

**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 2016**

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

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

**Report of the trustees (incorporating the directors' report)**  
**for the year ended 31 December 2016**

The trustees present their annual director's report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2016 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:

- (a) 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.
- (b) visits to the areas served by the Kennet and Avon Canal by a wide section of the general public.
- (c) improvement and upkeep of visitor and boater amenities along the canal.
- (d) 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.
- (e) 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.
- (f) education projects to assist public understanding of the significance of the Kennet and Avon Canal and its associated structures by children and adults.

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:

- Maintaining and operating the Beam Engines at Crofton; and working to ensure the future sustainability of the Crofton heritage
- Organising a series of waterside events, open to the public, intended to promote the canal
- Assisting the Canal & River Trust in maintenance and promotion of the canal
- Undertaking projects to enhance the canal environment

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**Report of the trustees (incorporating the directors' report)**  
**for the year ended 31 December 2016**

- Operating our four passenger boats, enabling a wide range of the public to enjoy the canal from the water
- In alliance with the Bruce Trust, operating their 4 boats which are specially-designed and purpose-built for disabled, disadvantaged or elderly people
- With partners, operating our 5 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.

This year the Trust spent £7,719 on direct restoration and repair costs, mainly at Crofton. We also restored the Toll House at Dundas Wharf for use as a Welcome Station by the Canal & River Trust.

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

The accounts also identify the contribution to the Trust from its trading subsidiary Enterprise which was £66,126. The trading activities of Enterprise include the 4 passenger boats, the 4 Bruce Trust boats, a community boat acquired during the year, 5 cafes, and the Devizes retail shop.

**Achievements and Performance**

The Trust enjoyed a particularly successful 2016 as our highly talented volunteers and staff undertook a wide range of work along the length of the canal. Once again, their efforts made the canal an even better place to visit and appreciate the natural beauty, industrial heritage and leisure opportunities of the Kennet & Avon for the entire community. Our work included important and lasting achievements such as the long-needed restoration of the Dundas Toll House; and regular long-standing attractions such as our canal festivals and steaming weekends at Crofton.

Our particular focus on Crofton also continued in 2016. The need for major boiler works required up to £45,000 of funding and the team set to with imagination and energy to raise that. Crofton was invaded by hundreds of knitted boiler-bears and the site saw its first ever boiler bears picnic, featuring the branch chairman in a bear suit. The hard work paid off and the target was met by December with work completed in February 2017. Many of the same volunteers were part of the 'Our Crofton Story' project team which worked hard on the detailed work needed to prepare a bid to the Heritage Lottery Fund (HLF) for major conservation, visitor facilities and interpretation works costing around £750k. The Trust's major success of the year came in June when the HLF awarded a 'Stage 1 Pass' enabling the team to start the detailed planning work needed for a Stage 2 bid to secure the funding in 2017. This detailed and challenging work has continued through the winter.

The crews of our 4 passenger boats somehow managed to further increase the number of trips and passengers carried. The financial results were suitably impressive with these boats now providing the bulk of our trading income.

The Trust took on management of the 4 boats of the Bruce Trust having agreed a Strategic Alliance. We created a new staff post in Devizes to support this and started working with volunteers to create a new branch – the Bruce branch. Boat booking numbers were lower than anticipated and efforts through the summer to keep the boats turned around for new hirers each week meant that development of the branch structure took longer than anticipated. In October, trustees decided to continue the alliance for another year to allow time for the branch team to settle in and to see if booking numbers were better in 2017. Indications so far are promising and Trustees will review the alliance in the summer of 2017 and decide on its future.

The Trust was gifted a community narrowboat, the Lady Hilda which is ideal for youth work. Our new Bruce branch have taken her under their wing and are building use with various youth groups.

**The Kennet & Avon Canal Trust**  
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**Report of the trustees (incorporating the directors' report)**  
**for the year ended 31 December 2016**

**Financial Review**

2016 was also a remarkably successful year for the Trust's finances. We benefited from legacies of £67,330 and the fund-raising efforts for Crofton showed that, as intended, we are rebuilding our ability to fundraise.

Hard work by our boat crews and careful management by the Board of Directors saw a significant improvement in trading results for our trading subsidiary, Enterprise. After taking into account a management charge to cover support from the Trust, the company returned a net profit (see note 4) of £27,343 which was more than double the 2015 figure.

Trustees consider three key funding criteria:-

- Overall cash balances have doubled from a net £183k to £365k
- Unrestricted funds balances of the Trust have increased by 33% from £456k to £607k.
- Overall funds of the Group have increased by 38% from £558k to £769k.

Our cash flow position continued to improve and averaged £237k during the year and did not fall below £150k. Trustees have worked hard to build reserves to support our major project at Crofton where we are seeking HLF and other funding and have committed £75k of our own funding the project. These reserves **will fall over the next 3 years** as project expenditure is made. However, our reserves policy is that we will maintain a reserve of at least £50k to enable us to respond to a major unforeseen cost at Crofton or on one of the boats.

Restricted funds have increased from £8k to £41k (note 22).

**Plans for future periods**

The Trust's main priority in 2017 is to secure HLF Stage 2 approval for funding for the major conservation, visitor facilities and interpretation work needed at Crofton. The submission is scheduled to be made in June with an answer expected in September. Whilst the HLF will be providing much of the funding needed, Trust reserves and our own direct fund-raising will also play a large part. We are making other funding bids and have launched a public appeal. The 'Our Crofton Story' project will run until 2019 and is vital to assure the future of this Grade 1 listed asset and to ensure our custodianship of Crofton is sustainable into the future. A further significant task is the next development of our Strategic Alliance with the Bruce Trust that could see our Trust taking ownership of the fleet of 4 purpose built holiday boats for disabled people. These priorities are additional to our regular work of operating our 4 passenger boats, keeping Crofton in steam through the season, running waterside events and ensuring we protect, enhance and promote the canal throughout the year.

**Structure, governance and management**

The Trust was created by memorandum on 6<sup>th</sup> June 1962. It is governed by Articles of Association that were fully revised and approved by the AGM in 2015. This document was subsequently lodged with Companies House and is now the single governing document of the charity which is a private company limited by guarantee without share capital.

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. One trustee (Mike Bailey) was co-opted in 2016. Each year one third of trustees stand down or offer themselves for re-election at the AGM.

**The Kennet & Avon Canal Trust**  
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**Report of the trustees (incorporating the directors' report)**  
**for the year ended 31 December 2016**

**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 both companies is Devizes Wharf, Couch Lane, Devizes, SN10 1EB.

***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 | Mrs Lorraine Mundy *<br>Mr David Copley<br>Mr Robert Dean *<br>Mr David Inight (resigned 5 <sup>th</sup> July 2016)<br>Mr William Job *<br>Mrs Pauline King (resigned 5 <sup>th</sup> April 2016)<br>Mr Terence Mundy<br>Mr Anthony Nares *<br>Mr Peter Turvey<br>Mr David Fearn (appointed 14 <sup>th</sup> May 2016) |
|----------|--|

|                  |  |
|------------------|--|
| Co-opted trustee | Mr Mike Bailey (co-opted 4 <sup>th</sup> October 2016) |
|------------------|--|

In addition, the following were Directors of Enterprise:

Mr Graham Day  
Miss Deborah Robinson

|           |                    |
|-----------|--------------------|
| Secretary | Mrs Lorraine Mundy |
|-----------|--------------------|

***Our advisers***

|          |  |
|----------|--|
| Auditors | Compass Accountants Limited<br>The Tanneries<br>East Street<br>Titchfield<br>Hampshire<br>PO14 4AR |
|----------|--|

|                          |                    |
|--------------------------|--------------------|
| Senior Statutory Auditor | Kerry Lawrance ACA |
|--------------------------|--------------------|

|         |  |
|---------|--|
| Bankers | Lloyds TSB Bank plc<br>38 Market Place<br>Devizes<br>Wiltshire<br>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 2016**

**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.

**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.

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**Report of the trustees (incorporating the directors' report)**  
**for the year ended 31 December 2016**

**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

Lorraine Mundy  
Secretary

Rob Dean CMG  
Director

Date:

Date:

**The Kennet & Avon Canal Trust**  
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**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 2016 which comprise the Group and the Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 regulations made under section 154 of the Charities Act 2011. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also 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.

We have been appointed as auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**The Kennet & Avon Canal Trust  
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**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 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.

**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 and the Charities Act 2011 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Kerry Lawrance ACA (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:**

**The Kennet & Avon Canal Trust**  
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**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 December 2016**

|  | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2016<br>Total<br>£ | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2015<br>Total<br>£ |
|--|-------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| <b>Incoming resources</b>                          |       |                            |                          |                    |                            |                          |                    |
| Incoming resources from generating funds:          |       |                            |                          |                    |                            |                          |                    |
| Donations and legacies                             | 2     | 169,247                    | 33,338                   | 202,585            | 70,664                     | 14,000                   | 84,664             |
| Commercial trading operations                      | 4     | 292,609                    | -                        | 292,609            | 215,176                    | -                        | 215,176            |
| Income from other trading activities               | 3     | 78,801                     | -                        | 78,801             | 59,511                     | -                        | 59,511             |
| Other incoming resources                           | 5     | 1,509                      | -                        | 1,509              | 1,961                      | -                        | 1,961              |
| <b>Total incoming resources</b>                    |       | <b>542,166</b>             | <b>33,338</b>            | <b>575,504</b>     | <b>347,312</b>             | <b>14,000</b>            | <b>361,312</b>     |
| <b>Resources expended</b>                          |       |                            |                          |                    |                            |                          |                    |
| Costs of generating funds:                         |       |                            |                          |                    |                            |                          |                    |
| Expenditure on raising funds                       | 6     | 13,598                     | -                        | 13,598             | 16,814                     | -                        | 16,814             |
| Commercial trading operations                      | 4     | 212,266                    | -                        | 212,266            | 149,050                    | -                        | 149,050            |
| Charitable activities                              | 7     | 138,607                    | -                        | 138,607            | 157,315                    | 4,487                    | 161,802            |
| <b>Total resources expended</b>                    |       | <b>364,471</b>             | <b>-</b>                 | <b>364,471</b>     | <b>323,179</b>             | <b>4,487</b>             | <b>327,666</b>     |
| <b>Net incoming resources<br/>before transfers</b> |       | <b>177,695</b>             | <b>33,338</b>            | <b>211,033</b>     | <b>24,133</b>              | <b>9,513</b>             | <b>33,646</b>      |
| Transfer between funds                             |       | 832                        | (832)                    | -                  | 6,932                      | (6,932)                  | -                  |
| <b>Net incoming resources<br/>for the year</b>     |       | <b>178,527</b>             | <b>32,506</b>            | <b>211,033</b>     | <b>31,065</b>              | <b>2,581</b>             | <b>33,646</b>      |
| Total funds brought forward                        |       | 550,096                    | 8,052                    | 558,148            | 519,031                    | 5,471                    | 524,502            |
| <b>Total funds carried forward</b>                 |       | <b>728,623</b>             | <b>40,558</b>            | <b>769,181</b>     | <b>550,096</b>             | <b>8,052</b>             | <b>558,148</b>     |

The notes on pages 13 to 28 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 2016**

**Company number: 00726331**

|  | Notes | £               | 2016           | £               | 2015           | £ |
|--|-------|-----------------|----------------|-----------------|----------------|---|
| <b>Fixed assets</b>  |       |                 |                |                 |                |   |
| Tangible assets  | 14    |                 | 418,212        |                 | 379,350        |   |
| <b>Current assets</b>  |       |                 |                |                 |                |   |
| Stocks   | 16    | 4,013           |                | 4,973           |                |   |
| Debtors  | 17    | 5,604           |                | 18,886          |                |   |
| Cash at bank and in hand                                       |       | 364,901         |                | 182,722         |                |   |
|  |       |                 | <u>374,518</u> |                 | <u>206,581</u> |   |
| <b>Creditors: amounts falling due within one year</b>          | 18    | <u>(20,274)</u> |                | <u>(20,141)</u> |                |   |
| <b>Net current assets</b>                                      |       |                 | <u>354,244</u> |                 | <u>186,440</u> |   |
| <b>Total assets less current liabilities</b>                   |       |                 | <u>772,456</u> |                 | <u>565,790</u> |   |
| <b>Creditors: amounts falling due after more than one year</b> | 19    |                 | <u>(3,275)</u> |                 | <u>(7,642)</u> |   |
| <b>Net assets</b>  |       |                 | <u>769,181</u> |                 | <u>558,148</u> |   |
| <b>Funds</b>   |       |                 |                |                 |                |   |
| Restricted funds   | 20    |                 | 40,558         |                 | 8,052          |   |
| Unrestricted funds   |       |                 | 607,019        |                 | 455,835        |   |
| Charitable subsidiary funds                                    |       |                 | 121,604        |                 | 94,261         |   |
| Total unrestricted income funds                                |       |                 | <u>728,623</u> |                 | <u>550,096</u> |   |
| <b>Total funds</b>   |       |                 | <u>769,181</u> |                 | <u>558,148</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 102 (effective January 2015).

The financial statements were approved by the board on 13 May 2017 and signed on its behalf by

**Rob Dean CMG**  
**Director**

**The notes on pages 13 to 28 form an integral part of these financial statements.**

**The Kennet & Avon Canal Trust**  
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**Balance sheet**  
**as at 31 December 2016**

|   | Notes | £               | 2016<br>£      | £              | 2015<br>£      |
|---|-------|-----------------|----------------|----------------|----------------|
| <b>Fixed assets</b>                                   |       |                 |                |                |                |
| Tangible assets                                       | 14    |                 | 234,437        |                | 234,954        |
| Investments   | 15    |                 | 1,000          |                | 1,000          |
|   |       |                 | <u>235,437</u> |                | <u>235,954</u> |
| <b>Current assets</b>                                 |       |                 |                |                |                |
| Debtors   | 17    | 299,392         |                | 218,899        |                |
| Cash at bank and in hand                              |       | 123,069         |                | 18,850         |                |
|   |       | <u>422,461</u>  |                | <u>237,749</u> |                |
| <b>Creditors: amounts falling due within one year</b> | 18    | <u>(10,321)</u> |                | <u>(9,817)</u> |                |
| <b>Net current assets</b>                             |       |                 | <u>412,140</u> |                | <u>227,932</u> |
| <b>Net assets</b>                                     |       |                 | <u>647,577</u> |                | <u>463,886</u> |
| <b>Funds</b>  |       |                 |                |                |                |
| Restricted income funds                               | 20    |                 | 40,558         |                | 8,052          |
| Unrestricted income funds                             |       |                 | 607,019        |                | 455,834        |
| <b>Total funds</b>                                    |       |                 | <u>647,577</u> |                | <u>463,886</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 102 (effective January 2015).

The financial statements were approved by the board on 13 May 2017 and signed on its behalf by

**Rob Dean CMG**  
**Director**

**The notes on pages 13 to 28 form an integral part of these financial statements.**

**The Kennet & Avon Canal Trust**  
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**Cash flow statement**

**for the year ended 31 December 2016**

|  | <b>Charity</b><br>£ | <b>Group</b><br>£ |
|--|---------------------|-------------------|
| <b>Cash flows from operating activities:</b>               |                     |                   |
| <b>Net cash provided by (used in) operating activities</b> | 114,593             | 248,527           |
| <b>Cash flows from investing activities:</b>               |                     |                   |
| Interest income  | -                   | -                 |
| Purchase of fixed assets                                   | (10,374)            | (61,981)          |
| <b>Net cash provided by (used in) investing activities</b> | (10,374)            | (61,981)          |
| <b>Cash flows from financing activities:</b>               |                     |                   |
| Repayment of borrowing                                     | -                   | (4,367)           |
| <b>Net cash provided by (used in) financing activities</b> | -                   | (4,367)           |
| <b>Increase in cash and cash equivalents in the year</b>   | 104,219             | 182,179           |
| <b>Cash and cash equivalents at 1 January 2016</b>         | 18,850              | 182,722           |
| <b>Cash and cash equivalents at 31 December 2016</b>       | <b>123,069</b>      | <b>364,901</b>    |
| Net income/expenditure for the reporting period            | 183,688             | 211,033           |
| Depreciation and impairment                                | 10,894              | 23,119            |
| Decrease/(increase) in stocks                              |                     | 960               |
| Decrease/(increase) in debtors                             | (80,493)            | 13,282            |
| (Decrease)/increase in creditors                           | 504                 | 133               |
| <b>Net cash provided by (used in) operating activities</b> | <b>114,593</b>      | <b>248,527</b>    |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**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 102 (effective January 2015), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 (effective 1 January 2015) and the Companies Act 2006. The financial statements have been prepared in accordance with SORP Financial Reporting Standard 102

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

**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 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.

**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.

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**Notes to financial statements**  
**for the year ended 31 December 2016**

**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.

**1.9. Transition to FRS102**

These financial statements are the first financial statements of The Kennet & Avon Canal Trust prepared in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of The Kennet & Avon Canal Trust for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities April 2008. The transition date to FRS102 is 1 January 2015.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standard for Smaller Entities April 2008. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

It has not been necessary to restate the comparative figures as the directors have taken advantage of exemptions of retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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**Notes to financial statements**  
**for the year ended 31 December 2016**

**1.10. 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.

**1.11. Public Benefit Entity**

The charity is a public benefit entity.

**2. Donations**

Group and Parent

|                   | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2016<br/>Total<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2015<br/>Total<br/>£</b> |
|-------------------|-------------------------------------|-----------------------------------|-----------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| Donations         | 56,073                              | 33,338                            | 89,411                      | 17,486                              | 14,000                            | 31,486                      |
| Legacies          | 67,330                              | -                                 | 67,330                      | 7,326                               | -                                 | 7,326                       |
| Grants receivable | 500                                 | -                                 | 500                         | 500                                 | -                                 | 500                         |
| Subscriptions     | 30,550                              | -                                 | 30,550                      | 32,661                              | -                                 | 32,661                      |
| Gift Aid Reclaims | 14,794                              | -                                 | 14,794                      | 12,691                              | -                                 | 12,691                      |
|                   | <u>169,247</u>                      | <u>33,338</u>                     | <u>202,585</u>              | <u>70,664</u>                       | <u>14,000</u>                     | <u>84,664</u>               |

Legacies consist of £50,000 from the estate of Carol Mildred Charlton, £14,830 from Miss Rita McVitie, £2,000 from Mr Charles Ian Milward O'Brien & £500 from Admiral Sir William O'Brien.

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**Notes to financial statements**  
**for the year ended 31 December 2016**

**3. Income from other trading activities**

Group and Parent

|                  | <b>Unrestricted<br/>funds<br/>£</b> | <b>2016<br/>Total<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>2015<br/>Total<br/>£</b> |
|------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| Admissions       | 36,910                              | 36,910                      | 32,072                              | 32,072                      |
| Crofton Appeal   | 18,588                              | 18,588                      | 7,038                               | 7,038                       |
| Fundraising      | 10,178                              | 10,178                      | 9,724                               | 9,724                       |
| Crofton Car Park | 2,893                               | 2,893                       | 2,217                               | 2,217                       |
| Rent Received    | 10,232                              | 10,232                      | 8,460                               | 8,460                       |
|                  | <u>78,801</u>                       | <u>78,801</u>               | <u>59,511</u>                       | <u>59,511</u>               |

**4. Trading subsidiaries**

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

| <b>Name of subsidiary</b>   | <b>Country of incorporation</b> | <b>% of equity<br/>share capital<br/>held</b> |
|---|---------------------------------|---|
| The Kennet & Avon Canal (Enterprise) Ltd<br>Company number - 02679756 | England & Wales                 | 100   |

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**Notes to financial statements**  
**for the year ended 31 December 2016**

**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**

|                                | <b>2016</b>          | <b>2015</b>          |
|--------------------------------|----------------------|----------------------|
|                                | <b>£</b>             | <b>£</b>             |
| <b>Turnover</b>                | 292,609              | 215,176              |
| Total expenditure              | (265,266)            | (201,828)            |
| <b>Net profit for the year</b> | <u>27,343</u>        | <u>13,348</u>        |
| <b>Retained profit</b>         | <u><u>27,343</u></u> | <u><u>13,348</u></u> |

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

|              |                       |                      |
|--------------|-----------------------|----------------------|
| Assets       | 435,035               | 324,053              |
| Liabilities  | (312,431)             | (228,792)            |
| <b>Funds</b> | <u><u>122,604</u></u> | <u><u>95,261</u></u> |

**5. Other incoming resources**

Group and Parent

|               | <b>Unrestricted</b> | <b>2016</b>         | <b>Unrestricted</b> | <b>2015</b>         |
|---------------|---------------------|---------------------|---------------------|---------------------|
|               | <b>funds</b>        | <b>Total</b>        | <b>funds</b>        | <b>Total</b>        |
|               | <b>£</b>            | <b>£</b>            | <b>£</b>            | <b>£</b>            |
| Sundry Income | 1,509               | 1,509               | 1,961               | 1,961               |
|               | <u>1,509</u>        | <u>1,509</u>        | <u>1,961</u>        | <u>1,961</u>        |
|               | <u><u>1,509</u></u> | <u><u>1,509</u></u> | <u><u>1,961</u></u> | <u><u>1,961</u></u> |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**6. Expenditure on raising funds**

Group and Parent

|  | <b>Unrestricted<br/>funds<br/>£</b> | <b>2016<br/>Total<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>2015<br/>Total<br/>£</b> |
|--|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| Costs of generating donations and legacies | 13,598                              | 13,598                      | 16,814                              | 16,814                      |
|  | <u>13,598</u>                       | <u>13,598</u>               | <u>16,814</u>                       | <u>16,814</u>               |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**7. Activities undertaken directly**

| <u>Group and Parent</u>              | <b>2016</b>    | <b>2015</b>    |
|--------------------------------------|----------------|----------------|
|                                      | <b>Total</b>   | <b>Total</b>   |
|                                      | <b>£</b>       | <b>£</b>       |
| <b><u>Unrestricted</u></b>           |                |                |
| Wages & Salaries                     | 54,925         | 46,471         |
| Employer's NIC                       | 1,231          | 668            |
| Employer's pension costs             | 212            | 24             |
| Health & safety                      | 2,439          | 4,606          |
| Staff training                       | -              | 25             |
| Rent                                 | 3,560          | 5,120          |
| Rates                                | 2,364          | 2,429          |
| Coal                                 | 7,640          | 7,656          |
| Boiler chemicals & lubricant         | 4,517          | 4,272          |
| Light & heat                         | 8,372          | 10,279         |
| Repairs & maintenance (unrestricted) | 7,719          | 21,928         |
| Insurance                            | 12,582         | 12,687         |
| Computer costs                       | 271            | 424            |
| Hire of office equipment             | 542            | 188            |
| Travel costs                         | 190            | 2,081          |
| Telephone                            | 4,265          | 3,728          |
| Other office expenses                | 1,739          | 618            |
| Printing, postage & stationery       | 1,240          | 512            |
| Depreciation (unrestricted)          | 10,893         | 9,895          |
| (Profit)/loss on disposal            | -              | 6,699          |
| Bad debts                            | (651)          | 1,559          |
| Bank charges                         | 2,201          | 2,727          |
| Governance & support costs           | 12,356         | 12,719         |
| <b><u>Restricted</u></b>             |                |                |
| Repairs & maintenance (restricted)   | -              | 4,319          |
| Depreciation (restricted)            | -              | 168            |
|                                      | <u>138,607</u> | <u>161,802</u> |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**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.

|                          | <b>Governance<br/>costs<br/>£</b> | <b>2016<br/>Total<br/>£</b> | <b>Governance<br/>costs<br/>£</b> | <b>2015<br/>Total<br/>£</b> |
|--------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| Accountancy fees         | 2,928                             | 2,928                       | 3,312                             | 3,312                       |
| Auditor remuneration     | 4,800                             | 4,800                       | 4,800                             | 4,800                       |
| Other professional costs | 4,628                             | 4,628                       | 4,607                             | 4,607                       |
|                          | <u>12,356</u>                     | <u>12,356</u>               | <u>12,719</u>                     | <u>12,719</u>               |

**9. Net incoming/(outgoing) resources for the year**

Parent

|  | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|--|-------------------|-------------------|
| Net incoming/(outgoing) resources is stated after charging:      |                   |                   |
| Depreciation and other amounts written off tangible fixed assets | 10,893            | 9,727             |
| Loss on disposal of tangible fixed assets                        | -                 | 6,699             |
| Auditors' remuneration   | 4,800             | 4,800             |
| Auditors' remuneration from non-audit work                       | <u>2,928</u>      | <u>3,312</u>      |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**10. Employees**

Parent

| <b>Employment costs</b> | <b>2016</b>   | <b>2015</b>   |
|-------------------------|---------------|---------------|
|                         | <b>£</b>      | <b>£</b>      |
| Wages and salaries      | 54,925        | 46,471        |
| Social security costs   | 1,231         | 668           |
| Pension costs           | 212           | 24            |
| Other costs             | -             | 25            |
|                         | <u>56,368</u> | <u>47,188</u> |

No employee received emoluments of more than £60,000 (2015 : None).

**Number of employees**

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

| <b>2016</b>   | <b>2015</b>   |
|---------------|---------------|
| <b>Number</b> | <b>Number</b> |
| <u>3</u>      | <u>4</u>      |

No trustee received remuneration during the year (2015: £NIL). No trustees were reimbursed for travel expenses (2015: £NIL).

**12. 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:

|                | <b>2016</b> | <b>2015</b> |
|----------------|-------------|-------------|
|                | <b>£</b>    | <b>£</b>    |
| Pension charge | <u>212</u>  | <u>24</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 2016 (2015: £NIL).

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

| 14. Tangible fixed assets | Freehold<br>land and<br>buildings | Leasehold<br>property | Plant and<br>machinery | Fixtures,<br>fittings and<br>equipment | Boats          | Total          |
|---------------------------|-----------------------------------|-----------------------|------------------------|--|----------------|----------------|
| <u>Group</u>              | £                                 | £                     | £                      | £                                      | £              | £              |
| <b>Cost</b>               |                                   |                       |                        |  |                |                |
| At 1 January 2016         | 229,712                           | 57,352                | 80,335                 | 47,485                                 | 142,000        | 556,884        |
| Additions                 | 202                               | 7,950                 | 6,607                  | 2,222                                  | 45,000         | 61,981         |
| At 31 December 2016       | <u>229,914</u>                    | <u>65,302</u>         | <u>86,942</u>          | <u>49,707</u>                          | <u>187,000</u> | <u>618,865</u> |
| <b>Depreciation</b>       |                                   |                       |                        |  |                |                |
| At 1 January 2016         | 42,478                            | 30,625                | 54,959                 | 35,272                                 | 14,200         | 177,534        |
| Charge for the year       | -                                 | 5,920                 | 5,603                  | 2,196                                  | 9,400          | 23,119         |
| At 31 December 2016       | <u>42,478</u>                     | <u>36,545</u>         | <u>60,562</u>          | <u>37,468</u>                          | <u>23,600</u>  | <u>200,653</u> |
| <b>Net book values</b>    |                                   |                       |                        |  |                |                |
| At 31 December 2016       | <u>187,436</u>                    | <u>28,757</u>         | <u>26,380</u>          | <u>12,239</u>                          | <u>163,400</u> | <u>418,212</u> |
| At 31 December 2015       | <u>187,234</u>                    | <u>26,727</u>         | <u>25,376</u>          | <u>12,213</u>                          | <u>127,800</u> | <u>379,350</u> |

| <u>Parent</u>          | Freehold<br>land and<br>buildings | Leasehold<br>property | Plant and<br>machinery | Fixtures,<br>fittings and<br>equipment | Boats    | Total          |
|------------------------|-----------------------------------|-----------------------|------------------------|--|----------|----------------|
|                        | £                                 | £                     | £                      | £                                      | £        | £              |
| <b>Cost</b>            |                                   |                       |                        |  |          |                |
| At 1 January 2016      | 229,712                           | 57,352                | 26,363                 | 47,485                                 | -        | 360,912        |
| Additions              | 202                               | 7,950                 | -                      | 2,222                                  | -        | 10,374         |
| At 31 December 2016    | <u>229,914</u>                    | <u>65,302</u>         | <u>26,363</u>          | <u>49,707</u>                          | <u>-</u> | <u>371,286</u> |
| <b>Depreciation</b>    |                                   |                       |                        |  |          |                |
| At 1 January 2016      | 42,478                            | 30,625                | 17,580                 | 35,272                                 | -        | 125,955        |
| Charge for the year    | -                                 | 5,920                 | 2,778                  | 2,196                                  | -        | 10,894         |
| At 31 December 2016    | <u>42,478</u>                     | <u>36,545</u>         | <u>20,358</u>          | <u>37,468</u>                          | <u>-</u> | <u>136,849</u> |
| <b>Net book values</b> |                                   |                       |                        |  |          |                |
| At 31 December 2016    | <u>187,436</u>                    | <u>28,757</u>         | <u>6,005</u>           | <u>12,239</u>                          | <u>-</u> | <u>234,437</u> |
| At 31 December 2015    | <u>187,234</u>                    | <u>26,727</u>         | <u>8,783</u>           | <u>12,213</u>                          | <u>-</u> | <u>234,957</u> |

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**Notes to financial statements**  
**for the year ended 31 December 2016**

Included above are assets held under finance leases or hire purchase contracts as follows:

| <u>Group</u>        | 2016              |                        | 2015              |                        |
|---------------------|-------------------|------------------------|-------------------|------------------------|
|                     | Net<br>book value | Depreciation<br>charge | Net<br>book value | Depreciation<br>charge |
| Asset description   | £                 | £                      | £                 | £                      |
| Plant and machinery | 31,450            | 5,550                  | 33,300            | 3,700                  |

**15. Fixed asset investments**

| <u>Parent</u>                                | Subsidiary<br>undertakings<br>shares | Total |
|--|--------------------------------------|-------|
|  | £                                    | £     |
| <b>Cost</b>                                  |                                      |       |
| At 1 January 2016 and<br>At 31 December 2016 | 1,000                                | 1,000 |

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

**16. Stocks**

| <u>Group</u> | 2016  | 2015  |
|--------------|-------|-------|
|              | £     | £     |
| Stocks       | 4,013 | 4,973 |

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**Notes to financial statements**  
**for the year ended 31 December 2016**

**17. Debtors**

Group

|               | <b>2016</b>  | <b>2015</b>   |
|---------------|--------------|---------------|
|               | <b>£</b>     | <b>£</b>      |
| Trade debtors | 2,535        | 12,236        |
| Other debtors | 3,069        | 6,650         |
|               | <u>5,604</u> | <u>18,886</u> |

Parent

|  | <b>2016</b>    | <b>2015</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Trade debtors  | 190            | 6,380          |
| Amounts owed by subsidiary and associated undertakings | 299,202        | 210,636        |
| Other debtors  | -              | 1,883          |
|  | <u>299,392</u> | <u>218,899</u> |

**18. Creditors: amounts falling due within one year**

Group

|  | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Net obligations under finance leases and hire purchase contracts | 4,367         | 4,367         |
| Trade creditors  | 3,118         | 5,574         |
| Other taxes and social security                                  | 749           | -             |
| Accruals   | 12,040        | 10,200        |
|  | <u>20,274</u> | <u>20,141</u> |

Parent

|                                 | <b>2016</b>   | <b>2015</b>  |
|---------------------------------|---------------|--------------|
|                                 | <b>£</b>      | <b>£</b>     |
| Trade creditors                 | 632           | 2,617        |
| Other taxes and social security | 749           | -            |
| Accruals                        | 8,940         | 7,200        |
|                                 | <u>10,321</u> | <u>9,817</u> |

**The Kennet & Avon Canal Trust**  
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**Notes to financial statements**  
**for the year ended 31 December 2016**

**19. Creditors: amounts falling due**  
**after more than one year**

Group

|                                      | <b>2016</b>  | <b>2015</b>  |
|--------------------------------------|--------------|--------------|
|                                      | <b>£</b>     | <b>£</b>     |
| Net obligations under finance leases | 3,275        | 7,642        |
|                                      | <u>3,275</u> | <u>7,642</u> |

**20. Analysis of net assets between funds**

Group

|  | <b>Unrestricted</b> | <b>Restricted</b> | <b>Total</b>   |
|--|---------------------|-------------------|----------------|
|  | <b>funds</b>        | <b>funds</b>      | <b>funds</b>   |
|  | <b>£</b>            | <b>£</b>          | <b>£</b>       |
| Fund balances at 31 December 2016 as represented by: |                     |                   |                |
| Tangible fixed assets                                | 418,212             | -                 | 418,212        |
| Current assets                                       | 333,960             | 40,558            | 374,518        |
| Current liabilities                                  | (20,274)            | -                 | (20,274)       |
| Long-term liabilities                                | (3,275)             | -                 | (3,275)        |
|  | <u>728,623</u>      | <u>40,558</u>     | <u>769,181</u> |

Parent

|  | <b>Unrestricted</b> | <b>Restricted</b> | <b>Total</b>   |
|--|---------------------|-------------------|----------------|
|  | <b>funds</b>        | <b>funds</b>      | <b>funds</b>   |
|  | <b>£</b>            | <b>£</b>          | <b>£</b>       |
| Fund balances at 31 December 2016 as represented by: |                     |                   |                |
| Tangible fixed assets                                | 234,437             | -                 | 234,437        |
| Investment assets                                    | 1,000               | -                 | 1,000          |
| Current assets                                       | 381,903             | 40,558            | 422,461        |
| Current liabilities                                  | (10,321)            | -                 | (10,321)       |
|  | <u>607,019</u>      | <u>40,558</u>     | <u>647,577</u> |

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**Notes to financial statements**  
**for the year ended 31 December 2016**

| <b>21. Unrestricted funds</b> | <b>At<br/>1 January<br/>2016<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Outgoing<br/>resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>At<br/>31 December<br/>2016<br/>£</b> |
|-------------------------------|--|-------------------------------------|-------------------------------------|------------------------|--|
| Unrestricted funds            | 455,835                                | 302,557                             | (152,205)                           | 832                    | 607,019                                  |
| Trading subsidiary            | 94,261                                 | 239,609                             | (212,266)                           | -                      | 121,604                                  |
|                               | <u>550,096</u>                         | <u>542,166</u>                      | <u>(364,471)</u>                    | <u>832</u>             | <u>728,623</u>                           |

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

**Notes to financial statements**  
**for the year ended 31 December 2016**

**22. Restricted funds**

|                                      | At<br>1 January<br>2016<br>£ | Incoming<br>resources<br>£ | Transfers<br>£ | At<br>31 December<br>2016<br>£ |
|--------------------------------------|------------------------------|----------------------------|----------------|--------------------------------|
| Marina project                       | 1,220                        | -                          | -              | 1,220                          |
| Crofton Boiler fund                  | 6,000                        | 28,088                     | -              | 34,088                         |
| Our Crofton Story (HLF Project) fund | -                            | 5,000                      | -              | 5,000                          |
| Acramans Crane fund                  | -                            | 250                        | -              | 250                            |
| Crofton Defibrillator fund           | 832                          | -                          | (832)          | -                              |
|                                      | <u>8,052</u>                 | <u>33,338</u>              | <u>(832)</u>   | <u>40,558</u>                  |

**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 the current Canal & River Trust (formerly British Waterways) led Hens Field project.

The Crofton Boiler Fund was created following an appeal for the overhaul of the boiler 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 Crofton Defibrillator donation was received towards the purchase of a defibrillator for use at Crofton. This item was purchased in the previous year and the balance on the fund has now been transferred to unrestricted funds in accordance with SORP FRS 102 section 2.26.

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

**Notes to financial statements**  
**for the year ended 31 December 2016**

**23. Ultimate parent undertaking**

The ultimate controlling party is the Board of Trustee Directors.

**24. Analysis of changes in net funds**

|  | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b> | <b>Closing<br/>balance</b> |
|--|----------------------------|-----------------------|----------------------------|
|  | <b>£</b>                   | <b>£</b>              | <b>£</b>                   |
| Cash at bank and in hand                   | 182,722                    | 182,179               | 364,901                    |
| Finance leases and hire purchase contracts | (4,367)                    | (3,275)               | (7,642)                    |
| <b>Net funds</b>                           | <u>178,355</u>             | <u>178,904</u>        | <u>357,259</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)**

**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 2016**

|   | <b>2016</b> |                       | <b>2015</b> |                       |
|---|-------------|-----------------------|-------------|-----------------------|
|   | £           | £                     | £           | £                     |
| <b>Incoming resources</b>                             |             |                       |             |                       |
| <b>Incoming resources from generating funds:</b>      |             |                       |             |                       |
| <i>Voluntary income</i>                               |             |                       |             |                       |
| Donations   |             | 89,411                |             | 31,486                |
| Legacies  |             | 67,330                |             | 7,326                 |
| Grants receivable                                     |             | 500                   |             | 500                   |
| Subscriptions   |             | 30,550                |             | 32,661                |
| Gift Aid Reclaims                                     |             | 14,794                |             | 12,691                |
|   |             | <u>202,585</u>        |             | <u>84,664</u>         |
| <i>Activities for generating funds</i>                |             |                       |             |                       |
| Admissions  |             | 36,910                |             | 32,072                |
| Crofton Appeal  |             | 18,588                |             | 7,038                 |
| Fundraising   |             | 10,178                |             | 9,724                 |
| Crofton Car Park                                      |             | 2,893                 |             | 2,217                 |
| Rent Received   |             | 10,232                |             | 8,460                 |
|   |             | <u>78,801</u>         |             | <u>59,511</u>         |
| <i>Income from trading subsidiaries</i>               |             |                       |             |                       |
| Commercial trading operations                         |             | 292,609               |             | 215,176               |
|   |             | <u>292,609</u>        |             | <u>215,176</u>        |
| <b>Total incoming resources from generating funds</b> |             | <u>573,995</u>        |             | <u>359,351</u>        |
| <b>Other incoming resources</b>                       |             |                       |             |                       |
| Sundry Income   |             | 1,509                 |             | 1,961                 |
|   |             | <u>1,509</u>          |             | <u>1,961</u>          |
| <b>Total incoming resources</b>                       |             | <u><u>575,504</u></u> |             | <u><u>361,312</u></u> |

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

**Detailed statement of financial activities**

**For the year ended 31 December 2016**

**Resources expended**

**Costs of generating funds:**

*Costs of generating donations and legacies*

|                           |       |        |
|---------------------------|-------|--------|
| Butty costs               | 5,394 | 5,419  |
| Advertisement & Publicity | 1,320 | 1,361  |
| Fund raising costs        | 6,884 | 10,034 |

13,598 16,814

**Total cost of generating voluntary income**

13,598 16,814

*Commercial trading operations*

Costs of trading subsidiaries 212,266 149,050

**Fundraising trading:**

**cost of goods sold and other costs**

**Total costs of generating funds**

225,864 165,864

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

**Detailed statement of financial activities**

**For the year ended 31 December 2016**

|   | <b>2016</b> | <b>2015</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Charitable activities</b>                          |             |             |
| <b>Charitable activities</b>                          |             |             |
| <i>Activities undertaken directly</i>                 |             |             |
| Wages & Salaries                                      | 54,925      | 46,471      |
| Employer's NIC  | 1,231       | 668         |
| Employer's pension costs                              | 212         | 24          |
| Health & safety                                       | 2,439       | 4,606       |
| Staff training  | -           | 25          |
| Rent  | 3,560       | 5,120       |
| Rates   | 2,364       | 2,429       |
| Coal  | 7,640       | 7,656       |
| Boiler chemicals & lubricant                          | 4,517       | 4,272       |
| Light & heat  | 8,372       | 10,279      |
| Repairs & maintenance (unrestricted)                  | 7,719       | 21,928      |
| Repairs & maintenance (restricted)                    | -           | 4,319       |
| Insurance   | 12,582      | 12,687      |
| Computer costs  | 271         | 424         |
| Hire of office equipment                              | 542         | 188         |
| Travel costs  | 190         | 2,081       |
| Telephone   | 4,265       | 3,728       |
| Other office expenses                                 | 1,739       | 618         |
| Printing, postage & stationery                        | 1,240       | 512         |
| Depreciation (unrestricted)                           | 10,893      | 9,895       |
| Depreciation (restricted)                             | -           | 168         |
| (Profit)/loss on disposal                             | -           | 6,699       |
| Bad debts   | (651)       | 1,559       |
| Bank charges  | 2,201       | 2,727       |
|   | <hr/>       | <hr/>       |
|   | 126,251     | 149,083     |
|   | <hr/>       | <hr/>       |
| <b>Total charitable activity expenditure</b>          | 126,251     | 149,083     |
|   | <hr/> <hr/> | <hr/> <hr/> |
| <b>Governance costs</b>                               |             |             |
| <i>Activities undertaken directly</i>                 |             |             |
| Accountancy fees                                      | 2,928       | 3,312       |
| Auditor remuneration                                  | 4,800       | 4,800       |
| Other professional costs                              | 4,628       | 4,607       |
|   | <hr/>       | <hr/>       |
|   | 12,356      | 12,719      |
|   | <hr/>       | <hr/>       |
| <b>Total governance costs</b>                         | 12,356      | 12,719      |
|   | <hr/> <hr/> | <hr/> <hr/> |
| <b>Net incoming/(outgoing) resources for the year</b> | 211,033     | 33,646      |
|   | <hr/> <hr/> | <hr/> <hr/> |