



**Annual Report and Accounts
For the year ended 31st March 2005.**

The Canal Museum Trust

Registered Charity No 277484



Trustees report for the year ended 31st March

The museum enjoyed another successful year with a range of important achievements. Highlight of the year was the official opening, on 22nd July 2004, of the museum's new "Horse Power" exhibition.

The Horse Power exhibition was the culmination of a great deal of work on the part of trustees and volunteers. It comprises a reconstruction of a stable stall as built in the building in 1906. The stable is occupied by a life-sized model horse that has been much admired for its attractiveness and realism. Accompanying the stable exhibit is an exhibition telling the story of the horse as a source of motive power on London's canals and on the streets. Those stabled in the building were cart horses rather than canal horses. No other London museum has an exhibition about goods transport by horse in London during the 19th Century. The exhibition includes a new state of the art display case, new wall panels, and a "flip-book" of laminated sheets offering



additional detail for those visitors who wish to delve more deeply into the fascinating world of the working horse.

The exhibition has been well received by visitors who seem to love the horse and the stable sound effects which are played when a visitor approaches. Feedback has been positive and the Trust believes the new exhibition has greatly enhanced the museum's educational value.

The trust was also pleased to have been able to pass on the stable stall previously exhibited to another Registered Museum for future use.

Legal Issue – Planning

Another major development was the resolution of a long running dispute between the local planning authority and the trust concerning the museum's private hire operations. Although certain details remained to be finalised the passing of a resolution by the Council's Planning Committee (West) was a turning point. This resolution approved a negotiated agreement whereby the Trust agreed to a set of limits and controls on private events, especially those running until late in the evening. The Trust spent over £10,000 on the costs of preparation for a planning appeal and other advice; however an income of around £30,000 per annum was safeguarded by this expenditure and the solution.

In a separate initiative not required by the agreement with the Council the Trust installed an electronic sound limiter system that assists in controlling the level of noise during private events.

Special Events

During the year a number of special events were held in the museum. In May an "Ice Saturday" was well attended with over one hundred people being escorted under carefully controlled conditions down into the ice wells, and enjoying Victorian ice cream making demonstrations and other attractions. We welcomed the Mikron Theatre Company once again for two summer performances. The company tours the canal system by boat, bringing live theatre to many unusual performance venues. In March a special day of science related educational activities took place and in October a Family activity day was held with boat trips and other family friendly activities.



The Building



The Trust continued to care for the historic building and its visitors by attention to the maintenance of the building. The education and conference room was redecorated and fitted with new carpeting and a local architect was appointed for a much larger project to replace the ageing and deteriorating glazed screen at the rear of the ground floor gallery.

Education

Our pattern of school visits continued throughout the year, with increasing success in persuading teachers to visit us for a planning meeting before such a visit, which made for significantly more successful visits.

At the beginning of the year under review, the Creative Canals Project, in which we are partners with the Science Museum, the Beauchamp Lodge Settlement (operators of the floating classroom *Beauchamp*) and others was due to have come to an end. Because there had been problems caused by lock stoppages, the Department of Culture, Media and Sport (who fund the project) extended the time scale. When the project was reviewed, DCMS was so impressed with its success that the funding was extended, albeit at a reduced level, into a second phase which continued for the rest of the year and beyond. This reduced funding had the effect that while we had a similar number of visits from project-organised groups, each was shorter in duration and

involved fewer people. This second phase has concentrated on the youngest groups of schoolchildren and on community groups for the elderly.

Our programme of evening illustrated talks for adults continued throughout the year and we also provided a programme of guided towpath walks.



In October 2004 we participated for the first time in Family Learning Week, by staging a family activity day on a Saturday. This was a small beginning to what we hope will be a growth area.

During the summer a series of Children's Activity Days were again held with great success. Children were able to take a short boat trip and experience educational activities such as traditional craft decoration.

At the end of the year under review, we were part-way through the selection process that was to lead to the appointment of our Education Development Officer.

Marketing

The museum participated once again in a 2 for 1 promotion with the Association of Train Operating Companies and won an award from them for improved customer service. The successful promotion brought many more visitors into the museum.

The museum's website continued to attract a large number of users with around 25,000 individual users being a typical monthly figure.

We attended the annual Cavalcade and Angel canal festivals with a sales and promotion stand, to raise the museum's profile and generate shop sales.

A long-running negotiation to have extra street signs installed was concluded with a number of additional brown signs being fitted by the Council at the museum's expense. For the first time we had a stand at Excursions, the most important exhibition for group travel organisers.



At 31st March 2005 the annual number of visitors stood at 11,371 including those attending private events and visiting our shop in its own right. This was a very small reduction on the figure for 31st March 2004. A record programme of events was planned for 2005 to attract more visitors to the museum.

Grants

During the year grants were received of

- £3000 from the Adapt Trust towards our project for increasing accessibility of the museum for disabled visitors
- £25,000 from the Heritage Lottery Fund at the very end of the financial year for the planned Education Development Officer post and project which will be reported on in next year's Annual Report.
- £500 from the London Borough of Islington for educational work.

Care of Collection

We made good progress during the year as we continued to preserve and protect our collection in accordance with best practices. When reviewed by Archives Libraries and Museums London, we were given a favourable report.

The library was redecorated and a complete new set of shelves for our growing collection of books and magazines was added.

Our artefacts are gradually being identified, marked and protected. One of the main areas has been the glassware recovered from the ice well. It is interesting to note that we have a good collection of Victorian scent bottles from this excavation.

A project to standardise our loans policy was undertaken during the year and significant progress was made. Where possible the objective was to convert loans into gifts but, failing that, to agree loans for a minimum of 5 years.

Venue Hire

The museum's venue hire continued to generate a healthy income for the museum and to draw in guests and delegates at private events who might never otherwise have been aware of the museum or the inland waterways of London. The restrictions agreed with Islington Council adversely affected the revenue potential of the business but the museum's growing reputation as an attractive venue for events ranging from wedding receptions to committee meetings meant that income was slightly increased.

APPENDIX
CHARITY REGISTERED NUMBER: 277484

THE CANAL MUSEUM TRUST

ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

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THE CANAL MUSEUM TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

AS AT 31 MARCH 2005

Registered Charity Number: 277484

Chairman: M Sach

Treasurer: A Jessup

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

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 2005

We report on the financial statements which are set out on pages c to i.

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 state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, 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 Act; and
- to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act

have not been met; or

2. To which, in our opinion, attention should be drawn in order to enable an understanding of the accounts to be reached.



S B M & Co
Chartered Accountants
Registered Auditors
117 Fentiman Road
Vauxhall
London
SW8 1JZ

Dated: 21/11/05

THE CANAL MUSEUM TRUST

BALANCE SHEET

AT 31 MARCH 2005

	Note	2005	2004
		£	£
Current assets			
Stocks	2	11,363	8,190
Debtors	3	1,906	4,611
Bank Accounts		55,170	41,800
		<hr/>	<hr/>
		68,439	54,601
Creditors			
Amounts falling due within one year	4	9,622	15,069
		<hr/>	<hr/>
Net current assets		58,817	39,532
		<hr/>	<hr/>
Total assets less current liabilities		58,817	39,532
Creditors			
Amounts falling due after more than one year	4	(30,312)	(39,463)
		<hr/>	<hr/>
Net assets		28,505	69
		<hr/>	<hr/>
Capital funds			
Restricted funds		-	-
Unrestricted funds		28,505	69
		<hr/>	<hr/>
Total funds		28,505	69
		<hr/>	<hr/>

Approved by the trustees on

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M Sach – Chairman

21st November 2005
A Jessup - Treasurer

The annexed notes form part of these financial statements.

THE CANAL MUSEUM TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2005

	Unrest'd Funds £	Rest'd Income Funds £	Total Funds 2005 £	Total Funds 2004 £
Incoming resources (Note 5)				
Donations, legacies & similar incoming resources	31,555	651	32,206	101,392
Incoming Resources from operating activities of the charity:				
Activities for generating funds	68,737	-	68,737	65,769
Investment income	794	-	794	294
Total incoming resources	<u>101,086</u>	<u>651</u>	<u>101,737</u>	<u>167,455</u>
Resources expended				
Costs of generating funds (Note 6)	12,079	-	12,079	26,004
Charitable expenditure:				
Costs of activities in furtherance of the charity's objects (Note 7)	51,463	-	51,463	102,504
Support costs (Note 8)	8,492	-	8,492	9,174
Resources expended on managing and administering the charity (Note 9)	1,267	-	1,267	1,195
Total resources expended	<u>73,301</u>	<u>-</u>	<u>73,301</u>	<u>138,877</u>
Net movement in funds	<u>27,785</u>	<u>651</u>	<u>28,436</u>	<u>28,578</u>
Gross transfers between funds	651	(651)	-	-
Total funds brought forward	<u>69</u>	<u>-</u>	<u>69</u>	<u>(28,509)</u>
Total funds carried forward	<u><u>28,505</u></u>	<u><u>-</u></u>	<u><u>28,505</u></u>	<u><u>69</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 2005

	2005		2004	
	£	£	£	£
General fund				
Balance brought forward	69		(28,538)	
Surplus for the year	27,785		26,823	
Transfer Keystone Fund	651		1,784	
	<hr/>		<hr/>	
Balance carried forward		28,505		69
 Canal Museum Keystone Fund				
Balance brought forward	-		29	
Surplus for the year	651		1,755	
Transfer to general fund	(651)		(1,784)	
	<hr/>		<hr/>	
Balance carried forward		-		-
 Total funds at 31 March 2005		<hr/> 28,505 <hr/>		<hr/> 69 <hr/>

THE CANAL MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

1. **Accounting policies**

The accounts have been prepared under the historical cost convention.

Incoming resources

All incoming resources are included in the Statement of Financial Activities on a receivable basis.

Stocks

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

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

2. **Stocks**

	2005	2004
	£	£
Shop stock	11,363	8,190
	<u> </u>	<u> </u>

3. **Debtors and prepayments**

Amounts falling due within one year:

	2005	2004
	£	£
Debtors	1,706	1,491
Prepayments	200	-
VAT recoverable	-	3,120
	<u> </u>	<u> </u>
	1,906	4,611
	<u> </u>	<u> </u>

THE CANAL MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2005

4. **Creditors**

Amounts falling due within one year:-

	2005	2004
	£	£
VAT payable	312	-
Bank loan	6,000	6,000
Accruals and deferred income	3,310	9,069
	<hr/>	<hr/>
	9,622	15,069
	<hr/> <hr/>	<hr/> <hr/>

Amounts falling due after more than one year:-

Bank loan	16,267	25,418
Other creditors	14,045	14,045
	<hr/>	<hr/>
	30,312	39,463
	<hr/> <hr/>	<hr/> <hr/>

The charity has made total bank loan repayments of £9,151 in the year (2004-£7,784). The Keystone fund contributed £651 (2004:£1,784) 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 2005

5. **Incoming resources**

	2005 £	2005 £	2004 £
Donations, legacies & similar incoming resources			
<i>General fund</i>			
Donations	2,670		2,329
Other	385		560
Grants	28,500		96,749
	<hr/>		<hr/>
		31,555	99,638
<i>Keystone fund</i>			
Donations		<u>651</u>	<u>1,754</u>
		32,206	101,392
 Activities for generating funds			
Shop receipts	18,477		18,285
Admissions	14,826		9,306
Moorings	5,609		4,899
Museum Hire	29,614		27,569
Subscriptions	211		310
Facility fees	-		5,400
	<hr/>		<hr/>
		68,737	65,769
 Investment income			
Interest receivable	794		294
(2004 includes £1 received by Keystone fund)	<hr/>		<hr/>
		794	294
 Total incoming resources		<hr/> <hr/>	<hr/> <hr/>
		101,737	167,455

6. **Costs of generating funds**

	2005 £	2005 £	2004 £
Shop purchases (net of stock movement)	11,372		11,787
Costs associated with museum hire	707		14,217
	<hr/>		<hr/>
		12,079	26,004
		<hr/> <hr/>	<hr/> <hr/>

THE CANAL MUSEUM TRUST

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2005

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

	2005	2005	2004
	£	£	£
Development of building and displays	27,524		75,534
Education projects	2,300		2,101
Conservation	940		5,216
Exhibitions	648		319
Equipment and artefacts	1,449		1,420
Repairs and maintenance	4,870		5,323
Light, heat, water & insurance	5,249		4,946
Safety and security	2,372		1,194
Cleaning	4,119		4,225
Bank loan interest	1,992		2,226
	<hr/>		<hr/>
		51,463	102,504
		<hr/> <hr/>	<hr/> <hr/>

8. Support costs

	2005	2005	2004
	£	£	£
Advertising	3,028		3,798
Catering	828		881
Printing and stationery	855		467
Postage	288		349
Subscriptions	139		221
Telephone	719		754
Travel	1,285		1,007
Sundry	1,350		1,697
	<hr/>		<hr/>
		8,492	9,174
		<hr/> <hr/>	<hr/> <hr/>

9. Resources expended on managing and administering the charity

	2005	2005	2004
	£	£	£
Resources expended on managing and administering the charity			
Accountancy	750		750
Credit card charges	517		445
	<hr/>		<hr/>
		1,267	1,195
		<hr/> <hr/>	<hr/> <hr/>