

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 31st December 2019

The Kennet & Avon Canal Trust
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Report of the trustees (incorporating the directors' report)
for the year ended 31st December 2019

The trustees present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31st December 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

Objectives and activities

As set out in its Articles of Association, the Trust seeks to:

- a) promote, facilitate, and assist in the conservation, protection and improvement of the Kennet and Avon Canal and its associated watercourses, towpaths, structures and buildings;
- b) advance the education of the public in general of the significance of the Kennet & Avon Canal and its associated structures
- c) protect and conserve, objects, sites and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with the Kennet & Avon Canal
- d) promote and facilitate recreational use of the Kennet and Avon Canal by a wide section of the community in order to improve conditions of life for the public;

In achieving these aims the Trust will seek to encourage and develop:

- good and environmentally sustainable upkeep of the canal and its associated watercourses and footpaths by the Canal and River Trust and by other bodies with statutory responsibility so to do.
- visits to the areas served by the Kennet and Avon Canal by a wide section of the general public.
- improvement and upkeep of visitor and boater amenities along the canal.
- research and publications relating to the history of the Kennet and Avon Canal; public exhibition of historic artefacts relating to the canal; upkeep of accurate archives relating to the Kennet and Avon Canal.
- preservation and operation of historic buildings and structures along the canal together with provision of associated facilities and publications to assist public understanding of their significance.
- education projects to assist public understanding of the significance of the Kennet and Avon Canal and its associated structures by children and adults.

The Trust's achievements are heavily reliant on the contribution of the time of about four hundred volunteers. Our small staff are there to support and develop the volunteer contribution. Our boats are exclusively crewed by volunteers, Crofton steaming days are entirely run by volunteers, and our events and support for canal side work are delivered by volunteers. The Trust will continue to be reliant on volunteers in the future.

Trustees, having regard to the Charity Commission's guidance on public benefit, have overseen a wide range of activities focussed on our objects and intended to provide public benefit. These include:

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- Maintaining and operating the Beam Engines at Crofton; and working to ensure the future sustainability of the Crofton heritage
- Displaying artefacts relating to the canal at the Trust's museum at Devizes
- Organising a series of waterside events, open to the public, intended to promote the canal
- Assisting the Canal and River Trust in maintenance and promotion of the canal
- Undertaking projects to enhance the canal environment
- Operating five boats for public trips and charters, enabling a wide range of the public to enjoy the canal from the water along the whole length of the canal from Bradford on Avon to Reading
- Operating four boats for holiday or day hire which are specially-designed and purpose-built for disabled, disadvantaged or elderly people, and a boat available to hire by community youth groups, all based at Bedywn Wharf
- With partners, operating our five cafes to provide much needed facilities for visitors to the canal.
- Through our branch structure, monitoring planning and other local proposals, engaging in these where there is need to protect the canal or pursue opportunities to enhance or promote it.

The Trust spends money on staff, buildings, equipment, maintenance and supplies to support our work to Protect, Enhance and Promote the canal. Trustees and our Administrator have worked hard and successfully to keep costs down.

The trading activities of Enterprise include the five passenger boats, the five Bruce branch boats, and five cafes.

Achievements and Performance

2019 was another year of hard work and change for the Trust, once again showing the value of a volunteer led organisation alongside our dedicated small team of staff.

Crofton

During 2019 work continued on 'Our Crofton Story', the National Lottery Heritage Fund project to secure the future of Crofton Beam Engines. After successful completion of the capital works phase of the project in 2018, the main focus in 2019 was progressing the Activity Plan outcomes, including interpretation and learning, and providing new visitor facilities such as a play area, cycle racks and new picnic benches. Most of these facilities will be in place for the start of the 2020 season.

Total spend on the project to the end of 2019 was £640,000, out of a total cost of £760,000. Current projections are that there will be a small underspend on the project. In the light of this, NLHF has agreed to add some items to the project, such as replacement of the Boiler House doors.

2019 was the first year in the five year collaboration with the Atomic Weapons Establishment for students at AWE to apply state of the art measurement to the engines as part of the Mechatronics project. AWE staff also carried out a 3-D scan of the whole Pumping Station, and the results are awaited.

The programme of talks, started in 2018, was continued with considerable success. A total of five talks, attended by over 500 people, were held in 2019.

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The total number of paying visitors to Crofton increased from 4,160 in 2018 to 4,628. There was a small increase in attendance at steaming events, and a significant increase of over 60% when the engines were not in steam.

Following the resignation of the Visitor and Site Manager, interim management arrangements are being put in place for 2020. A new full-time appointment will be made later in the year, following completion of the NLHF project. In parallel, the Trust has agreed to extend the Heritage Site Assistant post, which has been funded by NLHF to the end of March 2020, until the end of the 2020 season, and also to recruit a Learning and Community Engagement Officer which the Trust will fund for a minimum of two years. These developments will help to ensure that the benefits of NLHF funding are fully realised and become embedded into 'business as usual' at Crofton.

Boats

The Bruce Boats are now fully integrated into the operations of the Trust's trading subsidiary and recorded 65 weeks of hiring activity against a target of 75 weeks. The occupancy rate was 61% (2018 71%). Following the retirement of the Bruce Boats engineer, arrangements have been agreed for these services to be provided on a contract basis. A new lease was agreed with CRT for use of Bedwyn Wharf.

Following installation of its new engine, the Barbara MacLennan operated a full season of trips from Bradford on Avon. In addition, following the trial in 2018, a boat was leased to operate public trips at Reading, although these did not start until relatively late in the season.

Total passenger numbers on our trip boats totalled 18,268, about 18% below the 2108 figure of 22,224. Included in this figure is a total of 749 children, with their families, on our Santa Trips, only four fewer than in 2018.

Cafés

All five of the cafés operated a full season in 2019. Revised licences were agreed for Bradford on Avon and Newbury, which both standardised terms and made them co-terminous with the underlying property leases. Heads of terms for a two year extension of the lease of the Newbury café have been agreed with West Berkshire District Council.

New licensees were appointed to run the Crofton café, although they gave notice to terminate at the end of the season. New licensees are therefore being sought for 2020.

The current licensee at Devizes indicated that he wished to terminate the licence before the end of its term. Following a competitive tender, a new licensee has been appointed to operate the café from 1 April 2020.

The licence for the Aldermaston tea rooms will be reviewed in 2020, once a new lease for the building has been agreed with CRT.

Other activities

As usual, two editions of the Trust's magazine, The Butty, were published.

Although, visitor numbers are not available for the Trust's museum at Devizes Wharf, as it is a free attraction, donations of around £4,000 (including Gift Aid) were received.

The Trust's Archive, co-located with the Canal and River Trust office at the top of the Caen Hill Flight, continues to receive documents and photographs, and to scan these to make available in future in an online archive.

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Report of the trustees (incorporating the directors' report)
for the year ended 31st December 2019

Financial Review

At Group level (Trust and Enterprise), net expenditure in 2019 was £33,748 (2018 £58,497). These figures include expenditure on 'Our Crofton Story'. Net expenditure on Unrestricted funds was £3,966, compared with net income of £60,991 in 2018. A significant factor in this adverse movement was a drop in income from legacies from £51,069 to only £1,000.

Trading results for our trading subsidiary, Enterprise, show that the company returned a net profit (see note 5) of £27,169 (2018 £68,324). Although turnover increased on 2018, costs were about 9% higher, in part reflecting the more stringent requirements of the Maritime and Coastguard Agency, and higher costs for Canal and River Trust licences. Although the Bruce Trust is providing continuing financial support, for a five year period, this is not at the level of the transitional grant received in 2018.

Under the terms of the Deed of Covenant entered into in 2019, Enterprise pays up to the Trust the lower of its taxable and distributable profits. Part of the retained earnings will be used to reduce the balance of the loan made to Enterprise by the Trust, which was £50,000 at the end of 2019.

Cash balances declined slightly during the year, from £566,426 to £562,676. Trust balances within the end year figure were £377,222, although in addition there were balances owed by Enterprise amounting to £113,077. A formal loan agreement is being put in place for a £50,000 loan to support Enterprise's working capital requirements, and other amounts outstanding have since been repaid.

Restricted funds at the end of the year were £77,989 (note 22) (2018 £96,428). This figure will fall further in 2020 as the NLHF project is completed.

The Trustees adopted a formal Reserves Policy in 2019. This reflects an assessment of the risks the Trust faces, for example major unforeseen costs at Crofton or a reduced profit in Enterprise as a result of unbudgeted costs in maintaining the boat fleet or loss of revenue, and also ensures that there are sufficient balances to enable unbudgeted high priority schemes which support the Trust's charitable objects to be taken forward. At Group level, the target level of free reserves (net current assets relating to restricted funds) are £100,000. In addition, Trustees have agreed expenditure commitments for which additional reserves are held, amounting to £80,000.

The Reserves Policy will be reviewed annually. In particular, the risks to trading income resulting from the coronavirus pandemic may well require an increase in target reserves. Even with such an increase, Trustees are satisfied that the Trust has sufficient balances to undertake new activities in 2020 which support its charitable objects.

The Trust and Enterprise entered into a Memorandum of Understanding in 2019, which documents the relationship between the two companies. These arrangements ensure that trading activities are undertaken at arm's length, in line with Charity Commission guidance, but that they still support the Company's charitable objects.

During the year, Trustees also agreed a Grants Policy and issued a Finance Manual which documents finance policies and procedures including financial delegations. All these documents are published on the Trust's website.

The principal non-financial risks facing the Trust are:

- Our ability to recruit, train, retain and motivate our volunteers. This becomes more challenging as fewer people are retiring early, and it is ever more important that we recruit skilled volunteers as the tasks we undertake become more complex through regulation and also broaden, with a greater emphasis on engaging with new visitor audiences.
- Our ability to raise funds through donors, event fundraising and trading in order to carry out our most important charitable tasks. Of particular concern has been our responsibility to care for Crofton as a Grade 1 listed site.

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Thus, our success in 2017 with the Heritage Lottery Fund and other donors has significantly mitigated that risk in the short term.

- Serious injury or worse to one of our volunteers, passengers, hirers or visitors leading to curtailing of our activities and financial penalty. This risk is mitigated by a robust health and safety system, which has been developed further during the year to deliver consistent approaches across all Group activities. This includes ensuring appropriate competence for all work undertaken, including for example extensive training of boat crew and hirers. As part of these arrangements, the role of the Health and Safety Adviser has been extended.

Plans for future periods

In the light of the coronavirus pandemic, Trustees and Enterprise Board directors decided to suspend operations during April 2020, and to review the date for resuming operations on a monthly basis.

Subject to the effects of this suspension, objectives for the Trust in 2020 include completing the Crofton project, and evaluating this in line with NLHF requirements. Also, at Crofton, the project to conserve the Archimedean Screw, deferred from 2019, will be completed.

Discussions have started with CRT to agree a new lease for the café building at Aldermaston. Once this is agreed, plans for renovation of the Wash House building, for which the Trust has committed funds, will be taken forward.

A five year strategic plan for trading activities undertaken by Enterprise will be developed, taking account for example of periodic maintenance and MCA requirements.

Following a discussion of future strategy for the Trust, projects to extend learning and community engagement activities will be identified, building on the work being undertaken at Crofton as part of the NLHF project. The costs of these activities, over and above any grants and donations generated, will be funded using Trust reserves in excess of the level required under the Reserves Policy.

Structure, governance and management

The Trust was created by memorandum on 6th June 1962. It is governed by Articles of Association that were fully revised and approved by the AGM in 2015. This document is the governing document of the charity which is a private company limited by guarantee without share capital.

Trustees have considered new requirements to declare 'Persons of Significant Control' in the Companies House register. For the Trust there are no persons of significant control other than the trustees listed. For our Enterprise trading company, the Trust has been listed as a legal entity with significant control. The declarations are available on the Companies House website.

Trustees are introduced either as a result of an offer of service, when head-hunted by existing trustees or by nomination at the AGM. They are then co-opted onto Trust Council ahead of standing for election at the following AGM. Each year one third of trustees stand down or offer themselves for re-election at the AGM. Prospective trustees are invited to attend one or more meetings of the Trust Council before a discussion with the Chairman on the role they may take. There is no formal process for trustees.

There are 4 key elements to the structure of the Trust and these make decisions as follows:

- The **Trust Council** comprising the (currently) 10 trustees meets monthly (except August) to consider overall Trust strategy and policy, to review the management accounts, to review the Register of Spending Commitments, and to receive a report on health and safety across all Trust operations. Trust Council also receives a report from Enterprise and any branch seeking support, direction or funding for a project.

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- The **Enterprise Board** made up of six directors (two of whom are also Trustees) meets every other month to review in more depth the financial performance of the passenger boats, the Bruce boats, and the five cafés. The Enterprise Board also focusses on budgets, financial performance, risk management and commercial viability. The Board reports to Trust Council.
- Our **eight branches** (Bath & Bristol, Bradford on Avon, Devizes, Crofton, Bruce, Hungerford, Newbury and Reading), are each run by a branch committee formally regarded as a sub-committee of the Trust Council and usually elected by a meeting of local members. Branches undertake the Trust's work in their area and often have practical control of a boat (or boats) or other operation. Branches submit an annual budget to Trust / Enterprise as appropriate and then have spending freedom within an approved budget subject to the provisions of the Finance Manual.
- The **Trust Administrator** and her small staff provide a headquarters function supporting trustees, directors and branches in undertaking their work. The Administrator and her staff have a particular focus on overseeing day to day spending, undertaking payments and banking, and ensuring compliance across a range of responsibilities. The team also provide a front line point of sale and advice line for passengers and hirers.

Following the resignation as a Trustee of the former Chairman, Rob Dean, Trustees were pleased to invite him to become President in place of David Bruce, who had stood down from that role.

The Trust Council met eleven times in 2019. Most of these meetings were held electronically. A strategy meeting was held at Devizes in November.

The Enterprise Board was restructured during the year, and the all branches operating public trip boats are now represented, mostly by Branch chairmen. This has brought significant benefits in terms of strengthened links between Branches. The Board met six times.

Trustees confirm that all major risks are regularly reviewed, and that procedures and systems are in place to manage those risks to a level that the trustees consider appropriate for the size, organisation, liabilities and commitments of the Trust.

Reference and administrative details

The Trust's name is The Kennet and Avon Canal Trust and it is registered with Companies' House with the reference 00726331, and with the Charity Commission with the reference 209206. The Trust's trading company is called The Kennet & Avon Canal Trust (Enterprise) Limited and is registered with Companies' House under the reference 02679756. The principal and registered office for the Trust is Devizes Wharf, Couch Lane, Devizes, SN10 1EB and for Enterprise is Canal Visitor Centre, Couch Lane, Devizes, Wiltshire, SN10 1EB.

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Report of the trustees (incorporating the directors' report)
for the year ended 31st December 2019

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows (those marked * were also Directors of Enterprise):

Trustees	M E Bailey C W Bolt* (appointed 1 January 2019) D A Copley R J Dean (resigned 1 January 2019) R G H Dunton (appointed 1 April 2019) D J Fearn W F Job (resigned 3 June 2019) L E Mundy T W Mundy T Nares (resigned 1 January 2019) C D Sims* G P Snook (appointed 4 June 2019) P J Turvey
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In addition, the following were Directors of Enterprise:

W F Job (resigned 21 April 2019)
D A Line (resigned 9 July 2019)
L E Mundy (resigned 8 April 2019)
T J Pyatt (resigned 30 April 2019)
D J Robinson (resigned 15 March 2019)
C R Churchouse (appointed 17 May 2019)
S B Eveleigh (appointed 17 May 2019)
J M Foley (appointed 17 May 2019)
D C Hanlon (appointed 19 July 2019)
G S Puddephatt (appointed 17 May 2019)

Secretary	L E Mundy
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Our advisers

Auditors	Compass Accountants Limited The Tanneries East Street Titchfield Hampshire PO14 4AR
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Senior Statutory Auditor	Kerry Lawrance FCA
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Bankers	Lloyds TSB Bank plc 38 Market Place Devizes Wiltshire SN10 1JD
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Report of the trustees (incorporating the directors' report)
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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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 2015 (FRS 102);
- 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 adequate 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the group's auditors are unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditors that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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for the year ended 31st December 2019

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



C W Bolt
Director

Date: 30 March 2020

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Independent Auditor's Report to the Members and Trustees of the Kennet & Avon Canal Trust

Opinion

We have audited the financial statements of the Kennet & Avon Canal Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st December 2019, 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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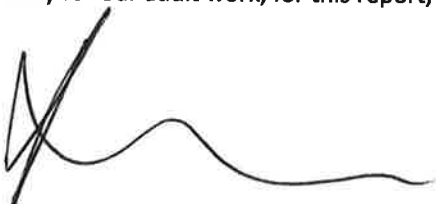
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Kerry Lawrance FCA
Senior Statutory Auditor
For and on behalf of Compass Accountants, Statutory Auditor

Venture House, The Tanneries
East Street, Titchfield
Hampshire
PO14 4AR

Date: 2 APRIL 2020

Compass Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

For the year ended 31st December 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Income from:							
Donations and legacies	2	70,629	75,666	146,295	124,045	394,342	518,387
Commercial trading operations	5	311,308	-	311,308	319,381	-	319,381
Other trading activities	3	56,217	-	56,217	44,454	-	44,454
Investment income	4	842	-	842	-	-	-
Other income		2,369	-	2,369	1,408	-	1,408
Total income		<u>441,365</u>	<u>75,666</u>	<u>517,031</u>	<u>489,288</u>	<u>394,342</u>	<u>883,630</u>
Expenditure on:							
Raising funds	6	19,437	-	19,437	14,156	-	14,156
Commercial trading operations	5	273,289	-	273,289	251,057	-	251,057
Charitable activities	7	152,605	105,448	258,053	163,084	513,830	676,914
Total expenditure		<u>445,331</u>	<u>105,448</u>	<u>550,779</u>	<u>428,297</u>	<u>513,830</u>	<u>942,127</u>
Net income/(expenditure)		<u>(3,966)</u>	<u>(29,782)</u>	<u>(33,748)</u>	<u>60,991</u>	<u>(119,488)</u>	<u>(58,497)</u>
Transfer between funds		(11,343)	11,343	-	(15,270)	15,270	-
Net movement in funds		<u>(15,309)</u>	<u>(18,439)</u>	<u>(33,748)</u>	<u>45,721</u>	<u>(104,218)</u>	<u>(58,497)</u>
Reconciliation of funds:							
Total funds brought forward		<u>1,255,043</u>	<u>96,428</u>	<u>1,351,471</u>	<u>1,209,322</u>	<u>200,646</u>	<u>1,409,968</u>
Total funds carried forward		<u><u>1,239,734</u></u>	<u><u>77,989</u></u>	<u><u>1,317,723</u></u>	<u><u>1,255,043</u></u>	<u><u>96,428</u></u>	<u><u>1,351,471</u></u>

The notes on pages 17 to 30 form an integral part of these financial statements.

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

Consolidated Balance Sheet as
at 31st December 2019
Company number: 00726331

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		759,181		772,023
Current assets					
Stocks	15	-		1,567	
Debtors	16	39,954		50,872	
Cash at bank and in hand		562,676		566,426	
		<u>602,630</u>		<u>618,865</u>	
Creditors: amounts falling due within one year	17	<u>(30,921)</u>		<u>(29,601)</u>	
Net current assets			<u>571,709</u>		<u>589,264</u>
Total assets less current liabilities after more than one year			<u>1,330,890</u> <u>(13,167)</u>		<u>1,361,287</u> <u>(9,816)</u>
Net assets			<u>1,317,723</u>		<u>1,351,471</u>
Funds					
Restricted funds	18		77,989		96,428
Unrestricted funds			711,628		754,106
Charitable subsidiary funds			528,106		500,937
Total unrestricted income funds			<u>1,239,734</u>		<u>1,255,043</u>
Total funds			<u>1,317,723</u>		<u>1,351,471</u>

The financial statements are prepared in accordance with the provisions available to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and signed on its behalf by



C W Bolt
Director

Date: 30 March 2020

The notes on pages 17 to 30 form an integral part of these financial statements.

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

Balance sheet
as at 31st December 2018
Company number: 00726331

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	13		283,064		282,868
Investments	14		1,000		1,000
			<u>284,064</u>		<u>283,868</u>
Current assets					
Debtors	16	139,242		183,748	
Cash at bank and in hand		377,222		406,218	
		<u>516,464</u>		<u>589,966</u>	
Creditors: amounts falling due within one year	17	(10,911)		(23,300)	
Net current assets			<u>505,553</u>		<u>566,666</u>
Net assets			<u>789,617</u>		<u>850,534</u>
Funds					
Restricted income funds	18		77,989		96,428
Unrestricted income funds			711,628		754,106
Total funds			<u>789,617</u>		<u>850,534</u>

The financial statements are prepared in accordance with the provisions available to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and signed on its behalf by



C W Bolt
Director

Date: 30 March 2020

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

The notes on pages 17 to 30 form an integral part of these financial statements.

Cash flow statement

for the year ended 31st December 2019

	2019 Charity £	2019 Group £	2018 Group £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	(16,832)	33,596	24,205
Cash flows from investing activities:			
Interest income	842	842	-
Purchase of fixed assets	(13,006)	(38,188)	(46,744)
Net cash provided by (used in) investing activities	(12,164)	(37,346)	(46,744)
Cash flows from financing activities:			
Repayment of borrowing	-	-	-
Net cash provided by (used in) financing activities	-	-	-
Increase in cash and cash equivalents in the year	(28,996)	(3,750)	(22,539)
Cash and cash equivalents at 1 January 2019	406,218	566,426	588,965
Cash and cash equivalents at 31 December 2019	377,222	562,676	566,426
Net income/expenditure for the reporting period	(60,917)	(33,748)	(58,497)
Depreciation and impairment	12,810	50,493	47,911
Interest income	(842)	(842)	-
Loss on disposal of fixed assets	-	537	-
Decrease/(increase) in stocks	-	1,567	695
Decrease/(increase) in debtors	44,506	10,918	28,895
(Decrease)/increase in creditors	(12,389)	1,320	1,049
Increase/(Decrease) in provisions for liabilities	-	3,351	4,152
Net cash provided by (used in) operating activities	(16,832)	33,596	24,205

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

Notes to the financial statements
for the year ended 31st December 2019

1 Accounting policies

1.1. Charity information

The Kennet & Avon Canal Trust is a private company limited by guarantee and incorporated in England and Wales. The registered office is Devizes Wharf, Couch Lane, Devizes, SN10 1EB.

The Kennet & Avon Canal Trust and its group meet the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Trustees report.

1.2. Basis of accounting

The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016 and Update Bulletin 2 published on 5 October 2018), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

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 section 24 of SORP 2015.

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.

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

Notes to the financial statements
for the year ended 31st December 2019

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.

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.

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.

Support costs include governance costs which are costs associated with the governance arrangements of the charity and relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 8.

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 and fittings	-	15% reducing balance
Computer equipment	-	20% straight line

1.7. Stock

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

1.8. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

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

Notes to the financial statements
for the year ended 31st December 2019

1.9. Financial Instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10. Going concern

There are no material uncertainties related to events or conditions that may cast significant doubt upon the charity's ability to continue as a going concern.

2. Donations

Group and Parent

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Donations	18,533	2,250	20,783	23,221	980	24,201
National Lottery Heritage Fund	-	70,771	70,771	-	389,268	389,268
Legacies	1,000	-	1,000	51,069	-	51,069
Grants receivable	-	-	-	4,245	-	4,245
Subscriptions	25,794	-	25,794	26,327	-	26,327
Gift Aid Reclaims	12,576	-	12,576	11,264	-	11,264
Crofton Projects	-	2,645	2,645	-	4,094	4,094
Fundraising	12,726	-	12,726	7,919	-	7,919
	<u>70,629</u>	<u>75,666</u>	<u>146,295</u>	<u>124,045</u>	<u>394,342</u>	<u>518,387</u>

Legacies consist of £1,000 from the Brearley estate (2018: £37,055 from the estate of Geoffrey Grant, £12,147 from John Cooper Lester, £1,367 from Frederick Richard Murray, and £500 from Eileen Holloway).

3. Income from other trading activities

Group and Parent

	Unrestricted funds £	2019 Total £	Unrestricted funds £	2018 Total £
Admissions	39,289	39,289	30,450	30,450
Crofton Car Park	5,503	5,503	2,847	2,847
Rent Received	11,425	11,425	11,157	11,157
	<u>56,217</u>	<u>56,217</u>	<u>44,454</u>	<u>44,454</u>

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

Notes to the financial statements
for the year ended 31st December 2019

4. Investment income

Group and Parent

	Unrestricted funds £	2019 Total £	2018 Total £
Bank interest receivable	842	842	-
	<u>842</u>	<u>842</u>	<u>-</u>
	<u><u>842</u></u>	<u><u>842</u></u>	<u><u>-</u></u>

5. Trading subsidiaries

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

Name of subsidiary	Country of incorporation	% Equity share capital held
The Kennet & Avon Canal (Enterprise) Ltd Company number - 02679756	England & Wales	100

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

	2019 £	2018 £
Turnover	301,268	289,381
Total expenditure	(273,289)	(251,057)
Other income	10,040	30,000
Net profit for the year	<u>38,019</u>	<u>68,324</u>
Amount gift-aided to the charity	(10,850)	-
Retained profit	<u><u>27,169</u></u>	<u><u>68,324</u></u>

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

Assets	675,360	660,235
Liabilities	(146,254)	(158,298)
Funds	<u><u>529,106</u></u>	<u><u>501,937</u></u>

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

Notes to the financial statements
for the year ended 31st December 2019

6. Expenditure on raising funds

Group and Parent

	Unrestricted funds £	2019 Total £	Unrestricted funds £	2018 Total £
Costs of generating donations and legacies	19,437	19,437	14,156	14,156
	<u>19,437</u>	<u>19,437</u>	<u>14,156</u>	<u>14,156</u>

7. Activities undertaken directly

Group and Parent

	Unrestricted funds	Restricted funds	2019 Total £	Unrestricted funds	Restricted funds	2018 Total £
Wages & Salaries	58,886	25,606	84,492	58,685	23,050	81,735
Employer's NIC	2,617	613	3,230	2,651	557	3,208
Employer's pension costs	1,140	403	1,543	678	104	782
Health & safety	5,886	58	5,944	8,406	-	8,406
Staff training	269	-	269	54	-	54
Recruitment	-	35	35	50	83	133
Rent	3,260	-	3,260	3,560	-	3,560
Rates	2,357	-	2,357	2,436	-	2,436
Coal	6,859	-	6,859	8,675	-	8,675
Light & heat	9,607	-	9,607	14,751	-	14,751
Repairs & maintenance	16,301	2,928	19,229	20,974	5,643	26,617
HLF project costs	-	73,220	73,220	-	482,961	482,961
Insurance	11,348	-	11,348	11,699	-	11,699
Computer costs	1,016	1,030	2,046	705	-	705
Hire of office equipment	781	-	781	648	-	648
Travel costs	1,088	269	1,357	1,067	-	1,067
Telephone	3,720	-	3,720	4,853	-	4,853
Other office expenses	1,844	-	1,844	1,919	99	2,018
Printing, postage & stationery	2,326	-	2,326	973	47	1,020
Depreciation (unrestricted)	11,524	1,286	12,810	11,234	1,286	12,520
Bank charges	1,711	-	1,711	1,609	-	1,609
Governance & support costs	10,065	-	10,065	7,457	-	7,457
	<u>152,605</u>	<u>105,448</u>	<u>258,053</u>	<u>163,084</u>	<u>513,830</u>	<u>676,914</u>

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

Notes to the financial statements
for the year ended 31st December 2019

8. Governance and support costs

Group and Parent

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to governance. Governance costs and other support costs are then apportioned to charitable activities in the year. Refer to the table below for the analysis of support and governance costs.

	Governance costs £	2019 Total £	Governance costs £	2018 Total £
Accountancy fees	2,958	2,958	1,560	1,560
Auditor remuneration	4,860	4,860	4,860	4,860
Other professional costs	2,247	2,247	1,037	1,037
	<u>10,065</u>	<u>10,065</u>	<u>7,457</u>	<u>7,457</u>

9. Net incoming resources for the year

Parent

	2019 £	2018 £
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	12,810	12,520
Auditors' remuneration	4,860	4,860
Auditors' remuneration from non-audit work	2,958	1,560
	<u>20,628</u>	<u>18,940</u>

10. Employees

Parent

Employment costs	2019 £	2018 £
Wages and salaries	84,492	81,735
Social security costs	3,230	3,208
Pension costs	1,543	782
Other costs	304	187
	<u>89,569</u>	<u>85,912</u>

No employee received emoluments of more than £60,000 (2018: None).

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

Notes to the financial statements
for the year ended 31st December 2019

Number of employees

The average monthly numbers of employees (including the trustees) during the year was as follows:

	2019	2018
	Number	Number
	5	4
	<u>5</u>	<u>4</u>

No trustee received remuneration during the year (2018: £Nil). One trustee was reimbursed for travel expenses totaling £62 (2018: £Nil).

11. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and was as follows:

	2019	2018
	£	£
Pension charge	1,543	782
	<u>1,543</u>	<u>782</u>

12. 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 31st December 2019 (2018: £Nil).

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

Notes to the financial statements
for the year ended 31st December 2019

13. Tangible fixed assets

<u>Group</u>	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Boats £	Total £
Cost						
At 1 January 2019	293,988	65,302	144,106	53,400	507,000	1,063,796
Additions	3,216	-	34,972	-	-	38,188
Disposals	-	-	(3,811)	-	-	(3,811)
At 31 December 2019	<u>297,204</u>	<u>65,302</u>	<u>175,267</u>	<u>53,400</u>	<u>507,000</u>	<u>1,098,173</u>
Depreciation						
At 1 January 2019	51,727	40,420	83,561	41,765	74,300	291,773
Charge for the year	4,004	3,265	16,079	1,795	25,350	50,493
On disposals	-	-	(3,274)	-	-	(3,274)
At 31 December 2019	<u>55,731</u>	<u>43,685</u>	<u>96,366</u>	<u>43,560</u>	<u>99,650</u>	<u>338,992</u>
Net book values						
At 31 December 2019	<u>241,473</u>	<u>21,617</u>	<u>78,901</u>	<u>9,840</u>	<u>407,350</u>	<u>759,181</u>
At 31 December 2018	<u>242,261</u>	<u>24,882</u>	<u>60,545</u>	<u>11,635</u>	<u>432,700</u>	<u>772,023</u>

<u>Parent</u>	Freehold land and buildings £	Leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Boats £	Total £
Cost						
At 1 January 2019	293,988	65,302	31,072	53,400	-	443,762
Additions	3,216	-	9,790	-	-	13,006
Disposals	-	-	-	-	-	-
At 31 December 2019	<u>297,204</u>	<u>65,302</u>	<u>40,862</u>	<u>53,400</u>	<u>-</u>	<u>456,768</u>
Depreciation						
At 1 January 2019	51,727	40,420	26,983	41,764	-	160,894
Charge for the year	4,004	3,265	3,746	1,795	-	12,810
On disposals	-	-	-	-	-	-
At 31 December 2019	<u>55,731</u>	<u>43,685</u>	<u>30,729</u>	<u>43,559</u>	<u>-</u>	<u>173,704</u>
Net book values						
At 31 December 2019	<u>241,473</u>	<u>21,617</u>	<u>10,133</u>	<u>9,841</u>	<u>-</u>	<u>283,064</u>
At 31 December 2018	<u>242,261</u>	<u>24,882</u>	<u>4,089</u>	<u>11,636</u>	<u>-</u>	<u>282,868</u>

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

Notes to the financial statements
for the year ended 31st December 2019

14. Fixed asset investments

<u>Parent</u>	Subsidiary undertakings	Total
	shares	£
	£	£
Cost		
At 1 January 2019 and		
At 31 December 2019	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

Investments represent 100% of the issued share capital in Kennet and Avon Canal Trust (Enterprise) Limited.

15. Stocks

<u>Group</u>	2019	2018
	£	£
Stocks	-	1,567
	<u>-</u>	<u>1,567</u>

16. Debtors

<u>Group</u>	2019	2018
	£	£
Trade debtors	4,253	4,336
Other debtors	9,536	4,968
Accrued income	26,165	41,568
	<u>39,954</u>	<u>50,872</u>
<u>Parent</u>	2019	2018
	£	£
Trade debtors	-	-
Amounts owed by subsidiary and associated undertakings	113,077	142,180
Accrued income	26,165	41,568
	<u>139,242</u>	<u>183,748</u>

The Kennet & Avon Canal Trust
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Notes to the financial statements
for the year ended 31st December 2019

17. Creditors: amounts falling due
within one year

Group

	2019	2018
	£	£
Trade creditors	7,321	6,484
Other taxes and social security	2,100	2,867
Accruals	21,500	20,250
	<u>30,921</u>	<u>29,601</u>

Parent

	2019	2018
	£	£
Trade creditors	1,763	4,223
Other taxes and social security	1,648	1,977
Accruals	7,500	17,100
	<u>10,911</u>	<u>23,300</u>

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

Notes to the financial statements
for the year ended 31st December 2019

18. Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	697,477	61,704	759,181
Current assets	586,345	16,285	602,630
Current liabilities	(30,921)	-	(30,921)
Provisions	(13,167)	-	(13,167)
	<u>1,239,734</u>	<u>77,989</u>	<u>1,317,723</u>
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2018 as represented by:			
Tangible fixed assets	709,033	62,990	772,023
Current assets	575,827	43,038	618,865
Current liabilities	(20,001)	(9,600)	(29,601)
Provisions	(9,816)	-	(9,816)
	<u>1,255,043</u>	<u>96,428</u>	<u>1,351,471</u>

Parent

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2019 as represented by:			
Tangible fixed assets	221,360	61,704	283,064
Investment assets	1,000	-	1,000
Current assets	500,179	16,285	516,464
Current liabilities	(10,911)	-	(10,911)
	<u>711,628</u>	<u>77,989</u>	<u>789,617</u>
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2018 as represented by:			
Tangible fixed assets	219,878	62,990	282,868
Investment assets	1,000	-	1,000
Current assets	546,928	43,038	589,966
Current liabilities	(13,700)	(9,600)	(23,300)
	<u>754,106</u>	<u>96,428</u>	<u>850,534</u>

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

Notes to the financial statements
for the year ended 31st December 2019

19. Unrestricted funds

	At 1 January 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2019 £
Unrestricted funds	754,106	140,907	(172,042)	(11,343)	711,628
Trading subsidiary	500,937	300,458	(273,289)	-	528,106
	<u>1,255,043</u>	<u>441,365</u>	<u>(445,331)</u>	<u>(11,343)</u>	<u>1,239,734</u>

	At 1 January 2018 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2018 £
Unrestricted funds	776,709	169,907	(177,240)	(15,270)	754,106
Trading subsidiary	432,613	319,381	(251,057)	-	500,937
	<u>1,209,322</u>	<u>489,288</u>	<u>(428,297)</u>	<u>(15,270)</u>	<u>1,255,043</u>

20. Restricted funds

	At 1 January 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2019 £
Marina project	1,220	-	-	-	1,220
Crofton Projects fund	-	2,645	(2,492)	(153)	-
Our Crofton Story (NHLF Project) fund	94,958	70,771	(101,520)	12,060	76,269
Acramans Crane fund	250	-	(250)	-	-
President's fund	-	500	-	-	500
Bristol City - Small Grant Big Improvement (SGBI)	-	1,750	(1,186)	(564)	-
	<u>96,428</u>	<u>75,666</u>	<u>(105,448)</u>	<u>11,343</u>	<u>77,989</u>

	At 1 January 2018 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2018 £
Marina project	1,220	-	-	-	1,220
Crofton Projects fund	-	5,074	(5,074)	-	-
Our Crofton Story (NHLF Project) fund	199,176	389,268	(508,756)	15,270	94,958
Acramans Crane fund	250	-	-	-	250
	<u>200,646</u>	<u>394,342</u>	<u>(513,830)</u>	<u>15,270</u>	<u>96,428</u>

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

Notes to the financial statements
for the year ended 31st December 2019

Purposes of restricted funds

The Marina Project funds were originally intended to be used towards a British Waterways funded research project into the feasibility of a marina at Foxhangers in 2004. As this is no longer a viable use for these restricted funds, it was agreed that they should be used to fund a joint project with the Canal & River Trust.

The Crofton Projects fund includes funds donated towards projects at Crofton.

Crofton houses the world's oldest fully working beam engine. Our Crofton Story (HLF Project) fund was created to conserve Crofton whilst developing our interpretation, activities and visitor facilities and secure Crofton for future generations.

The Acramans Crane donation was received towards work on a heritage structure at Dundas.

The President's fund was set up by a donation from the Trust President to fund volunteers' travel expenditure, to be used at the discretion of the Trust Chairman.

The SGBI grant was received from the South West Museum Development Programme to fund development of the website and the purchase of a gazebo at Crofton.

21. Charges

The Trustees of the National Heritage Lottery Fund hold a legal charge over the freehold property known as The Old Pumping Station, Crofton, Marlborough, Wiltshire, SN8 3DW.

22. Related party transactions

There are no related party transactions that require disclosure.

23. Ultimate parent undertaking

The ultimate controlling party is the Board of Trustee Directors.

24. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	566,426	(3,750)	562,676
Net funds	<u>566,426</u>	<u>(3,750)</u>	<u>562,676</u>

25. 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)

Notes to the financial statements
for the year ended 31st December 2019

26. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2019	2018
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 16)	4,253	4,336
- Other debtors (note 16)	3,845	4,968
	<u>8,098</u>	<u>9,304</u>
Financial liabilities		
Measured at amortised cost		
- Trade creditors (note 17)	7,321	6,484
- Other creditors (note 17)	2,100	2,867
	<u>9,421</u>	<u>9,351</u>

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

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 2019

	2019		2018	
	£	£	£	£
Incoming resources				
Incoming resources from generating funds:				
Voluntary income				
Donations		20,783		24,201
National Lottery Heritage Fund		70,771		389,268
Legacies		1,000		51,069
Grants receivable		-		4,245
Subscriptions		25,794		26,327
Gift Aid Reclaims		12,576		11,264
Crofton Projects		2,645		4,094
Fundraising		12,726		7,919
		<u>146,295</u>		<u>518,387</u>
Activities for generating funds				
Admissions		39,289		30,450
Crofton Car Park		5,503		2,847
Rent Received		11,425		11,157
		<u>56,217</u>		<u>44,454</u>
Investment income				
Bank interest receivable		842		-
		<u>842</u>		<u>-</u>
Income from trading subsidiaries				
Commercial trading operations		311,308		319,381
		<u>311,308</u>		<u>319,381</u>
Total incoming resources from generating funds		<u>514,662</u>		<u>882,222</u>
Other incoming resources				
Sundry Income		2,369		1,408
Gift aid from trading subsidiary		10,850		-
Gift aid paid by trading		(10,850)		-
		<u>2,369</u>		<u>1,408</u>
Total incoming resources		<u>517,031</u>		<u>883,630</u>

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

Detailed statement of financial activities

For the year ended 31 December 2019

Resources expended

Costs of generating funds:

Costs of generating donations and legacies

Butty costs

6,085

5,801

Advertisement & Publicity

4,623

1,821

Fundraising costs

8,729

6,534

19,437

14,156

Total cost of generating voluntary income

19,437

14,156

Commercial trading operations

Costs of trading subsidiaries

273,289

251,057

Fundraising trading:

cost of goods sold and other costs

Total costs of generating funds

292,726

265,213

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

Detailed statement of financial activities

For the year ended 31 December 2019

	2019	2018
	£	£
Charitable activities		
Charitable activities		
Activities undertaken directly		
Wages & Salaries	84,492	81,735
Employer's NIC	3,230	3,208
Employer's pension costs	1,543	782
Health & safety	5,944	8,406
Staff training	269	54
Recruitment	35	133
Rent	3,260	3,560
Rates	2,357	2,436
Coal	6,859	8,675
Light & heat	9,607	14,751
Repairs & maintenance	19,229	26,617
HLF project costs	73,220	482,961
Insurance	11,348	11,699
Computer costs	2,046	705
Hire of office equipment	781	648
Travel costs	1,357	1,067
Telephone	3,720	4,853
Other office expenses	1,844	2,018
Printing, postage & stationery	2,326	1,020
Depreciation (unrestricted)	12,810	12,520
Bank charges	1,711	1,609
	<u>247,988</u>	<u>669,457</u>
Total charitable activity expenditure	<u><u>247,988</u></u>	<u><u>669,457</u></u>
Governance costs		
Activities undertaken directly		
Accountancy fees	2,958	1,560
Auditor remuneration	4,860	4,860
Other professional costs	2,247	1,037
	<u>10,065</u>	<u>7,457</u>
Total governance costs	<u><u>10,065</u></u>	<u><u>7,457</u></u>
Net incoming/(outgoing) resources for the year	<u><u>(33,748)</u></u>	<u><u>(58,497)</u></u>