

THE KENNET & AVON CANAL TRUST
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

Company Registration Number 726331



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THE KENNET & AVON CANAL TRUST

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FOR THE YEAR ENDED 31ST DECEMBER 2002

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THE KENNET & AVON CANAL TRUST

LEGAL AND ADMINISTRATIVE INFORMATION **FOR THE YEAR ENDED 31ST DECEMBER 2002**

Constitution

The Kennet & Avon Canal Trust is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Directors and Trustees

The directors of the charitable company are also its trustees for the purpose of charity law. As set out in the Articles of Association, one third of the trustees shall retire from office at the Annual General Meeting. A retiring trustee is eligible for re-election. Trustees are elected by the members of the charitable company attending the Annual General Meeting and serve for a period of three years.

The trustees serving during the year and since the year end are shown below. Attendances at Council meetings are also shown, the maximum number of meetings eligible to be attended is shown in brackets.

D Copley	4(4)		D Jupp	4(4)
MDavis	2(4)		R Knowles	4(4)
G Dewhurst	1(2)	appointed 24.09.02	D Lamb	4(4)
P Dunn	2(2)	appointed 24.09.02	MLee	3(4)
J Elwell	2(4)		B Oram	4(4)
WFisher	4(4)		A Padwick	3(4)
J Forbes	4(4)		B Poulton	0(4)
C Hackford	2(4)		D Saady	4(4)
J Heffer	4(4)		N Skeet	0(0) resigned 27.04.02
G Horn	0(2)	resigned 27.04.02	P Smith	0(2) resigned 27.04.02

Secretary

Miss F. de Rhe-Philippe

Registered Office

Wharf Centre, Couch Lane, Devizes, Wiltshire, SN10 1EB

Auditors

David Owen & Co, 17 Market Place, Devizes, Wiltshire, SN10 1BA

Bankers

Lloyds TSB, 38 Market Place, Devizes, Wiltshire

Company Number

726331

Registered Charity Number

CC209206

THE KENNET & AVON CANAL TRUST
A Non-Profit Making Trust Registered As A Charity

REPORT OF THE COUNCIL TO THE MEMBERS
FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report to the members, together with the financial statements of the company for the year ended 31st December 2002 .

Legal and administrative information is set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is the restoration, maintenance and promotion of the Kennet and Avon Canal as a through route from Reading to Bristol to serve as a multi-functional amenity.

REVIEW OF OPERATIONS

The company continues to support British Waterways in its various initiatives to restore and improve the canal. Leverage of Landfill Tax grants from various operators maximises the effect of Trust contributions and payments were made during the year to achieve grants for the restoration of Dundas Aqueduct and towards the ongoing improvement of the waterway. It is likely that the company will be called upon to support further restoration works following the completion of the HLF project as significant additional works have been identified during restoration.

The Trust's principal asset, Crofton Pumping Station, continues to require investment to maintain and improve both building and engines. Visitors facilities have been further improved and HLF funding has enabled the Trust to acquire a much needed car park for the attraction.

The museum at Devizes now displays one of the very few remaining Brindley Stop Gates in the country - a marvellous piece of 19th Century engineering retrieved from the bed of the canal near Winsley during restoration. Museum staff are also co-operating with Wiltshire County Council and others on a major heritage project on the internet.

The wholly owned trading subsidiary of the company, The Kennet & Avon Canal Trust (Enterprise) Ltd continues to trade profitably, making a charitable donation to the Trust of £14,811.

FUTURE DEVELOPMENT

The wellbeing of the waterway will continue to require considerable input from the Trust to enable ongoing restoration, improvement of facilities and better public interpretation. More work will also be needed to restore and maintain Crofton and Claverton Pumping Stations. The Trust welcomes the progress being made on the restoration of neighbouring canals and will be lending its full support.

ORGANISATION

A board of trustees of between 5 and 21 members, who meet five time a year, administers the charity. The Treasurer and Company Secretary oversee the day to day running of the charity. The trustees of the company receive no remuneration and do not have any pecuniary interests in the company.

THE KENNET & AVON CANAL TRUST
A Non-Profit Making Trust Registered As A Charity

REPORT OF THE COUNCIL TO THE MEMBERS
FOR THE YEAR ENDED 31ST DECEMBER 2002 - CONTINUED

RISK REVIEW

The Board of Trustees has conducted its own review of the major risks to which the charity is exposed and systems have or are being established to mitigate those risks.

RESERVES

The charity's reserve policy is to maintain a minimum level of unrestricted reserves equivalent to approximately one years running costs. This policy had been achieved by the Balance Sheet date.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgments and estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

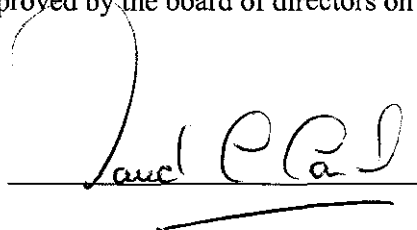
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 22nd April 2003 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Paul C. C. S.', is written over a horizontal line.

CHAIRMAN

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE KENNET & AVON CANAL TRUST**

We have audited the financial statements of The Kennet & Avon Canal Trust for the year ended 31st December 2002 which comprise of Statement of Financial Activities, Summary of Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors (who also act as trustees for the charitable activities of the Kennet and Avon Canal Trust) are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31st December 2002 and of the groups incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Company's Act 1985.

17 Market Place
Devizes
Wiltshire



DAVID OWEN & CO

**CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR**

22nd April 2003

THE KENNET & AVON CANAL TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>Notes</u>	<u>Unres- tricted</u> £	<u>Rest- ricted</u> £	<u>Total 2002</u> £	<u>2001</u> £
<u>INCOME AND EXPENDITURE</u>					
INCOMING RESOURCES					
Donations and gifts	2	14,964	-	14,964	15,037
Activities to further the Charity's Objects:					
Grants	3	5,582	2,719	8,301	37,301
Other income		89	-	89	133
Activities to generate funds:					
Subscriptions		45,616	-	45,616	43,740
Admissions		25,291	-	25,291	18,155
Fundraising income		20,372	-	20,372	21,372
Butty sales		5,950	-	5,950	5,881
Rental income		15,156	-	15,156	11,021
Investment income:					
Bank and deposit interest		1,274	-	1,274	2,192
Trading subsidiary income	4	251,875	-	251,875	262,981
TOTAL INCOMING RESOURCES		<u>386,169</u>	<u>2,719</u>	<u>388,888</u>	<u>417,813</u>
RESOURCES EXPENDED					
Cost of Generating Funds					
Fundraising and publicity	5	34,668	-	34,668	29,224
Charitable Expenditure					
Grants payable in furtherance of the charity's objects	6	10,681	-	10,681	107,300
Cost of activities in furtherance of the charity's objects and support costs	7	57,363	2,983	60,346	56,373
Management & administration costs	8	19,006	-	19,006	20,257
Trading subsidiary expenditure	4	221,245	-	221,245	228,640
TOTAL RESOURCES EXPENDED		<u>342,963</u>	<u>2,983</u>	<u>345,946</u>	<u>441,794</u>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR BEFORE TRANSFERS					
		43,206	(264)	42,942	(23,981)
Other recognised gains and losses					
Unrealised gain on investment		9,583	-	9,583	16,996
NET MOVEMENT IN FUNDS		52,789	(264)	52,525	(6,985)
Balance brought forward as at 1st January 2002		558,556	264	558,820	565,805
Balance carried forward as at 31st December 2002	18	<u>611,345</u>	<u>-</u>	<u>611,345</u>	<u>558,820</u>

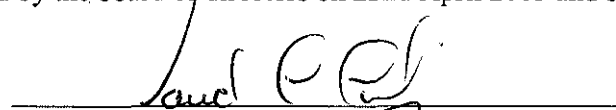
The notes on pages 8 to 18 form an integral part of these accounts.

THE KENNET & AVON CANAL TRUST**CONSOLIDATED BALANCE SHEET**
AS AT 31ST DECEMBER 2002

	Notes	£	<u>2002</u> £	£	<u>2001</u> £
FIXED ASSETS					
Tangible assets	11		226,358		214,255
Investment assets	12		146,232		135,564
			<u>372,590</u>		<u>349,819</u>
CURRENT ASSETS					
Stocks	14	38,921		44,188	
Debtors	15	11,434		32,283	
Cash at bank and in hand		216,747		184,356	
		<u>267,102</u>		<u>260,827</u>	
CREDITORS - amounts falling due within one year	16	(19,992)		(43,790)	
NET CURRENT ASSETS			<u>247,110</u>		<u>217,037</u>
ASSETS LESS CURRENT LIABILITIES			619,700		566,856
Provisions for liabilities and charges	17		(8,355)		(8,036)
NET ASSETS			<u>611,345</u>		<u>558,820</u>
FUNDS					
Unrestricted Funds	18		611,345		558,556
Restricted Funds			-		264
			<u>611,345</u>		<u>558,820</u>

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 22nd April 2003 and signed on their behalf by:



)))
) Council Members
))

The notes on pages 8 to 18 form an integral part of these accounts.

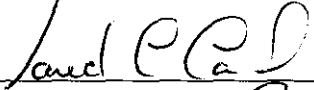
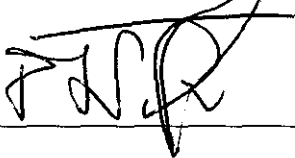
THE KENNET & AVON CANAL TRUST

PARENT BALANCE SHEET
AS AT 31ST DECEMBER 2002

	Notes	£	<u>2002</u> £	£	<u>2001</u> £
FIXED ASSETS					
Tangible assets	11		226,358		214,255
Investments	13		150,598		129,032
			<u>376,956</u>		<u>343,287</u>
CURRENT ASSETS					
Debtors	15	94,817		131,118	
Cash at bank and in hand		149,994		98,346	
			<u>244,811</u>	<u>229,464</u>	
CREDITORS - amounts falling due within one year	16	(10,422)		(13,931)	
NET CURRENT ASSETS			<u>234,389</u>		<u>215,533</u>
NET ASSETS			<u><u>611,345</u></u>		<u><u>558,820</u></u>
FUNDS					
Unrestricted Funds	18		611,345		558,556
Restricted Funds			-		264
			<u><u>611,345</u></u>		<u><u>558,820</u></u>

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 22nd April 2003 and signed on their behalf by:


_____)
_____)
_____) Council Members
_____)
_____)

_____)

The notes on pages 8 to 18 form an integral part of these accounts.

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST DECEMBER 2002**

1. ACCOUNTING POLICIES

a. Accounting convention

The financial statements have been prepared under the historical cost convention. They have been prepared in accordance with the Companies Act 1985 and follow the recommendations in Statement of Recommended Practice: Accounting by Charities (SORP 2000).

b. Basis of consolidation

The accounts of the trading subsidiary, The Kennet & Avon Canal (Enterprise) Ltd, are consolidated with the accounts of The Kennet & Avon Canal Trust in accordance with current legislation. The results of the subsidiary are included in the Consolidated Statement of Financial Activities from the date of acquisition. Inter group income and expenditure is eliminated and all income and expenditure relates to external transactions only. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

c. Voluntary Income

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when received.

d. Grants

Grants are recognised in full in the Statement of Financial Activities in the year to which they relate.

e. Subscriptions

Subscriptions are included in the Statement of Financial Activities when received.

f. Other Income

The Statement of Financial Activities recognises all other income on an accruals basis.

g. Restricted Funds

Restricted funds are to be used for specified purposes as laid down by the donor.

h. Unrestricted Funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.

The directors allocate out of general funds appropriate sums for extraordinary repairs to reflect possible expenditure in the foreseeable future.

i. Staff Costs and Overheads

Staff costs and overheads are allocated to activities on the basis of staff time spent on those activities.

j. Fundraising and Publicity Costs

Fundraising and publicity costs comprise the costs actually incurred in producing materials for promotional purposes and of raising funds through various fund raising events.

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2002

k. Management and Administration Costs

Management and administration costs of the group relate to the costs of running the group and include any costs which cannot be specifically identified to direct charitable activities.

l. Depreciation of Tangible Assets

Depreciation on tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life.

A full years depreciation being charged on items purchased during the year.

Freehold buildings:	2% straight line
Leasehold building:	5% straight line
Tools:	25% straight line
Computer equipment:	20% straight line
Other office equipment:	15% of written down value
Fixtures and fittings:	15% of written down value

m. Investments

Fixed asset investments are stated at open market value.

n. Stocks

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

2. DONATIONS
Group and Parent

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
£500 and over:		
British Waterways	1,500	-
B Meadows Deceased	1,000	-
Riches	500	-
D Greensmith Deceased	500	-
E Berry Deceased	3,000	-
Vodafone	-	3,000
J Laverick	-	3,000
Kenet District Council	-	2,000
David Brook Trust	1,500	1,500
NBS	-	500
	8,000	10,000
Other (all under £500)	6,964	5,037
	14,964	15,037

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002

3. GRANTS RECEIVABLE

Group and Parent

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
Kennet District Council	5,054	5,054
Vintage Transport	-	4,000
Reading Borough Council	528	528
	<u>5,582</u>	<u>9,582</u>
<u>Restricted</u>		
Medlock Charitable Trust	-	25,000
Carnegie United Kingdom Trust	1,360	1,360
Area Museum Council for the South West	1,359	1,359
	<u>2,719</u>	<u>27,719</u>
TOTAL GRANTS RECEIVABLE	<u>8,301</u>	<u>37,301</u>

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002

4. TRADING SUBSIDIARY COMPANY

	<u>2002</u>	<u>2001</u>
	£	£
<u>Income</u>		
Turnover	250,893	260,995
Other operating income	78	195
Interest receivable	904	1,791
	<u>251,875</u>	<u>262,981</u>
<u>Expenditure</u>		
Cost of sales	157,866	160,016
Administration expenses	62,694	63,017
Interest payable	122	41
Corporation tax	247	894
Deferred taxation	316	4,672
	<u>221,245</u>	<u>228,640</u>
<u>Net incoming resources before transfers</u>	<u>30,630</u>	<u>34,341</u>

This is stated after charging:

Auditors' remuneration	2,550	2,300
Depreciation	<u>14,778</u>	<u>13,281</u>

Staff costs

Wages and salaries	40,938	43,995
Social security costs	1,428	1,219
	<u>42,366</u>	<u>45,214</u>

The average number of employees who dealt with the management and administration of the subsidiary was 5 (2001 - 5).

5. FUNDRAISING & PUBLICITY
Group and Parent

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
Fundraising event costs	6,241	7,950
Butty production & distribution costs	21,055	18,610
Advertising	7,372	2,664
	<u>34,668</u>	<u>29,224</u>

THE KENNET & AVON CANAL TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31ST DECEMBER 2002**6. GRANTS PAYABLE****Group and Parent**

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
Heritage Lottery Project funding contribution	7,500	66,000
Restoration and maintenance grants:		
Sells Green K & A Partnership Project	1,250	2,500
Dundas Aquaduct Project	1,931	-
K & A Canal Amenities Project	-	4,950
British Warterways	-	8,850
	<u>10,681</u>	<u>82,300</u>
<u>Restricted</u>		
Restoration and maintenance - Towpath	-	25,000
	<u>-</u>	<u>25,000</u>
TOTAL GRANTS PAYABLE	<u>10,681</u>	<u>107,300</u>

7. COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS AND SUPPORT COSTS**Group and Parent**

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
Wharf costs	3,428	3,836
Salaries and national insurance	20,141	18,790
Rates and insurances	3,568	3,370
Electricity and heating	1,980	1,918
Repairs to premises and equipment	15,874	16,824
Printing	3,847	-
Postage	1,236	1,203
Telephone	2,978	2,568
Travelling expenses	450	235
Irrecoverable VAT	214	751
Depreciation:		
Freehold property	2,655	2,655
Leasehold improvements	302	848
Fixtures and fittings	281	100
Tools and equipment	409	248
	<u>57,363</u>	<u>53,346</u>
<u>Restricted</u>		
Depreciation:		
Museum interactive display	2,983	3,027
	<u>2,983</u>	<u>3,027</u>
TOTAL DIRECT CHARITABLE EXPENDITURE	<u>60,346</u>	<u>56,373</u>

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2002

8. MANAGEMENT & ADMINISTRATION COSTS

Group and Parent

	<u>2002</u>	<u>2001</u>
	£	£
<u>Unrestricted</u>		
Salaries and national insurance	6,132	5,920
Cleaning costs	569	404
Stationery and printing	1,273	2,348
Audit and accountancy	3,770	3,650
Legal and professional	370	345
Bank charges	23	100
Office equipment repairs and maintenance	4,299	3,879
AGM and social expenses	-	97
Sundries	1,915	1,738
Depreciation - office equipment	655	1,776
	<u>19,006</u>	<u>20,257</u>

9. TOTAL RESOURCES EXPENDED

Group and Parent

	<u>Staff</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>
	<u>Costs</u>	<u>Costs</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
Fundraising and publicity	-	34,668	34,668	29,224
Grants payable	-	10,681	10,681	107,300
Charity's objects & support costs	20,141	40,205	60,346	56,373
Management and administration	6,132	12,874	19,006	20,257
Trading subsidiary expenditure	-	221,245	221,245	228,640
	<u>26,273</u>	<u>319,673</u>	<u>345,946</u>	<u>441,794</u>

Staff costs

Wages and salaries	25,030	23,164
Social security costs	1,243	1,546
	<u>26,273</u>	<u>24,710</u>

The average number of employees, analysed by function, was:

Direct charitable	4	3
Management and administration	2	2
	-	-
	6	5
	=	=

Of these, 6 (2001 - 5) were part time and 0 (2001 - 0) was full.

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002

10. TRUSTEES EXPENSES

Group and Parent

During the year 1 trustee was reimbursed travelling expenses amounting to £146 (2001 - no trustees were reimbursed expenses).

11. TANGIBLE FIXED ASSETS

Group and Parent

	<u>Land and buildings</u>	<u>Fixtures, fittings, equipment</u>	<u>Office equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st January 2002	229,776	9,285	29,911	268,972
Additions	16,910	2,003	475	19,388
At 31st December 2002	246,686	11,288	30,386	288,360
Depreciation:				
At 1st January 2002	21,983	8,410	24,324	54,717
Charge for year	2,957	690	3,638	7,285
At 31st December 2002	24,940	9,100	27,962	62,002
Net book value at 31st December 2002	<u>221,746</u>	<u>2,188</u>	<u>2,424</u>	<u>226,358</u>
Net book value at 31st December 2001	<u>207,793</u>	<u>875</u>	<u>5,587</u>	<u>214,255</u>
			<u>2002</u>	<u>2001</u>
			£	£
The net book value of land and buildings comprises:				
Leasehold improvements			<u>221,746</u>	<u>207,793</u>

THE KENNET & AVON CANAL TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002****12. FIXED ASSET INVESTMENT****Subsidiary Assets**

	<u>Land and buildings</u>	<u>Boats</u>	<u>Plant and equipment</u>	<u>Total</u>
	£	£	£	£
Market value:				
Opening balance	-	129,873	5,691	135,564
Additions	3,983	3,797	8,083	15,863
Net unrealised investment gains/(losses)	-	9,583	-	9,583
Other movements	(993)	(11,339)	(2,446)	(14,778)
	<u>2,990</u>	<u>131,914</u>	<u>11,328</u>	<u>146,232</u>
At 31st December 2002				
Cost as at 31st December 2002	<u>3,983</u>	<u>105,783</u>	<u>19,828</u>	<u>129,594</u>
Cost as at 31st December 2001	<u>7,990</u>	<u>101,986</u>	<u>11,745</u>	<u>121,721</u>

13. FIXED ASSET INVESTMENT**Parent****Subsidiary asset held by parent**

	<u>2002</u>	<u>2001</u>
	£	£
Investment in subsidiary company		
Shares at open market value:	<u>150,598</u>	<u>129,032</u>

Details of the subsidiary undertaking are as follows:

Name:	Kennet & Avon Canal Trust (Enterprise) Ltd
Class of shares:	Ordinary
Nominal value held:	£1,000
Historical cost of holding:	£1,000
Capital and Reserves as at 31st December 2002:	£82,946
Unrealised gain:	£67,652
Profit for the period ended 31st December 2002:	£11,994

THE KENNET & AVON CANAL TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002****14. STOCKS**

	<u>2002</u>	<u>2001</u>
	£	£
<u>Group</u>		
Finished goods	38,921	44,188
	<u> </u>	<u> </u>
<u>Parent</u>		
Finished goods	-	-
	<u> </u>	<u> </u>

15. DEBTORS

<u>Group</u>	<u>2002</u>	<u>2001</u>
	£	£
Other debtors	9,829	31,264
Trade debtors	1,605	1,019
	<u> </u>	<u> </u>
	11,434	32,283
	<u> </u>	<u> </u>
<u>Parent</u>		
Amounts owed by subsidiary company	21,191	26,887
Other debtors	4,197	26,660
Debtors due in over one year	69,429	77,571
	<u> </u>	<u> </u>
	94,817	131,118
	<u> </u>	<u> </u>

The debtor due in over one year represents two loans to the Trust's subsidiary company. The first loan of £45,000 has no set date for repayment and carries interest calculated on a daily basis in line with the Bank of England base rate. The balance represents a second loan which is being repaid over 7 years and carries interest calculated on a daily basis at 1% above the Bank of England base rate.

**16. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>2002</u>	<u>2001</u>
	£	£
<u>Group</u>		
Trade creditors	7,305	5,393
Other creditors	12,440	35,880
Corporation tax	247	2,517
	<u> </u>	<u> </u>
	19,992	43,790
	<u> </u>	<u> </u>
<u>Parent</u>		
Trade creditors	1,346	2,062
Other creditors	9,076	11,869
	<u> </u>	<u> </u>
	10,422	13,931
	<u> </u>	<u> </u>

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002

17. DEFERRED TAXATION

Group

Analysis of full provision made:

	<u>2002</u> <u>Full</u> <u>Provision</u> <u>Made</u> <u>£</u>	<u>2001</u> <u>Full</u> <u>Provision</u> <u>Made</u> <u>£</u>
Accelerated capital allowances	<u>8,355</u>	<u>8,036</u>

Movements on the provision for deferred taxation are:-

	<u>£</u>
At 1st January 2002	8,036
Transferred to profit and loss account	319
At 31st December 2002	<u>8,355</u>

18. FUNDS

Group and Parent

Unrestricted

	<u>General</u> <u>Reserve</u> <u>£</u>
Balance brought forward	558,556
Surplus for the period	52,789
Balance carried forward	<u>611,345</u>

Restricted

	<u>Museum</u> <u>Display</u> <u>Reserve</u> <u>£</u>
Balance brought forward	264
Movement in Resources:	
Incoming	2,719
Outgoing	(2,983)
Balance carried forward	<u>-</u>

THE KENNET & AVON CANAL TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2002

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	<u>Rest- ricted Funds</u>	<u>Unrest- ricted Funds</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Fund balances at 31st December 2002 are represented by:			
Fixed assets	-	372,590	372,590
Current assets	-	267,102	267,102
Creditors: Amounts falling due within one year	-	(19,992)	(19,992)
Provisions	-	(8,355)	(8,355)
	<u>-</u>	<u>611,345</u>	<u>611,345</u>

Parent

Fund balances at 31st December 2002
are represented by:

Fixed assets	-	376,956	376,956
Current assets	-	244,811	244,811
Creditors: Amounts falling due within one year	-	(10,422)	(10,422)
	<u>-</u>	<u>611,345</u>	<u>611,345</u>