

Annual Report



WILTS & BERKS
CANAL TRUST



2017-18 Financial Year
October 2018



A year of consolidation

Roderick Bluh, Trust Chair

This time last year I was talking about a challenging year... and this year has been no different.

This year the senior management team of the Trust has been focused on consolidation of our financial resources and improvement in management processes.

We all know about the very significant cost overruns of the Studley Grange project and how very difficult it has been to manage the Trust's recovery from those project and financial/funding management errors, which led to the situation where the very survival of the Trust was at risk.

It has been the hard and consistently first-class work of our senior management team that turned that situation around. This together with the support of our members, and in particular the three members who were able to support the Trust in an exceptional way by providing medium term loans to allow the Trust time to regroup and consolidate: the Trust must repay these loans, a process, which has now started and will continue over the next four years.

The same errors had happened with two other projects, though on a smaller scale in 2014 to 2015, leading to an additional deficit of nearly £100,000.

The 2017-2018 accounts testify to the exceptional achievement of our senior management team in overcoming these challenges.

The Trustees have taken steps to ensure that this situation will not happen again: we will be vigilant in protecting the Trust. I sincerely hope that all members will support the Trustees and the management team in our work to safeguard the future of the Trust in this way.

These serious matters have led the Trustees to understand that it is only with the expertise provided by external Trustees and Advisors, who have previous charitable and business experience, who will work with our existing Trustees to fulfil the aims of our Charity. We will seek to recruit more Trustees and Advisors from outside our organisation and the restoration sector: we will listen very carefully to the advice and experience they bring to ensure that our Trust remains compliant with Charity Commission regulations and performs to best practice across a range of criteria.

Finally, I must record with sadness the passing of Sir William McAlpine. As our President he was a source of sound advice and provided the Trust with many contacts in the heritage restoration world: a great character who will be sadly missed.

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Cover image: The newly-opened canal section at Studley Grange



Success and challenges

Jonathan Till, Trust CEO

2018 has seen much change in the shape and resource of the Executive as we have introduced a revised organisational structure focused on the four major deliverables of the Trust: Sustainable Usage, Community Engagement, Commercial Operations and Land Acquisition & Restoration.

As an organisation we must focus on income streams to support all we do: and we must have these income streams largely coming from our own resources: sustainable as the jargon has it.

Restoration is our Trust's charitable aim: this work must be for the public benefit. The Transitions Project, which was all about demonstrating a measurable benefit via community engagement, also showed us that these activities can generate income for the Trust. We continue our work which provides much benefit to vulnerable groups in our community.

The Commercial Operations deliverable, by its nature, should and must generate significant levels of income for the Trust to undertake its charitable work. We are developing strategies to maximise our income from this source.

Sustainable Usage is the crucial maintenance of restored sections in an environmentally sensitive and creative way. This deliverable is a criterion for many funders. The waterway and towpath are increasingly used as a resource and an asset by many. Some of these uses attract income streams. We are developing strategies, and working with Community Engagement initiatives, to maximise these income streams for the Trust.

And of course, Land Acquisition & Restoration: only possible if we have sufficient resources including cash

resources, within the Trust to manage these activities.

These four deliverables are backed up by the staff functions. We also use Advisors for specific work streams, making use of specific talents and expertise.

I have reassigned people and roles to make best use of the talents available in the Trust to achieve the required sustainable income streams: we are a smaller Executive, with some individuals covering more than one role. We are however a more effective and cohesive team, who share aims and working practices.

2018 has seen a focus of implementing the Trustees' decisions about financial and process compliance. We have undertaken a significant piece of work improving the financial control systems, introducing a new accounting system, which allows transparent and efficient reporting of financial matters, and we have assisted the Treasurer in consolidating the banking protocols and rationalising the bank accounts. We have also undertaken a successful GDPR compliance exercise, including the establishment of a GDPR compliant integrated membership data base.

Budget constraints, a perennial concern in charities, led us to review the administrative resources of the Trust in March: a reorganisation to reduce costs led to one retirement and to one redundancy. These processes were carried out with external advice and were compliant with employment legislation.

August saw the second anniversary of our volunteer Peter Konitzer's tragic death while working on the canal restoration. We remain in contact with his family and we wait, with Peter's family, the outcome of the investigations into his death.

The formal opening of the Studley Grange section, 4 July 2018



Chair of Wilts & Berks Canal Trust, Roderick Bluh, Chair of Viridor Credits Board, Peter Renshaw, and fellow Trustee, David Robertson, together with Biffa representatives, Nick Emery, National Estates Manager and Dean Willett, formally opened this newly restored section of the Wilts & Berks canal.

WBCT Chairman Roderick Bluh said:

"This new section of the Wilts & Berks canal which we have completed in 2018 is an excellent example of the co-operation between the organisations who worked together to create this amazing and diverse canal and towpath environment, giving benefit to all who use it.

Biffa have been supporters from the very beginning of this project and, as our landlords, continue to support WBCT in many different ways.

It is another step completed on our march towards Swindon bringing the dream of a canal restored to connect the southern canal network with the Midlands nearer to reality.

Looking ahead, restoring the remaining 60 plus miles of canal is no small ambition. It is full of planning, engineering, water supply, financial, legal, land ownership, and maintenance and manpower issues. We know it is never easy nor is it immediate. The clear message today is that it can be done. When everyone

buys into the opportunities and benefits the canal brings and with all the necessary stakeholders working together, great things will happen."

The Trust's flagship project at Studley Grange, costing in excess of £0.80 million, involved the excavation of a new canal section between Chaddington Lane and Studley Grange, and the creation of a new wildlife trail along the towpath.

At Studley Grange we were able, with the support from generous funders including the Underwood Trust, Viridor Credits, People's Millions, Wiltshire Council Area Board, Inland Waterways Association, Crappers & Son Landfill Ltd, and members and supporters to create both a wonderful waterways habitat and an educational facility, a "towpath trail" designed to be a resource for local schools and youth groups.

The project was not without major challenges, and exposed the lack of professional project management expertise within the Trust and required essential process improvement work, which has now been completed on fundraising and financial processes. These challenges have been overcome: the Trust has learnt from the experience and is in a stronger position to manage other significant projects in the future.



The story started in 2014 when the Trust purchased the non-operational Peterborough Arms, a listed, former public house at Dauntsey Lock from the brewery, Wadsworth, for around £250,000: the purchase was made possible with the assistance of donations and a significant number of lenders under the 25-year, unsecured loan note issued by the Trust. Financial support came from both members and the general public.

The Trustees at the time had commissioned external professional advice and had decided that the neglected building could be restored as an operational canal-side pub providing a commercial income stream to support Trust costs. In this decision they were following the business model of other waterway restoration Trusts.



The Peterborough Arms became available for community use in 2016 and since January 2017, has been the base for the Trust's successful community engagement programme "The Transitions Project".

In May 2018, a planning application for the development of the Dauntsey Lock Canal Centre was successful, granted on a temporary basis. In August 2018 prolonged negotiations with a neighbouring landowner were concluded agreeing a change of access and allowing the construction of the DLCC and the landscaping of the canal-side garden to start.

The Trust has obtained professional advice concerning the possible legal arrangements available to operate the pub. The Trustees took the prudent decision to pursue a low risk/low income option for a limited time until we can assess the viability of the operation. In summer 2018 the Trust began the process of identifying suitable candidates to run the pub on a short-lease basis.

A three-to-five-year commercial lease was signed in September 2018 and the opening date, to be

The Peterborough Arms - a pub with beer, at last!



There were also plans to establish a canal-side office, visitors centre and information centre, the Dauntsey Lock Canal Centre (or "DLCC").

Lack of funding, together with lack of relevant project management expertise, stalled the project for two years.

In 2016 the new management of the Trust identified funding and organised funding events, and began the essential restoration needed to return the building back to an operational pub. At the same time the Trust office was moved to this location.

During the last two years and largely through volunteer efforts, the cellar, ground and first floors have been thoroughly and successfully refurbished. Planning permission and listed building consent has been obtained as required.

decided by the new publicans, is anticipated to be in October 2018.

The Trust will gain an annual income from the lease of the premises to support our administrative costs and provide a repayment plan for the 25-year, unsecured loans. The Trust will have the use of the newly developed DLCC to allow the community engagement programmes to expand, to make available community use space for local residents in addition to having office space for essential Trust administration.

This project has been another challenge faced by the Trust: one that has been successfully managed after some delay to a conclusion of the refurbishment phase. Now the Peterborough Arms is a pub with beer again, it is the responsibility of the tenants to ensure that it is operated successfully.

Statement of Accounts for the Year Ended 31st March 2018

Resources & Expenditure Year to 31st March 2018 (£)	Unrestricted funds	Restricted funds	Total this year	Total last year
Income				
Donations & legacies	234,445	127,746	362,191	545,056
Other trading activities	35,045	4	35,049	21,940
Investment income	45	-	45	38
Total income	269,535	127,750	397,285	567,034
Expenditure				
Raising funds	28,394	2,106	30,500	27,985
Restoration	39,815	94,499	134,314	457,673
Other	58,237	37,898	96,135	49,244
Total expenditure	126,446	134,503	260,949	534,902
Net income/ (expenditure)	143,089	(6,753)	136,336	32,132
Transfer between funds	62,538	(62,538)	-	-
Net movement in funds	205,627	(69,291)	136,336	32,132
Fund balances brought forward	21,238	229,813	251,051	218,919
Fund balances carried forward	226,865	160,522	387,387	251,051

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2018.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and

(b) implementing the provisions of 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 1st January 2015).

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act

2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective 1st January 2015).

Notes to the Financial Statements for Year Ended 31st March 2018

- These financial statements have been extracted from the set of accrual based report & accounts prepared for submission to the Charity Commission. An examination of those accounts has been carried out by our accountants, Morris Owen, in accordance with the General Directions given by the Charity Commissioners. A full set of those accounts is available on request for a small administration fee or from our website.
- The definitions of the categories of funds are as follows: Unrestricted - Those funds that the trustees should spend on any of the charity's purposes; Restricted - Those funds that the trustees are obliged to spend on only particular purposes.

Statement of Financial Activities for Year Ended 31st March 2018

Balance Sheet Year to 31st March 2018 (£)	Unrestricted funds	Restricted funds	Total this year	Total last year
Total fixed assets: tangible assets	590,034	-	590,034	519,407
Stocks	3,839	-	3,839	3,932
Debtors	20,865	-	20,865	35,836
Investments	-	130,301	130,301	873
Cash at bank	57,173	30,221	87,394	240,786
Current assets	81,877	160,522	242,399	281,427
Creditors: amounts falling due within one year	(30,046)	-	(30,046)	(43,783)
Net current assets/ (liabilities)	51,831	160,522	212,353	237,644
Total assets less current liabilities	641,865	160,522	802,387	757,051
Creditors: amounts falling due after more than one year	(415,000)	-	(415,000)	(506,000)
Net assets	226,865	160,522	387,387	251,051
Unrestricted funds			226,865	21,238
Restricted funds			160,522	229,813
Total funds			387,387	251,051

Financial stability, governance and compliance

In the last year we have implemented a robust reserves policy and now have an investment account only for restricted funds, we have introduced a SAGE accounting system allowing transparent and efficient management accounts reporting, we have improved and integrated membership records and administration systems ensuring that they are GDPR compliant. We have ensured Trust-wide GDPR compliant processes and that our communications and record systems

are best practice. We have audited CC8 ("Internal Financial Controls for Charities") compliance and introduced robust and compliant internal controls. We undertake Trustee and management training on Charity Commission compliance and public-benefit requirements and are working to ensure that the Trust culture reflects this new focus on compliance.

Our focus in 2018-2019 will be the development of sustainable income strands, moving the Trust away from reliance on grant income sources.

Strategic focus: on long stretches



It is the Trust's stated aim to focus on restoring long sections of canal: joining up Wichelstowe to East Wichel; Swindon to Royal Wootton Bassett; and the Kennet & Avon Canal to Pewsham. All grand projects requiring project planning, funding and delivery on an even greater scale than we have undertaken before at Studley Grange.

This focus will concentrate our resources on achieving significant stretches in water, allowing the development of commercial income strands to support sustainable usage, and delivering significant public benefit.

Destination Lacock

The Trust purchased land including the canal track at Queensfield near Lacock in 2018; plans are being developed to provide public access via footpaths and what will become the towpath when this section undergoes restoration. Public access will give benefit to the local community and visitors to the area, allowing them to walk avoiding a relatively busy minor road.

Double Bridge to the south of Pewsham Locks saw in 2018 the first boat under the bridge in over 100 years as another section was opened. This restored section of the canal is now 1.25 kms long, allowing access to walks in open countryside from the bottom of Pewsham Locks near Chippenham to the edge of Reybridge near Lacock – making this one of the longest stretches of navigable water to be restored in our waterways project.

Waterside Pewsham

An exciting concept introduced to the Board and Executive recently by the master planning team: a 3.4mile length of canal and canal side developments to include recreational, heritage and educational elements, incorporating the Pewsham complex of locks, dry dock and lock keeper's cottage. Trustees

recently approved the first stages of the access road: planning permission and funding will follow.

Royal Wootton Bassett to Swindon

The opening of the Studley Grange section has given focus to the challenges of joining up the Chaddington and Studley Grange sections, and making progress towards the M4. The Trust is in discussions with Swindon Borough Council about a joint road canal tunnel under the M4 as part of the national government funding of Swindon's infrastructure development.

Swindon

Contracted work funded by Swindon Borough Council is underway at Wichelstowe as part of the "Canalside" development. Planning permission has been given for a small enabling development at Croft Road in Swindon which will include the restoration of a short section of the canal. The Trust is in the planning phase of the work to join this section with the completed canal section at East Wichelstowe: this will include the construction of the first working lock along the length of the canal. The Trust continues its work with Swindon Borough Council and all its partners to protect the route through unrestored sections and to persuade developers that the restored canal will form an integral part of green infrastructure, add benefit and value to their development, and have a role in flood prevention and water management.





Land Acquisition and Sustainable Usage

The Trustees are clear that as a charity we must have long term protection for the funding used in all our work. Therefore, our work on land acquisition is through purchase and long-term lease agreements. The Executive implement agreed policies and procedures to ensure that project and maintenance work are undertaken within this framework. The Trust, with regret this year have decided not to continue with restoration work at Latton Basin as we were unable to agree a sufficiently long lease with the landowner to be able to use our charity funding on this section.

The Queensfield purchase completed in 2017-2018, the successful negotiation and renewal of a number of long term leases together with transfer of land from Wiltshire Council in the Royal Wootton Bassett area has increased our land holdings and access to the waterway for our restoration plans and for our community engagement and public benefit programmes. Good news as we look forward to more lease negotiations with landowners this

year, together with the transfer of additional land from Wiltshire Council and Swindon Borough Council in the future.

The other issue that the Trust must resolve as we change our focus to restore long sections of canal and get more and more sections completed, such as the one at Studley Grange recently, is that these sections need to be maintained: not only maintained, but managed

sensitively to achieve both the Trust's biodiversity targets and to allow more and more people from our communities to access our canal as a resource, whether on the towpath or in suitable places by boat, canoe, paddle board...

We will need more and more volunteers who are interested in, and take pride from, looking after the habitat, both the towpath and the water habitat, in addition to laying bricks, driving dumper trucks and digging.

A solution to this resource challenge will have to be found: it may be a combination of volunteer work, community work with other groups... and paid contractors.





Funding our work

Funding of our work has historically been through a mix of membership subscriptions and donations, public appeals, legacies and grants. With a contribution from small scale commercial activities.

The Trustees are aware that the essential core costs of the Trust (spent on the necessary administration to allow the restoration and public benefit work to be undertaken) has not received enough attention in the past in terms of identifying and making use of sustainable funding streams.

We are now focusing on developing these sustainable funding streams.

In 2017-2018 the Executive began a review process covering all our income-producing activities, identifying new opportunities and ensuring that our work is focused on supporting the Trust. This work will continue into 2018-2019 with a target of 50% of core costs being funded through Commercial Operations by December 2019.

New initiatives and new resources have been developed for merchandising and advertising, boat trips have been extended to three restored sections

of the canal and events and other public-facing activities are being reviewed to maximize income generation. A lease has been signed with tenants for the Peterborough Arms. All this in addition to our work to identify and bring in project funding.

Together with an increase in members subscription rates for the first time in 25 years, implemented with an emphasis on collection of subscriptions via direct debit, these initiatives are all part of the Trust's agreed fundraising strategy to achieve sustainable core funding streams of around £150k pa in 3 to 5 years' time.

In 2017-2018 we have brought in expert external fund-raising experience at both Board and Executive level, and are looking at business sponsorship, high impact events and funding bids using our successful community engagement model and environmental programmes. We have had success with bids to Aviva Community Fund and Garfield Weston Foundation in 2017-2018.

The Trust thanks all our supporters, donors, sponsors and customers for all their support during the last year.



Our work is supported by many individuals and groups: our stakeholders include landowners, funders, donors, statutory agencies, local authorities... as well as our members.

The Trust has determined to make communication with all these groups a priority in our future work, and to use the multiple communication methods available to us to ensure that our contact is timely and effective.

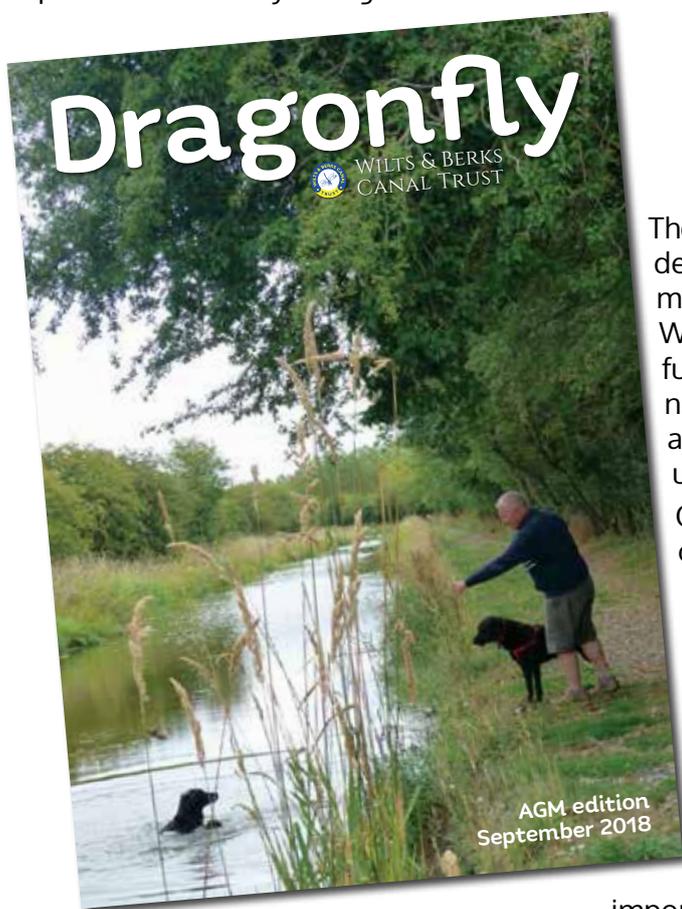
We organised a successful VIP opening day at Studley Grange and have other high impact events in the planning stage.

Support for the Trust

Our social media success has continued with increasing Facebook page likes, reach and engagement. Analysis shows us that this support base is a younger and gender-balanced cohort and we seek to engage with this and other cohorts to change our membership demographic.

We have changed the format and style of our Trust publication "Dragonfly" to target a younger demographic of supporters.

Long overdue management focus on how to attract and retain new membership, and how to turn around our high churn figures is a priority, as is the provision of a compliant and effective membership administration service. We have brought in external resources to help us identify and implement necessary changes here.



The volunteer role in the Trust is changing with our aging demographic, and at moment only an estimated 250 of members volunteer (less than 10% of our 2,700 membership). We will focus on the volunteer role in sustainable usage and fundraising from 2018 and seek to attract more support, not necessarily all via membership: community groups and contracted services will all be considered to help us undertake necessary work.

Our major communication challenge, as with many organisations, remains internal communication. We have in the last two years implemented and now operate many communication GDPR compliant systems including activity reporting via a website, cascade communication via management tiers, the Trust e-newsletter, On The Button, the Trust website, the Trust Facebook page, Trustee quarterly open forums... all in addition to our Trust publication, Dragonfly and our AGM.

This year has seen an increasing problem with blockages of communication going to members in general and to important "on the ground" teams. This has highlighted the need to communicate effectively changes in working practices for which new and robust procedures have been introduced.

Management focus, both in 2017-2018 and ongoing, will be to identify these blockages and seek to increase the effectiveness of our internal communication.



Patron	HRH The Duchess of Cornwall	
President	Vacant following the death of The Hon Sir William McAlpine Bt	
Vice-Presidents	Neil Rumbol (founder) Roger Crapper John Laverick General Sir Wilsey GCB, CBE, DL	
Trustees	Roderick Bluh Sheila Wade Brian Stovold Steve Bacon Colin Fletcher Gordon Olson Sue Cooper	Chairman Treasurer Vice Chairman IWA appointee
Executive Committee	Jonathan Till Patricia Clements Dave Maloney Andrew Matters Jock MacKenzie	CEO
Advisors	Dave Cook Neil Croucher Sheila Wade	



It's time to inspire and excite...
 It's time to put the canal at the heart of everyday life...
 It's time to create an environment both we, and our children can be proud of.



WILTS & BERKS
CANAL TRUST

