawn in order to enable an understanding of the accounts to be reached.

SBM & Co
Chartered Accountants
Registered Auditors
117 Fentiman Road
Vauxhall
London SW8 1JZ

_____ Date

THE CANAL MUSEUM TRUST

BALANCE SHEET

AT 31 MARCH 2003

	Note	2003		2002	
		£	£	£	£
Current assets					
Stocks	3	8,135		6,800	
Debtors	4	293		36,938	
Bank Accounts		18,148		6,828	
		<u>26,576</u>		<u>50,566</u>	
Creditors					
Amounts falling due within one year	5	7,838		31,122	
		<u>18,738</u>		<u>19,444</u>	
Net current assets			<u>18,738</u>		<u>19,444</u>
Total assets less current liabilities			<u>18,738</u>		<u>19,444</u>
Creditors					
Amounts falling due after more than one year	5		(47,247)		(57,448)
			<u>(28,509)</u>		<u>(38,004)</u>
Net liabilities			<u>(28,509)</u>		<u>(38,004)</u>
Capital funds					
Restricted funds			29		-
Unrestricted funds			(28,538)		(38,004)
			<u>(28,509)</u>		<u>(38,004)</u>
Total funds			<u>(28,509)</u>		<u>(38,004)</u>

Approved by the board of trustees on _____ and signed on its behalf

M Gwalter - Chairman

M Sach - Treasurer

The annexed notes form part of these financial statements.

THE CANAL MUSEUM TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2003

	Unrest'd Funds £	Rest'd Income Funds £	Total Funds 2003 £	Total Funds 2002 £
Incoming resources				
Donations, legacies & similar incoming resources	5,436	1,555	6,991	185,082
Incoming Resources from operating activities of the charity:				
Activities for generating funds	60,474	-	60,474	45,456
Investment income	167	-	167	209
Total incoming resources	<u>66,077</u>	<u>1,555</u>	<u>67,632</u>	<u>230,747</u>
Resources expended				
Costs of generating funds	12,661	-	12,661	3,230
Charitable expenditure:				
Costs of activities in furtherance of the charity's objects	34,762	-	34,762	150,125
Support costs	9,335	-	9,335	8,575
Resources expended on managing and administering the charity	1,379	-	1,379	1,219
Total resources expended	<u>58,137</u>	<u>-</u>	<u>58,137</u>	<u>163,149</u>
Net movement in funds	7,940	1,555	9,495	67,598
Gross transfers between funds (Note 5)	1,526	(1,526)	-	-
Total funds brought forward	<u>(38,004)</u>	<u>-</u>	<u>(38,004)</u>	<u>(105,602)</u>
Total funds carried forward	<u><u>(28,538)</u></u>	<u><u>29</u></u>	<u><u>(28,509)</u></u>	<u><u>(38,004)</u></u>

Details of Incoming resources and resources used are given in the notes to the financial statements.

THE CANAL MUSEUM TRUST
STATEMENT OF FINANCIAL ACTIVITIES
DETAILED ANALYSIS OF MOVEMENTS IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
General fund				
Balance B/fwd	(38,004)		(105,602)	
Surplus for the year	7,940		63,023	
Transfer from Keystone fund	1,526		4,575	
	<u> </u>		<u> </u>	
		(28,538)		(38,004)
Canal Museum Keystone Fund				
Donations	1,555		4,575	
Transfer to general fund	(1,526)		(4,575)	
	<u> </u>		<u> </u>	
		29		-
		<u> </u>		<u> </u>
Total funds at 31 March 2003		<u><u>(28,509)</u></u>		<u><u>(38,004)</u></u>

THE CANAL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1. Accounting policies

The accounts have been prepared under the historical cost convention.

Turnover

Income represents amounts receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

2. Historic and inalienable asset.

The Canal Museum Trust owns the freehold property in which the London Canal Museum is situated. In the absence of a professional valuation, the costs of obtaining which the trustees consider would outweigh the benefits to the Trust, the freehold property has not been capitalised in the financial statements.

In addition, the museums artifacts, exhibition materials and fittings are not capitalised but written off to income and expenditure in the year of purchase.

3. Stocks

	2003	2002
	£	£
Shop stock	8,135	6,800
	<u> </u>	<u> </u>

4. Debtors and prepayments

Amounts falling due within one year:

	2003	2002
	£	£
Debtors	293	1,647
Grants receivable	-	27,231
VAT recoverable	-	8,060
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	293	36,938
	<u> </u>	<u> </u>

THE CANAL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2003

5. Creditors

Amounts falling due within one year:-

	2003	2002
	£	£
Bank overdraft	-	23,771
Value added tax	1,087	-
Bank loan	6,000	3,600
Accruals and deferred Income	751	3,751
	7,838	31,122
	7,838	31,122

Amounts falling due after more than one year:-

Bank Loans	33,202	43,403
Other Creditors	14,045	14,045
	47,247	57,448
	47,247	57,448

The charity has made total bank loan repayments of £7,801 in the year (2002: £7,545). The Keystone fund contributed £1,526 (2002: £4,745) towards the repayment and this is shown as a transfer between the funds in the Statement of Financial Activities.

THE CANAL MUSEUM TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2003

6.	Incoming resources (General Fund)	2003 £	2003 £	2002 £
	Donations, legacies & similar incoming resources			
	Donations	2,417		2,269
	Other	719		2,870
	Grants (Note 11)	2,300		175,368
		<hr/>	5,436	<hr/>
				180,507
	Activities for generating funds			
	Shop receipts	15,835		13,080
	Admissions	7,598		4,952
	Moorings	4,684		4,332
	Museum Hire	31,925		22,344
	Subscriptions	432		748
		<hr/>	60,474	<hr/>
				45,456
	Investment income			
	Interest receivable	167		209
		<hr/>	167	<hr/>
				209
	Total incoming resources		<hr/> <hr/>	<hr/> <hr/>
			66,077	226,172
7.	Costs of generating funds	2003 £	2003 £	2002 £
	Stock brought forward	6,800		-
	Shop purchases	11,820		10,030
	Closing stock	(8,135)		(6,800)
	Costs associated with museum hire	2,176		-
		<hr/>	12,661	<hr/>
			<hr/> <hr/>	<hr/> <hr/>
			3,230	3,230

THE CANAL MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2003

8. Costs of activities in furtherance of charity's objects

	2003	2003	2002
	£	£	£
Buildings projects	12,238		117,710
Education projects	2,293		1,300
Conservation	524		1,103
Exhibitions	1,353		1,691
Equipments and artefacts	2,244		5,759
Repairs and maintenance	5,921		10,316
Light, heat, water & insurance	4,240		3,953
Safety and security	1,037		1,791
Cleaning	2,054		2,749
Bank loan interest	2,858		3,753
	<hr/>		<hr/>
		34,762	150,125
		<hr/> <hr/>	<hr/> <hr/>

9. Support costs

	2003	2003	2002
	£	£	£
Advertising	2,032		914
Catering	436		991
Printing and stationery	538		1,194
Postage	371		492
Subscriptions	217		257
Telephone	618		1,038
Travel	1,669		1,585
Sundry	3,454		2,104
	<hr/>		<hr/>
		9,335	8,575
		<hr/> <hr/>	<hr/> <hr/>

10. Resources expended on managing and administering the charity

	2003	2003	2002
	£	£	£
Accountancy	748		747
Bank charges	631		472
	<hr/>		<hr/>
		1,379	1,219
		<hr/> <hr/>	<hr/> <hr/>

THE CANAL MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2003

11. Grants receivable

	2003 £	2002 £
Education projects		
Donors:		
Groundwork	1,200	-
IBEP	600	-
Cripplegate	-	1,000
London's Waterway Partnership	<u>-</u>	<u>3,700</u>
	<u>1,800</u>	<u>4,700</u>
 Ground floor project (commenced 2000/01)		
Donors:		
Lottery Fund	-	32,016
London Waterways Partnership	<u>-</u>	<u>45,034</u>
	-	77,050
 Enhanced facilities (commenced 2001/02)		
Donors:		
Cripplegate	-	10,000
Headley Trust	-	28,500
Inland Waterways Association	-	805
London Waterways Partnership	<u>-</u>	<u>47,465</u>
	<u>-</u>	<u>86,770</u>
 Repair to roof		
Donor: Awards for All	<u>-</u>	<u>4,500</u>
 Other, non-specific grants		
Donors:		
BWB	400	-
Inland Waterways Association	100	-
Friends of London Canal Museum	-	260
Anonymous	<u>-</u>	<u>2,088</u>
	<u>500</u>	<u>2,348</u>
 Grants receivable-general fund	 <u>2,300</u>	 <u>175,368</u>