

Charity number: CC209206
Company number: 00726331

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 December 2012



The Kennet & Avon Canal Trust
(A company limited by guarantee)

Contents

	Page
Legal and administrative information	1
Trustees' report	2 - 6
Auditors' report to the trustees	7
Consolidated Statement of financial activities	8
Consolidated Balance sheet	9
Balance sheet	10
Notes to the financial statements	11 - 23

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Legal and administrative information

Charity number CC209206

Company registration number 00726331

Registered office Couch Lane
Devizes
Wiltshire
SN10 1EB

Trustees

Mr D Copley	
Mrs P King	
Mrs L Mundy	
Mr T Mundy	
Mr R Dean	appointed 22/06/12
Mr A Nares	appointed 27/10/12
Dr M Rodd	resigned 09/01/13
Mr W Fisher	resigned 09/01/13
Mrs S Gaia	resigned 27/10/12
Mr D Inight	resigned 27/10/12
Mr D Churton	resigned 09/01/13

Secretary Mrs L Mundy

Auditors Compass Accountants Limited
The Tanneries
East Street
Titchfield
Hampshire
PO14 4AR

Bankers Lloyds TSB Bank plc
38 Market Place
Devizes
Wiltshire
SN10 1JD

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2012

The trustees present their report and the financial statements for the year ended 31 December 2012. The trustees, who are also directors of The Kennet & Avon Canal Trust for the purposes of company law and who served during the year and up to the date of this report, are set out on page 1.

Structure, governance and management

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

Trustees are elected, following a formal nomination, at the Annual General Meeting of the Trust. The Trust Council has, however, increasingly been actively seeking Trustees with specific skills and expertise. To this end, an on-going recruitment programme using both internal and public advertisement and the use of voluntary-section recruitment services has been introduced. Candidates are interviewed by a sub-committee of the Trust Council and suitable persons taken forward for consideration by a full meeting of the Trust Council. Where immediate vacancies exist, candidates are co-opted until the next AGM at which time they are put forward for election by the membership, together with direct nominations from the membership.

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 Trust has a Board of Trustees who meet up to 10 times a year in order to administer the Charity. The Board is responsible for overseeing the day to day running of the Trust. The Trustees of the Charity receive no remuneration and do not have any pecuniary interest in the company. During the year the Trust continued with the Trustees training programme which began in 2007.

The Trust continues to work closely with other organisations with an interest in the canal. The Trust chairs the K&A Canal Partnership and is active in the Kennet Chalk Stream Project, the Local Waterways Partnership for the K&A, the Devizes Development Partnership, the K&A Trade Association, the All Party Parliamentary Waterways Group, the K&A 200 Steering Group, Newbury Town Centre Partnership, Vision and the K&A Users Forum. The Trust is also regularly called on by media to comment on canal related matters. The Trust is twinned with the Canal du Nivernais in Burgundy, France, and members were involved in twinning events throughout the year.

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The Charity's objects, which remain unchanged, are the preservation, enhancement, and promotion of the Kennet and Avon Canal. The policies adopted in furtherance of these objectives are the operation of a registered Museum at Devizes, Crofton Pumping Station, and Claverton Pumping Station, as well as servicing a thriving membership and promoting the Trust through media, education and other appropriate means.

Through the activities of the wholly owned subsidiary, The Kennet & Avon Canal Trust (Enterprise) Limited, the Trust has continued to operate its trip boats and retail outlets with the sole objective of raising funds for the Trust.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2012

Achievements and performance

1 Financial review

2012 was a tough year financially as the continuing economic recession was joined by appalling weather in keeping visitor numbers down. Our costs were too high and our hard working army of volunteers was hard pressed to keep earnings up. Exceptional expenditure on establishing a café at Devizes and refurbishing one of our boats was not offset by additional earnings in year. The need to vacate Aldermaston to allow refurbishment there reduced our rental income from October.

A call for restraint on costs and extra effort on earnings was well heeded across the Trust and this enabled us to finish the year just in surplus. This was especially important in allowing us to manage our cash flow through the lean winter months.

Overall the turnover of our trading subsidiary was 3.9% down on 2011 at £229k. Trading profit margin reduced from 40.6% to 38.2%. But costs were held down across the board and this produced a 6.2% increase in like-for-like net profit which was £19k.

Increased visitor numbers at Crofton and brisk café trade there enabled a performance £5000 above budget.

At Trust level, income was down from donations and subscription income and that meant we were able to reclaim less gift aid. This was offset a little by welcome legacies and grants but overall voluntary income was down 18% at £77k. The increase in trading profit coupled with control of costs enabled the Trust to end the year with a small surplus of £1395, a 0.35% increase in the overall worth of the Trust.

Although cash balances fell by £9k over the course of the year, the Trust kept within its stated reserves policy throughout the year.

2 Charitable Impact

The accounts numbers are important of course but they are not the whole story. Indeed they are only a small part of the story of what our volunteers have achieved along the 87 miles of the Kennet & Avon that we help care for.

Our objectives are to Protect, Enhance and Promote the Kennet & Avon Canal. We worked in partnership with others to ensure the various elements that make up the waterway were not only cared for, but improved and made more accessible to a growing number of visitors.

It was the Trust's 50th year which was a good opportunity to celebrate what had been achieved by many thousands of volunteers over half a century. Today's volunteers kept the tradition going with hundreds of volunteers engaged in a wide range of tasks up and down the canal almost every day of the year.

We protected the K&A from decay and neglect through the work of our regular towpath team based at Bradford on Avon who ensured that part of the canal looks great and is a delight to visitors. Our Bath & Bristol branch also worked along the canal and took a lead in organising work parties from companies, colleges and local politicians to assist in keeping the towpath tidy and locks looking smart. Our volunteer engineers at Crofton protected the unique beam engines by continuing a detailed survey of their condition to ensure they can be preserved for the future. The Archive team protected our heritage by increasing and preserving our collection of important records and images.

We protected the K&A from poor planning and management through our branches keeping a close eye on planning proposals that could affect the waterway. Local planning law changed and the Trust needs to be vigilant as new local plans are created. Bradford on Avon branch joined the steering group for their local plan. Newbury commented on planning proposals whilst at Devizes we objected (unsuccessfully) to plans for retirement flats on the wharf. We advised on the Newbury Flood Plan and secured changes to that. We advised and sometimes challenged on a whole.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2012

range of issues up and down the waterway Collectively, we know more about the K&A than anyone else and our knowledge was often valuable to others

We enhanced the K&A by providing new facilities for users such as installing 6 new benches in collaboration with the Canal & River Trust (CRT) and launching a public trip boat service in Newbury Bath & Bristol branch worked with CRT to provide much need improvements for boaters on the Avon Our work on towpaths improved both access and safety So did the trips for people with special needs which we organised on the Barbara Mclellan The Crofton team continued to improve facilities there by starting a renovation of the CRT-owned old Smuthy to develop facilities for school visits The Archive team made the collection more accessible for the benefit of national and international researchers

We promoted the K&A every time a visitor met one of our volunteers or heard about the great events we organised up and down the waterway The rotten weather conspired with the distractions of the Diamond Jubilee and the Olympics to keep visitors away Floods in June meant the Reading Waterfest had no boats and our Golden Jubilee event in Devizes in September was a damp day for all But good weather brought visitors in their thousands to a highly successful Newbury Waterways Festival, and a series of successful weekend events at Crofton culminating in the September Steam Gala brought in record numbers of visitors More than 7000 visitors toured the engine at Crofton, a trend bucking increase of 18% on 2011 Our archive material was used to good effect to promote the important heritage of the K&A

We promoted the K&A to the all-important new generation by supporting schools visits along the waterway In partnership with CRT, many schools visited Devizes to learn about the canal, visit the museum and ride on Kenavon Venture All the boat crews enjoyed the school visits even the new Jubilee crew at Newbury who entertained 180 children from Whitchurch in one day in June!

We promoted the K&A by lobbying politicians and decision makers locally and at Westminster That helped ensure that our local authorities are better engaged with the fortunes of the K&A than is the case for other waterways Access to the influential is an important means of achieving our aims and we were delighted that the Duke of Gloucester and many VIP guests attended our celebration of the 200th anniversary of our Boulton and Watt steam engine And distinguished speakers ensured a successful seminar on the future of Crofton in October In the autumn we launched a short media campaign to raise the profile of the Trust This resulted in some excellent coverage and enabled us to recruit a range of new volunteers with the management and technical skills we need to help improve the workings of the Trust

3 Collaboration

Collaboration with others has always been the way we get things done Our partnership with British Waterways secured the restoration of the K&A and it followed that the conversion of BW to charitable status as the Canal & River Trust should result in that relationship becoming deeper and broader We played a role in commenting on the proposals for governance of the new Trust at national level whilst working to maintain and develop our relationship with the excellent local team Once the plans for the new Trust were agreed, we negotiated a 'Partnership Working Agreement' to help provide clarity between the roles and the two Trusts and avoid misunderstandings CRT established a Local Waterways Partnership to build broad community engagement in the work of caring for the K&A A KACT Trustee was appointed to the partnership in October

The Trust continued to chair the HLF Partnership Board which became important as cash strapped local authorities sought to find savings in their contributions to maintenance of the K&A

The Trust worked with the K&A Trade Association to support its members for whom 2012 was a difficult year The economic value of the K&A to the region is well documented but support for canal businesses is important to sustaining that

The Trust participated in the Wiltshire, Swindon and Oxfordshire Canal Partnership which is working to restore the Wilts and Berks canal We supported the planning application for the Melksham link an exciting project which would also provide a new visitor destination for the K&A

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2012

4 Conclusion and Outlook

A challenging year in many ways but we managed to balance the books. More importantly, we made good progress on our work to Protect, Enhance & Promote the K&A. As always, this was due to the efforts of our amazing volunteers to whom the Trustees pay tribute.

In 2013 the Trust will continue to drive down our running costs and maximise income from trading operations. We will recruit volunteers and raise funds to enable us to improve facilities and access along the 87 miles that comprise the beautiful and historic Kennet & Avon.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Statement as to disclosure of information to auditors

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of trustees' responsibilities

The trustees (who are also directors of The Kennet & Avon Canal Trust for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2012

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

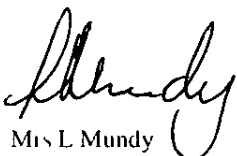
Auditors

Compass Accountants Limited were appointed auditors to the charitable company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board


Mrs L Mundy
Secretary

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Independent auditor's report to the trustees of The Kennet & Avon Canal Trust

We have audited the financial statements of The Kennet & Avon Canal Trust for the year ended 31 December 2012 which comprise the Group and the Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the groups and the parent charitable company's affairs as at 31 December 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

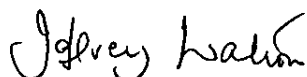
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jeffrey Walton BSc FCA (Senior Statutory Auditor)
For and on behalf of Compass Accountants Limited, Statutory Auditor
Chartered Accountants and Registered Auditors

The Tanneries
East Street
Titchfield
PO14 4AR

Date: 9th September 2013

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	2012 Total £	2011 Total £
Incoming resources					
Incoming resources from generating funds					
Voluntary income	2	77,541	-	77,541	94,877
Commercial trading operations	5	228,680	-	228,680	237,837
Activities for generating funds	3	69,902	-	69,902	72,538
Investment income	4	3	-	3	6
Incoming resources from charitable activities	6	9,963	-	9,963	9,727
Other incoming resources	7	10	-	10	2,802
Total incoming resources		386,099	-	386,099	417,787
Resources expended					
Costs of generating funds					
Costs of generating donations and legacies	8	47,911	-	47,911	44,212
Commercial trading operations	5	202,966	-	202,966	219,888
Charitable activities	9	120,857	-	120,857	144,455
Governance costs	10	8,770	-	8,770	9,124
Total resources expended		380,504	-	380,504	417,679
Net incoming resources for the year		5,595	-	5,595	108
Other recognised gains and losses					
Other losses		(4,200)	-	(4,200)	(9,198)
Net movement in funds		1,395	-	1,395	(9,090)
Total funds brought forward		389,937	5,471	395,408	404,498
Total funds carried forward		391,332	5,471	396,803	395,408

The notes on pages 11 to 23 form an integral part of these financial statements.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Consolidated Balance Sheet
as at 31 December 2012
Company number: 00726331

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	253,824		248,446	
Investments	15	127,712		130,790	
		<u>381,536</u>		<u>379,236</u>	
Current assets					
Stocks	16	11,398		13,676	
Debtors	17	14,412		18,767	
Cash at bank and in hand		25,141		34,616	
		<u>50,951</u>		<u>67,059</u>	
Creditors: amounts falling due within one year	18	<u>(35,684)</u>		<u>(50,887)</u>	
Net current (liabilities)/assets			15,267		16,172
Net assets			<u>396,803</u>		<u>395,408</u>
Funds	19				
Restricted funds			5,471		5,471
Unrestricted funds			391,332		389,937
Total funds			<u>396,803</u>		<u>395,408</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the board on 8 June 2013 and signed on its behalf by



Mr R Dean
Director

The notes on pages 11 to 23 form an integral part of these financial statements

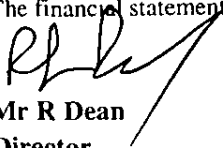
The Kennet & Avon Canal Trust
(A company limited by guarantee)

Balance sheet
as at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	14	253,824	248,446
Investments	15	32,724	18,091
		<u>286,548</u>	<u>266,537</u>
Current assets			
Debtors	17	101,520	146,574
Cash at bank and in hand		21,884	26,071
		<u>123,404</u>	<u>172,645</u>
Creditors: amounts falling due within one year	18	<u>(13,149)</u>	<u>(43,774)</u>
Net current (liabilities)/assets		<u>110,255</u>	<u>128,871</u>
Net assets		<u>396,803</u>	<u>395,408</u>
Funds	19		
Restricted income funds		5,471	5,471
Unrestricted income funds		391,332	389,937
Total funds		<u>396,803</u>	<u>395,408</u>

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the board on 8 June 2013 and signed on its behalf by


Mr R Dean
Director

The notes on pages 11 to 23 form an integral part of these financial statements.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. 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. 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 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

The tangible fixed assets of the subsidiary company are revalued on consolidation to their open market value and are included as investments in the Consolidated Balance Sheet.

1.3. Fund accounting

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Grants are recognised in full in the statement of financial activities in the year to which they relate.

Subscriptions are included in the statement of financial activities when received.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

1.5. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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

These are costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity.

1.6. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold land	-	is not depreciated
Freehold buildings	-	2% straight line
Leasehold properties	-	5% straight line
Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	15% reducing balance
Computer equipment	-	20% straight line

1.7. Investments

Investments held as fixed assets are revalued at open market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

1.8. Stock

Stock is valued at the lower of cost and net realisable value.

1.9. Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in the subsidiary company.

2. Voluntary income

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Donations	21,978	21,978	37,332
Legacies	4,024	4,024	-
Grants receivable	1,218	1,218	800
Subscriptions	37,957	37,957	40,961
Gift Aid Reclaims	12,364	12,364	15,784
	<u>77,541</u>	<u>77,541</u>	<u>94,877</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

3. Activities for generating funds

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Admissions	50,313	50,313	64,826
Crofton Appeal	6,476	6,476	-
Fundraising	9,670	9,670	7,712
Crofton Car Park	3,443	3,443	-
	<u>69,902</u>	<u>69,902</u>	<u>72,538</u>

4. Investment income

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Bank interest receivable	3	3	6
	<u>3</u>	<u>3</u>	<u>6</u>

5. Trading subsidiaries

The charity controls the company listed below by holding a controlling interest in the equity share capital -

Name of subsidiary	Country of incorporation	% of equity share capital held
The Kennet & Avon Canal (Enterprise) Ltd	England & Wales	100

• **The Kennet & Avon Canal Trust**
(A company limited by guarantee)

• **Notes to financial statements**
for the year ended 31 December 2012

The Kennet & Avon Canal (Enterprise) Ltd

The wholly owned subsidiary, Kennet & Avon Canal Trust (Enterprise) Ltd, operates boat trips and sales of gifts and souvenirs. A summary of the trading results are shown below

Summary of trading results

	2012	2011
	£	£
Turnover	228,680	237,837
Total expenditure	(212,026)	(257,010)
Other income	2,177	-
Net profit/(loss) for the year	<u>18,831</u>	<u>(19,173)</u>
Retained profit/(loss)	<u><u>18,831</u></u>	<u><u>(19,173)</u></u>

The assets and liabilities of The Kennet & Avon Canal (Enterprise) Ltd were

Assets	98,730	109,299
Liabilities	<u>(118,618)</u>	<u>(148,018)</u>
Deficit of funds	<u><u>(19,888)</u></u>	<u><u>(38,719)</u></u>

6. Incoming resources from charitable activities

Group and Parent

	Unrestricted	2012	2011
	funds	Total	Total
	£	£	£
Butty advertisements	8,563	8,563	9,727
Calendar sales	587	587	-
Butty sales	813	813	-
	<u>9,963</u>	<u>9,963</u>	<u>9,727</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

7. Other incoming resources

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Sundry Income	10	10	2,802
	<u>10</u>	<u>10</u>	<u>2,802</u>

8. Cost of generating voluntary income

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Costs of generating donations and legacies	47,911	47,911	44,212
	<u>47,911</u>	<u>47,911</u>	<u>44,212</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

9. Activities undertaken directly

Group and Parent

	2012	2011
	Total	Total
	£	£
<u>Unrestricted</u>		
Wages & Salaries	47,137	48,919
Employer's NIC	2,945	-
Health & safety	4,706	-
Staff training	85	-
Rent	3,616	2,183
Coal	7,960	-
Boiler chemicals & lubricant	3,604	-
Light & heat	11,590	9,725
Repairs & maintenance - unrestricted	(391)	42,980
Insurance	11,217	11,501
Computer costs	3,094	-
Hire of office equipment	2,051	-
Travel costs	881	326
Telephone	3,967	4,110
Other office expenses	734	3,195
Printing, postage & stationery	4,408	7,483
Depreciation	10,811	9,657
Bad debts	117	-
Bank charges	2,325	2,434
<u>Restricted</u>		
Repairs & maintenance - restricted	-	1,942
	<u>120,857</u>	<u>144,455</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

10. Governance costs

Group and Parent

	Unrestricted funds £	2012 Total £	2011 Total £
Accountancy fees	6,000	6,000	6,360
Legal fees	2,440	2,440	2,229
Other professional costs	330	330	535
	<u>8,770</u>	<u>8,770</u>	<u>9,124</u>

11. Net outgoing resources for the year

Parent

	2012 £	2011 £
Net outgoing resources is stated after charging		
Depreciation and other amounts written off tangible fixed assets	<u>10,812</u>	<u>9,657</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

12. Employees

Parent

Employment costs	2012	2011
	£	£
Wages and salaries	55,919	48,919
Social security costs	2,945	-
Other costs	85	-
	<u>58,949</u>	<u>48,919</u>

No employee received emoluments of more than £60,000 (2011 None)

Number of employees

The average monthly numbers of employees (including the trustees) during the year, calculated on the basis of full time equivalents, was as follows

2012	2011
Number	Number
<u>4</u>	<u>4</u>

13. Taxation

All of the charity's income is applied for charitable purposes and therefore the charity is exempt from corporation tax. The charity's trading subsidiary had a corporation tax liability of £NIL for the year ended 31 December 2012 (2011 £NIL)

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

14. Tangible fixed assets	Land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<u>Group and Parent</u>				
Cost				
At 1 January 2012	281,092	46,380	45,837	373,309
Additions	14,346	637	1,207	16,190
At 31 December 2012	<u>295,438</u>	<u>47,017</u>	<u>47,044</u>	<u>389,499</u>
Depreciation				
At 1 January 2012	54,410	42,965	27,488	124,863
Charge for the year	5,092	2,620	3,100	10,812
At 31 December 2012	<u>59,502</u>	<u>45,585</u>	<u>30,588</u>	<u>135,675</u>
Net book values				
At 31 December 2012	<u>235,936</u>	<u>1,432</u>	<u>16,456</u>	<u>253,824</u>
At 31 December 2011	<u>226,682</u>	<u>3,415</u>	<u>18,349</u>	<u>248,446</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

15. Fixed asset investments

<u>Group</u>	Land and buildings	Plant and equipment	Other unlisted investments	Total
	£	£	£	£
Valuation				
At 1 January 2012	-	18,290	112,500	130,790
Additions	-	4,422	-	4,422
Revaluations	-	-	(7,500)	(7,500)
At 31 December 2012	-	22,712	105,000	127,712
Historical cost as at 31 December 2012	3,983	63,681	145,296	212,960

All fixed asset investments are held within the United Kingdom

Parent

	2012	2011
	£	£
Subsidiary asset held by parent		
Investment in subsidiary company		
Shares at open market value	32,724	18,091

Details of the subsidiary undertaking are as follows

Name	The Kennet & Avon Canal Trust (Enterprise) Limited
Class of share	Ordinary
Nominal value held	1,000
Historical cost of holding	1,000
Capital & reserves as at 31 December 2012	(19,888)
Unrealised profit/(loss)	14,858
Profit/(loss) for the period ended 31 December 2012	18,831

16. Stocks

Group

	2012	2011
	£	£
Stocks	11,398	13,676

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

17. Debtors

Group and Parent

	2012	2011
	£	£
Trade debtors	10,273	12,665
Other debtors	4,139	6,102
	<u>14,412</u>	<u>18,767</u>

Parent

	2012	2011
	£	£
Trade debtors	5,438	4,188
Amounts recoverable on long term contracts	-	-
Amounts due from subsidiary and associated undertakings	51,082	95,863
Debtors due in over one year	45,000	45,000
Other debtors	-	1,523
	<u>101,520</u>	<u>146,574</u>

18. Creditors: amounts falling due within one year

Group and Parent

	2012	2011
	£	£
Bank overdraft	10,740	-
Trade creditors	10,960	17,521
Other taxes and social security	4,126	3,849
Accruals	9,858	29,517
	<u>35,684</u>	<u>50,887</u>

Parent

	2012	2011
	£	£
Bank overdraft	494	-
Trade creditors	2,320	14,372
Other taxes and social security	3,477	3,195
Accruals	6,858	26,207
	<u>13,149</u>	<u>43,774</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

19. Analysis of net assets between funds

Group and parent

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2012 as represented by			
Tangible fixed assets	253,824	-	253,824
Investment assets	127,712	-	127,712
Current assets	45,480	5,471	50,951
Current liabilities	(35,684)	-	(35,684)
	<u>391,332</u>	<u>5,471</u>	<u>396,803</u>

Parent

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2012 as represented by			
Intangible fixed assets	-	-	-
Tangible fixed assets	253,824	-	253,824
Investment assets	32,949	-	32,949
Current assets	117,708	5,471	123,179
Current liabilities	(13,149)	-	(13,149)
	<u>391,332</u>	<u>5,471</u>	<u>396,803</u>

20. Unrestricted funds

	At 1 January 2012 £	Incoming resources £	Outgoing resources £	Gains and losses £	At 31 December 2012 £
Unrestricted Fund	<u>389,937</u>	<u>386,099</u>	<u>(380,504)</u>	<u>(4,200)</u>	<u>391,332</u>

21. Restricted funds

	At 1 January 2012 £	At 31 December 2012 £
Marina Project	1,220	1,220
Claverton costs	1,926	1,926
K & A 200 Fund	2,325	2,325
	<u>5,471</u>	<u>5,471</u>

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 December 2012

22. Company limited by guarantee

The Kennet & Avon Canal Trust is a company limited by guarantee and accordingly does not have a share capital

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member

·
· **The Kennet & Avon Canal Trust**
· **(A company limited by guarantee)**
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The following pages do not form part of the statutory accounts.

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 December 2012

	2012		2011	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
<i>Voluntary income</i>				
Donations	21,978		37,332	
Legacies	4,024		-	
Grants receivable	1,218		800	
Subscriptions	37,957		40,961	
Gift Aid Reclaims	12,364		15,784	
	<u>77,541</u>		<u>94,877</u>	
<i>Activities for generating funds</i>				
Admissions	50,313		64,826	
Crofton Appeal	6,476		-	
Fundraising	9,670		7,712	
Crofton Car Park	3,443		-	
	<u>69,902</u>		<u>72,538</u>	
<i>Investment income</i>				
Bank interest receivable	3		6	
	<u>3</u>		<u>6</u>	
<i>Income from trading subsidiaries</i>				
Commercial trading operations	228,680		237,837	
	<u>228,680</u>		<u>237,837</u>	
Total incoming resources from generating funds	<u>376,126</u>		<u>405,258</u>	
Incoming resources from charitable activities				
Butty advertisements	8,563		9,727	
Calendar sales	587		-	
Butty sales	813		-	
	<u>9,963</u>		<u>9,727</u>	
Other incoming resources				
Sundry Income	10		2,802	
	<u>10</u>		<u>2,802</u>	
Total incoming resources	<u>386,099</u>		<u>417,787</u>	

The Kennet & Avon Canal Trust
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 December 2012

Resources expended

Costs of generating funds:

Costs of generating donations and legacies

Butty costs	25,927	27,230
Advertisement & Publicity	13,202	16,982
Fund raising costs	8,782	-
	<u>47,911</u>	<u>44,212</u>

Total cost of generating voluntary income	<u>47,911</u>	<u>44,212</u>
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Commercial trading operations

Costs of trading subsidiaries	<u>202,966</u>	<u>219,888</u>
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Fundraising trading:

cost of goods sold and other costs

Total costs of generating funds	<u><u>250,877</u></u>	<u><u>264,100</u></u>
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The Kennet & Avon Canal Trust
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 December 2012

	2012 £	2011 £
Charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Wages & Salaries	47,137	48,919
Employer's NIC	2,945	-
Health & safety	4,706	-
Staff training	85	-
Rent	3,616	2,183
Coal	7,960	-
Boiler chemicals & lubricant	3,604	-
Light & heat	11,590	9,725
Repairs & maintenance - unrestricted	(391)	42,980
Repairs & maintenance - restricted	-	1,942
Insurance	11,217	11,501
Computer costs	3,094	-
Hire of office equipment	2,051	-
Travel costs	881	326
Telephone	3,967	4,110
Other office expenses	734	3,195
Printing, postage & stationery	4,408	7,483
Depreciation	10,811	9,657
Bad debts	117	-
Bank charges	2,325	2,434
	<u>120,857</u>	<u>144,455</u>
Total charitable activity expenditure	<u><u>120,857</u></u>	<u><u>144,455</u></u>
Governance costs		
<i>Activities undertaken directly</i>		
Accountancy fees	6,000	6,360
Legal fees	2,440	2,229
Other professional costs	330	535
	<u>8,770</u>	<u>9,124</u>
Total governance costs	<u><u>8,770</u></u>	<u><u>9,124</u></u>
Net incoming/(outgoing) resources for the year	<u><u>6,215</u></u>	<u><u>108</u></u>