

Charity number: CC209206
Company number: 00726331

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

Trustees' report and consolidated financial statements

for the year ended 31st December 2020

The Kennet & Avon Canal Trust
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2020 in summary

- Income in 2020 was severely impacted by the Covid pandemic, with commercial trading income reduced from £311,308 in 2019 to £54,912, resulting in a loss being made by our trading subsidiary.
- This was partially offset by additional grants and donations (£94,954; 2019: 20,783) and legacies (£50,000; 2019 £1,000). As a consequence, the overall Group results showed net expenditure of £116,885 (2019: £33,748).
- Cash balances at the end of the year were £457,067 (2019: £562,676), and free reserves remain well above the target level of £200,000.
- Passenger numbers on public boat trips were 1,358 (2019: 18,628). The number of weeks of holiday hire of Bruce Boats was 17 (2019: 65).
- Crofton Beam Engines opened to the public in mid-July, but it was not possible to steam the engines. Total visitor numbers were 1,760, with 946 paying to tour the station itself (2019: 5,531, of which 2,043 were on non-steaming days). New interpretation panels and video screens were installed before reopening, as part of the major Lottery-funded Our Crofton Story project, which was successfully completed in December.
- Other achievements in the year included updating the Articles, to clarify that General Meetings may be held electronically, and issuing one printed and one electronic edition of The Butty to members.

Introduction

The Trustees present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31st December 2020 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 Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102).

Our Vision and Strategy

The charitable objects of the Trust, as set out in its Articles of Association, are 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; and
- 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.

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In November 2020, following a review of the Trust's future priorities, the Trustees agreed a new Vision and Strategy statement, taking full account of Charity Commission guidance on public benefit from charitable activities.

This statement included the following aims:

- To promote the Kennet and Avon Canal to the benefit of all its users, the communities through which it passes, and its heritage.
- To be a voice for users of the Kennet and Avon Canal - whether on the water or on the towpath.
- To preserve the heritage of the canal, by promoting protection and restoration of historic features and making them accessible to visitors, canal users and local communities.
- To provide opportunities for all members of the public, and in particular community groups and those who are disadvantaged or disabled, to access the canal whether on boats or along the towpath.
- To develop new ways of enabling the public to experience the canal and its history, and widen the range of people who can engage with it.

These aims will guide the future priorities for the Trust, as a basis for ensuring that it continues to meet its objects for the public benefit. The Trust will seek to achieve this in the following way:

- Through our Branch structure, we will ensure that the whole length of the canal has a local champion, working to improve the canal and towpath both directly and through lobbying
- We will develop facilities for learning and community engagement along the canal
- We will identify and promote projects to protect the canal's heritage and environment
- We will encourage our trading subsidiary to continue to provide boat and other recreational facilities, supporting these with grants where they are not commercially viable but bring public benefit
- We will engage constructively with the Canal and River Trust as the canal's owner and operator, and with other heritage and community bodies, and participate in events promoting the canal
- We will report regularly on our activities to members, volunteers, funders and other stakeholders

Review of 2020

(a) Overview

The Trust's achievements are heavily reliant on the contribution of the time and expertise of about four hundred volunteers, who mainly operate through the Trust's eight Branches. Our boats are exclusively crewed by volunteers, Crofton opening days are almost entirely run by volunteers, and our events and support for canal side work are delivered by volunteers. The safety and wellbeing of our volunteers and staff is therefore a priority for Trustees.

Our plans for 2020 were affected very significantly by the Covid-19 pandemic. Even before the first national lockdown in March, Trustees had taken the decision to suspend operations. Two members of staff were put on furlough, with the other two working from home to carry out essential administrative tasks, including making refunds to those who had made bookings for boat holiday hire or public boat trips.

Trust Council and the Enterprise Board continued to meet by electronic means, and plans were developed, in line with legal restrictions and Government guidance, to allow operations to restart in a Covid-secure way. The target was set to reopen Crofton Beam Engines to the public from mid-July, with some public boat trips and holiday hire restarting in August. This was achieved, as described in more detail below, although visitor numbers and therefore income were obviously much below budgeted levels.

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Our café licensees were also impacted severely by Covid restrictions, and were either closed or were only able to offer takeaway services for significant periods during the year, and into 2021. The Enterprise Board agreed to share the financial impact by waiving rents for one month in 2020 and again in February 2021.

Trust Council reviewed updated financial projections for 2020 and for the five years to 2025 at its meeting in July. It recognised the need to reduce administrative costs as well as increasing income both from membership subscriptions and donations and grants, and agreed to set up a strategic review to be undertaken by a sub-group of Trust Council with input from Branches. As well as updating the Vision and Strategy for the Trust, this review resulted in revised financial targets for Bruce Boats and Crofton, measures to reduce the central administrative costs of the Trust, and proposals to refresh the membership offer and update the membership system.

(b) Trust

The Trust operates mainly through its eight Branches.

Crofton Branch is responsible for running Crofton Beam Engines, a Grade 1 listed building housing the oldest beam engine in the world still in its original location and still able to perform its original task. 2020 saw the formal completion of the project to tell 'Our Crofton Story: Its Buildings and Its People'. This major £750K project, supported by the National Lottery Heritage Fund (NHLF), started in 2017, and in 2018 and 2019 involved major restoration work to the buildings, and the provision of disabled and staff toilets.

In 2020, the focus has been on delivering the Activity Plan: this has included installation of a new play area in June, of new interpretation panels around the site in July with video screens showing films of the engines in action (including the Shell film from the 1950s narrated by John Betjeman), and provision of additional visitor facilities such as cycle racks and picnic tables. These works were completed before the site reopened to visitors on 18 July.

By agreement with the Heritage Fund, additional items were added to the project such as replacement Boiler House doors, and work on the electrical system within the Pumping Station itself to address issues identified in an electrical inspection carried out after the end of the season.

The Activity Plan also includes development of formal and informal learning programmes. On the basis of a commitment from the Trust to fund the post for a two year period from the end of the Lottery project, a Learning and Community Engagement Officer was appointed in September to lead this work, and we were able to host a visit of sixth form students in October. Using the skills of volunteers, a large demountable model of the engines was designed and produced, to be used as a learning aid.

The project has been independently evaluated, a process which has involved comparing achievements with the commitments originally made to the Heritage Fund, interviews with Trustees, volunteers and staff, contractors and other stakeholders, as well as surveys of visitor reaction. This evaluation report was formally accepted by the Heritage Fund in December, allowing the final grant payment to be made. Project expenditure was just under £700,000, £61,000 below budget. Over the period of the project, volunteer time input was 1,400 days, valued by the Heritage Fund at £220K.

Crofton Branch also secured a grant under the South West Museum Development Programme's 'Small Grant Big Improvement' project for the purchase of a contactless donation box. This was installed at the beginning of September, and generated useful donations in particular over the Heritage Open Days weekend, when entry to the station was free of charge.

Following the resignation of the full-time Site Manager, who left in April, the site has been managed in 2020 by a volunteer Site Manager with support from a full-time Assistant Site Manager, who returned from furlough in mid-June. The site was open to visitors from 18 July for a total of 33 days, although it was not possible to steam the engines or hold any special events. On each day, six or seven volunteers were on duty to ensure the safety of visitors with additional sanitisation and cleaning, and to manage visitor numbers to

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ensure adequate social distancing. The measures put in place received very favourable feedback from visitors, and will provide a model for 2021 opening.

Some of the other Branches, such as Reading, have continued with their programme of talks, although these were held electronically.

Bath/Bristol Branch funded the purchase of a new sign to be installed at Dundas Wharf. This continues the Branch's collaboration with the Canal and River Trust (CRT) to enhance the western end of the canal.

Because of the pandemic, events such as the Newbury waterways festival, for which the Newbury Branch had obtained grants from the Greenham Trust, the Englefield Trust and Newbury Town Council, and the Reading Waterfest jointly operated in partnership with Reading Borough Council were not able to be held. It is hoped that these events can be held in 2021.

Similarly, the Trust Museum at Devizes was closed from the initial lockdown. It is hoped that it will reopen after Easter 2021, with new operating arrangements to ensure that it is Covid-secure.

Two editions of the Trust's magazine The Butty were published, although the Autumn edition was issued only in electronic format.

(c) Enterprise

The Trust's trading subsidiary, the Kennet and Avon Canal Trust (Enterprise) Ltd, operates five public boat trips, holiday hire of four boats adapted for use by disabled passengers, and a boat for use by community groups. It also licenses cafés at Bradford on Avon, Devizes Newbury and Aldermaston. (The café at Crofton did not operate in 2020.) These activities directly support delivery of the Trust's charitable objects, in particular by promoting recreational use of the canal by a wide range of the public. Profits on these activities are paid to the Trust, and thereby support the public benefit both directly and indirectly.

In a normal year, trip boats and holiday hire activities run from Easter to October, with additional public services at Christmas. Because of the pandemic, only two of the trip boats were able to operate in 2020 (Barbara McLellan, based at Bradford on Avon, and the Rose of Hungerford), starting in August. However, capacity was significantly reduced in order to ensure social distancing between different households. Bruce Boat holiday hires also restarted in August, but were then impacted by introduction of the 'rule of six' which precluded groups involving different households from hiring boats. Barbara McLellan was also able to operate limited Christmas services.

Neither Jubilee (the narrowboat based at Newbury) or Matilda (the leased boat based at Reading) operated in 2020, because it was not possible to achieve social distancing on these smaller boats. although some crew training was undertaken between lockdowns. Kenavon Venture also did not operate in 2020, and significant work was required to address issues with its hull in order to meet the requirements of the Maritime and Coastguard Agency (MCA), which regulates boats with a capacity in excess of 12.

Maintaining the boat fleet owned by Enterprise involves significant fixed costs, for example in respect of licences, inspection by the MCA, mooring and insurance. As a consequence of lower income, boat activities therefore made a significant loss in 2020. Recognising the potential of the boat fleet to return to profit in the medium term, the Trust agreed to make a short term loan to Enterprise in April, which was consolidated and extended in a further loan agreed in August which is to be repaid over a maximum of five years. In accordance with Charity Commission guidance, formal loan agreements were signed, which also provided for the payment of interest.

Following a tender exercise, a new licensee was appointed to operate the café at Devizes from 1 April 2020. Because of the first lockdown, the actual opening was delayed.

The four licensed cafés continued to make a positive contribution to Enterprise, although opening hours and the service offered were also seriously impacted by Covid restrictions. The Enterprise Board agreed in 2020

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that in future relationships with café licensees should generally be the responsibility of the relevant Branch, to improve communication and to develop the role of the cafés in providing information to visitors about the Trust and the canal.

(d) Administration and governance

Up to March, two full time and one part time members of staff (including the Trust Administrator) were based at the Devizes office. After being furloughed, the Trust Administrator left at the end of August, and was not replaced. The other two members of staff have been mainly working from home since March, with the office generally only open on one day a week.

Other cost saving measures included switching energy suppliers at Devizes, which followed an earlier switch at Crofton.

These and other measures have resulted in a significant reduction in Trust and Enterprise central costs. A revised basis of allocating Devizes office costs between Trust and Enterprise has therefore been agreed, to reflect the change in activities.

Given the turnover of the Group, a full audit of the accounts is not required. The Trustees therefore decided in December that in future accounts should be subject to Independent Examination rather than audit, which has also resulted in a reduction in costs for both Trust and Enterprise. This does not change Trustees' duties as Directors under the Companies Act to ensure that the accounts show a true and fair view.

Plans for 2021 and beyond

(a) Trust

Towards the end of 2020, the Trust was successful in getting grant funding from the Wiltshire Community Foundation to meet the costs of three heritage-related projects to be undertaken in 2021:

- A scoping study, being undertaken by a local firm of architects, to develop proposals for upgrading Bedwyn Wharf in a style sympathetic to the canal and its history. Subject to funding, and agreement with CRT, the full scheme will be developed further during 2021;
- Repairs to the Tea Room at Bradford on Avon, which was probably built soon after the canal was opened, possibly as the lock keeper's cottage, using traditional materials; and
- Conservation of the Archimedean Screw displayed at Crofton, for which partial grant funding had already been obtained from the Pilgrim Trust, during August 2021, with opportunities for visitors to meet the conservator learn about the techniques being used.

Other projects being taken forward in 2021 include:

- Restoring the Wash House at Aldermaston Wharf as a Visitor Centre linked to the Tea Room, following agreement to a new five year lease with CRT; and
- Installing better lighting in the canal and visitor centre in the Stone Building on Newbury Wharf, and working with the local authority and other community groups to improve the Wharf area, including renovating the crane and putting up signage.

At Crofton, plans are in place to reopen to visitors as soon as restrictions on heritage sites are lifted, hopefully in mid-May, with steaming recommencing soon afterwards. Following the last boiler inspection, major work will be required to the boiler in the coming winter if it is to continue steaming in 2022. A detailed survey will be undertaken to identify the best option. In parallel, investigations of alternative fuels will be undertaken, given the expected phasing out of coal supplies. The Trust has joined the Association of British Transport and Engineering Museums, which is a member of the Heritage Fuels Alliance, to ensure it can learn from trials being undertaken elsewhere.

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Development of the learning programme will be continued, covering the whole range from Key Stages 1 and 2 through to university students, with continued collaboration with the University of Bath, and with students from the Atomic Weapons Establishment to develop the ground-breaking mechatronics project as part of a five-year partnership. Crofton Beam Engines took part in the Festival of Tomorrow, organised by STEAM museum in Swindon in February 2021. Discussions are under way with CRT on the transfer of ownership of the Smithy (the only major building on the site still owned by CRT); once this is agreed, plans will be developed which could include using this building for educational purposes.

Other initiatives started as part of the Lottery-funded project at Crofton will be continued, in particular extending the number of oral history interviews and expanding the virtual archive of historic Crofton documents. This is being done in close liaison with the Trust's central Archive, located at Caen Hill, to ensure a commonality of approach. Further work to prepare for a formal application for accreditation of Crofton under the Arts Council scheme will be undertaken, with the aim of making an application in the first half of 2022.

Recruitment of a new General Manager for Crofton will be taken forward, with the aim of making an appointment in the summer. Communications with volunteers and the public will continue to be developed, through the website and social media.

Along the whole canal, Branches will be encouraged to take a greater role in monitoring the condition of both physical assets and the general canal environment, including its ecology and biodiversity.

(b) Enterprise

Operating plans for the company's trip boat and holiday hire fleet in 2021 assume a gradual relaxation of Covid restrictions, which could lead to a further small financial loss in 2021. There may therefore need to be a further drawdown of the loan facility agreed with the Trust in 2020. Nonetheless, Directors remain confident that the loan can be fully repaid by the end of 2025, as required by the Loan Agreement, and that the company can then resume making payments of its profits to support the charitable work of the Trust.

Following major work to Kenavon Venture over winter 2020-21, with a possible repainting to be undertaken next winter, no major expenditure on boats is anticipated in 2021. Regular maintenance costs are included within approved budgets. The next update of the medium term plan will include a maintenance plan for all the boats owned by Enterprise.

A decision will be taken later in 2021 on whether to renew the lease of the Reading trip boat (Matilda). Investigations are also proceeding on the cost and operating implications of replacing the engine on one of the Bruce Boats with a hybrid or all-electric engine, which would reduce noise and emissions.

Bruce Branch is also planning to introduce new Discovery Trips from Bedwyn to Crofton in partnership between with Crofton Branch, and running 'Caring for Carers' trips.

Following agreement of a new lease with CRT for the Tea Rooms at Aldermaston, a new licence will be put in place for their operation in 2021. Preparations will also be made for renewing the lease and licence of the Tea Rooms at Bradford on Avon, which expire at the end of 2021.

(c) Administration and governance

During 2021, it is planned to replace the current membership and direct debit systems. The aim is to link these to a new Trust website, which will enable membership applications to be made online, and for members to update their contact information online. The new website will also facilitate other future enhancements, such as making digital records from the Archive more generally available, and including a 'virtual tour' of the Devizes Museum.

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In line with the new Vision and Strategy, communications between Trust Council and Branches (which are formally sub-committees of the Board) are being improved. Branch constitutions will also be reviewed to ensure that they reflect current good practice.

Financial Review

At Group level (Trust and Enterprise), net expenditure in 2020 was £116,885 (2019: £33,748). These figures include expenditure on 'Our Crofton Story'.

There was a significant reduction in income from commercial trading activities from £311,308 in 2019 to only £54,912. However, this was partially offset by an increase in donations, grants and legacies from £146,295 in 2019 to £257,049. The 2020 figure includes local authority grants to leisure businesses, receipts under the Coronavirus Job Retention Scheme ('furlough') and grants from the Wolfson Foundation (£35,000, which was unrestricted) and the Wiltshire Community Foundation (£15,000).

Trading results for our trading subsidiary, Enterprise, show that the company returned a net loss (see note 5) of £145,663 (2019 £38,019). Given the high level of fixed costs in operating a fleet of boats (such as boat licensing, mooring costs, crew licensing and overheads), the significant reduction in turnover was only offset to a small extent by reductions in expenditure.

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. Given that the payment made in respect of 2019 was significantly less than its net profit, a repayment of £25,000 of the long term working capital loan from the Trust was made in accordance with the terms of the Loan Agreement.

Two additional Loan Agreements were entered into in 2020. The first advanced an emergency loan of £40,000 to cover costs during the first lockdown. Given the continuing impact of the pandemic, this was replaced in August with a £100,000 loan facility, of which £60,000 has been drawn down to date. Before entering into these Loan Agreements, Trustees satisfied themselves that they were in accordance with charity law and the Trust's charitable objects, and in particular that there was a reasonable prospect of them being repaid. Enterprise directors are required to confirm every six months that they expect the medium term loan to be repaid by the due date of 31 December 2025.

Cash balances declined during the year, from £562,676 to £457,067. Of this, £79,919 is in respect of Restricted Funds where grants that have been received in advance of the associated project being completed, as shown in Note 19. Nonetheless, free reserves held by Trust at the end of 2020 were £524,054. This remains well in excess of the target level of reserves set under the Reserves Policy.

Risk management

Trustees are developing a more formal risk management framework for Trust and Enterprise activities. This will include a corporate risk register, and risk registers for the main activities of the Group. A risk register has already been developed for Crofton Beam Engines, and health and safety risk assessments are in place for all activities involving volunteers, employees and members of the public which have been updated during the year to include Covid risks.

Risks relating to Trust and Enterprise activities fall under three main headings:

- **Health and Safety risks:** The health and safety of volunteers, staff and visitors is a key priority of the Trust. The Trust has established a Health and Safety Committee to keep its arrangements under review, and has a contract with a Health and Safety Advisor to carry out audits and advise on improvements. Each boat operated by Enterprise has a detailed safety manual, and crew training is an essential part of managing risks. These arrangements are overseen by the Director of Boats. Detailed risk assessments and method statements are also in place at Crofton. During 2020, additional Covid risk assessments were developed before boat trips and holiday hire restarted, and

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before Crofton reopened, to ensure that both preparatory work by volunteers and operations with members of the public were carried out in accordance with legal requirements (including under the Health and Safety at Work Act) and guidance from Government and from the Health and Safety Executive.

- Financial risks: Financial risks include loss of income, failure to obtain grants for major projects, unexpected costs and losses through fraud or failure to achieve value for money in procurement. The Finance Manual was developed further in 2020 to clarify procedures in relation to the letting of contracts.
- Availability of other resources: Our ability to recruit, train, retain and motivate our volunteers becomes more challenging as fewer people are retiring early. In 2020, the pandemic has also required some volunteers to self-isolate. As the work undertaken by volunteers becomes more complex through regulation and also broadens, with a greater emphasis on engaging with new visitor audiences, more formal succession plans and volunteer recruitment processes will be developed to help address this. Contingency plans are also being developed to reduce risks of staff non-availability.

Following the development of a formal Reserves Policy in 2019, Trustees have reviewed regularly the financial risks facing the Trust, and in particular the impact of the pandemic. In the light of this, the Reserves Policy was amended in July 2020 to increase the target level of free reserves to £200,000. Given the continuing impact of the pandemic, Trustees confirmed in January 2021 that this minimum level of reserves should be maintained until the next review. This will be undertaken in July 2021, alongside consideration of revised five year projections for both Trust and Enterprise.

On the basis of the most recent projections, Trustees are satisfied that the Trust has sufficient balances to undertake the new activities and projects in 2021 identified in this report which support its charitable objects. In particular, the target level of reserves includes a funds to restore the Wash House at Aldermaston. Other major projects will be approved only to the extent that free reserves in excess of the target minimum level are available, or external grant funding has been committed.

Trustees agreed an update to the Finance Manual in 2020, and this will be reviewed in the light of any issues identified following the annual assessment of internal financial controls.

Structure, governance and management

The Trust was created by memorandum on 6th June 1962. It is governed by Articles of Association that were updated at the AGM in 2020 in particular to confirm that General Meetings may be held by electronic means. This document is the governing document of the charity which is a private company limited by guarantee without share capital.

Trustees are required 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.

There is currently no formal process for recruiting new Trustees. New Trustees are generally recommended by existing Trustees, and are then co-opted onto Trust Council ahead of standing for election at the following AGM. New Trustees may also be nominated by members for election at the AGM. Each year one third of Trustees stand down or offer themselves for re-election at the AGM. One of the recommendations of the strategy review was that a more formal process should be adopted to define portfolios for Trust Council members, with open recruitment in order to refresh membership.

The **Trust Council** (which is the Board of Directors of the company) currently comprises nine Trustees. It meets bi-monthly to review Health and Safety issues, consider overall Trust strategy and policy, in particular in the light of reports on the management accounts, and to take decisions on matters which are reserved to

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Trust Council such as major expenditure commitments. The Trust is not required to appoint a Company Secretary and, following the resignation of the previous post holder during the year, it was decided not to appoint a new Secretary.

The **Enterprise Board** currently comprises seven Directors (only two of whom are also Trustees, so that the majority, including the Chairman, are non-conflicted). It also meets bi-monthly to review in more depth health and safety issues relating to the passenger boats, the Bruce boats, and the five cafés, and financial performance. As a commercial trading company, the Enterprise Board focusses particularly on budgets, financial performance, risk management and commercial viability. The Board provides regular reports to Trust Council.

The Trust's **eight branches** (Bath & Bristol, Bradford on Avon, Devizes, Crofton, Bruce, Hungerford, Newbury and Reading) are each run by a Branch Committee which is formally a sub-committee of the Trust Council and usually elected by a meeting of local members, but subject to veto by Trust Council. Branches undertake the Trust's work in their area and often have practical control of a boat (or boats) or other operations. Branches submit annual budget bids to Trust and Enterprise as appropriate and then have spending freedom within the approved budget subject to the provisions of the Finance Manual.

In addition, two members of staff provide a headquarters function supporting Trustees, Directors and branches, with a particular focus on Trust administration including matters such as insurance, managing boat booking, undertaking payments and banking, and ensuring compliance across a range of responsibilities.

Fundraising standards information

The Trust does not carry out significant fundraising activities.

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 in England and Wales 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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Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees 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* (Treasurer) D A Copley R G H Dunton D J Fearn D A Line (appointed 6 July 2020, resigned 19 October 2020) L E Mundy (resigned 28 September 2020) T W Mundy C D Sims* (Chairman) G P Snook P J Turvey
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In addition, the following were Directors of Enterprise:

T J Pyatt (appointed 15 May 2020)
C R Churchouse (Chairman)
S B Eveleigh (resigned 31 December 2020)
J M Foley
D C Hanlon
G S Puddephatt

Advisers

Independent Examiner	Kerry Lawrance FCA
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Accountants	Compass Accountants Limited The Tanneries East Street Titchfield Hampshire PO14 4AR
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Bankers	Lloyds TSB Bank plc 38 Market Place Devizes Wiltshire SN10 1JD
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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 2019 (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.

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 D Sims
Director



Date:

16th March 2021

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Independent Examiner's Report to the Trustees of the Kennet & Avon Canal Trust

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 13 to 28.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1) accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Kerry Lawrance FCA
Institute of Chartered Accountants in England and Wales.

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

Date: 18 MARCH 2021

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

Consolidated Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31st December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Income from:							
Donations and legacies	2	169,736	87,313	257,049	70,629	75,666	146,295
Commercial trading operations	5	54,912	-	54,912	311,308	-	311,308
Other trading activities	3	14,073	-	14,073	56,217	-	56,217
Investment income	4	1,566	-	1,566	842	-	842
Other income		9,298	-	9,298	2,369	-	2,369
Total income		<u>249,585</u>	<u>87,313</u>	<u>336,898</u>	<u>441,365</u>	<u>75,666</u>	<u>517,031</u>
Expenditure on:							
Raising funds	6	7,891	-	7,891	19,437	-	19,437
Commercial trading operations	5	209,668	-	209,668	273,289	-	273,289
Charitable activities	7	148,964	87,260	236,224	152,605	105,448	258,053
Total expenditure		<u>366,523</u>	<u>87,260</u>	<u>453,783</u>	<u>445,331</u>	<u>105,448</u>	<u>550,779</u>
Net income/(expenditure)		<u>(116,938)</u>	<u>53</u>	<u>(116,885)</u>	<u>(3,966)</u>	<u>(29,782)</u>	<u>(33,748)</u>
Transfer between funds		(1,877)	1,877	-	(11,343)	11,343	-
Net movement in funds		<u>(118,815)</u>	<u>1,930</u>	<u>(116,885)</u>	<u>(15,309)</u>	<u>(18,439)</u>	<u>(33,748)</u>
Reconciliation of funds:							
Total funds brought forward		<u>1,239,734</u>	<u>77,989</u>	<u>1,317,723</u>	<u>1,255,043</u>	<u>96,428</u>	<u>1,351,471</u>
Total funds carried forward		<u><u>1,120,919</u></u>	<u><u>79,919</u></u>	<u><u>1,200,838</u></u>	<u><u>1,239,734</u></u>	<u><u>77,989</u></u>	<u><u>1,317,723</u></u>

The notes on pages 17 to 28 form an integral part of these financial statements.

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

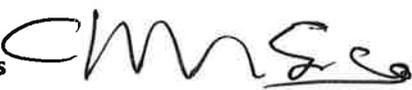
Consolidated Balance Sheet
as at 31st December 2020
Company number: 00726331

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		714,661		759,181
Current assets					
Debtors	15	55,739		39,954	
Cash at bank and in hand		457,067		562,676	
		<u>512,806</u>		<u>602,630</u>	
Creditors: amounts falling due within one year	16	<u>(16,374)</u>		<u>(30,921)</u>	
Net current assets			<u>496,432</u>		<u>571,709</u>
Total assets less current liabilities			1,211,093		1,330,890
Provisions for liabilities			(10,255)		(13,167)
Net assets			<u>1,200,838</u>		<u>1,317,723</u>
Funds	17				
Unrestricted funds			738,476		711,628
Charitable subsidiary funds			382,443		528,106
Total unrestricted income funds			<u>1,120,919</u>		<u>1,239,734</u>
Restricted funds			79,919		77,989
Total funds			<u>1,200,838</u>		<u>1,317,723</u>

The group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 D Sims 
 Director

Date: 16 March 2021

The notes on pages 17 to 28 form an integral part of these financial statements.

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

Balance sheet

as at 31st December 2020

Company number: 00726331

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		273,841		283,064
Investments	14		1,000		1,000
			<u>274,841</u>		<u>284,064</u>
Current assets					
Debtors	15	118,160		139,242	
Cash at bank and in hand		431,363		377,222	
		<u>549,523</u>		<u>516,464</u>	
Creditors: amounts falling due within one year					
	16	<u>(5,969)</u>		<u>(10,911)</u>	
Net current assets			<u>543,554</u>		<u>505,553</u>
Net assets			<u>818,395</u>		<u>789,617</u>
Funds					
	17				
Unrestricted income funds			738,476		711,628
Restricted income funds			79,919		77,989
Total funds			<u>818,395</u>		<u>789,617</u>

The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 D Sims
 Director



Date:

16 March 21

The notes on pages 17 to 28 form an integral part of these financial statements.

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

Cash flow statement

for the year ended 31st December 2020

	2020	2020	2019
	Charity	Group	Group
	£	£	£
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	54,449	(103,926)	33,596
Cash flows from investing activities:			
Interest income	1,566	1,658	842
Purchase of fixed assets	(1,874)	(4,591)	(38,188)
Sale of fixed assets	-	1,250	-
Net cash provided by (used in) investing activities	<u>(308)</u>	<u>(1,683)</u>	<u>(37,346)</u>
Cash flows from financing activities:			
Repayment of borrowing	-	-	-
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents in the year	<u>54,141</u>	<u>(105,609)</u>	<u>(3,750)</u>
Cash and cash equivalents at 1 January 2020	<u>377,222</u>	<u>562,676</u>	<u>566,426</u>
Cash and cash equivalents at 31 December 2020	<u><u>431,363</u></u>	<u><u>457,067</u></u>	<u><u>562,676</u></u>
Net income/expenditure for the reporting period	28,778	(116,885)	(33,748)
Depreciation and impairment	11,097	46,961	50,493
Interest income	(1,566)	(1,658)	(842)
Loss on disposal of fixed assets	-	900	537
Decrease/(increase) in stocks	-	-	1,567
Decrease/(increase) in debtors	21,082	(15,785)	10,918
(Decrease)/increase in creditors	(4,942)	(14,547)	1,320
Increase/(Decrease) in provisions for liabilities	-	(2,912)	3,351
Net cash provided by (used in) operating activities	<u><u>54,449</u></u>	<u><u>(103,926)</u></u>	<u><u>33,596</u></u>

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

Notes to the financial statements
for the year ended 31st December 2020

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 in October 2019, 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 2019.

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.

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

Notes to the financial statements
for the year ended 31st December 2020

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. Termination benefits

The charity recognises a liability for termination benefits at the point where the charity is committed to making the payments in return for employee redundancy.

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. 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.

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

Notes to the financial statements
for the year ended 31st December 2020

2. Donations and legacies

Group and Parent

	Unrestricted funds £	Restricted funds £	2020 Total £	Unrestricted funds £	Restricted funds £	2019 Total £
Grants and donations	84,954	20,400	105,354	18,533	2,250	20,783
National Lottery Heritage Fund	-	55,681	55,681	-	70,771	70,771
Coronavirus Job Retention Scheme	-	11,232	11,232	-	-	-
Legacies	50,000	-	50,000	1,000	-	1,000
Subscriptions	24,473	-	24,473	25,794	-	25,794
Gift Aid Reclaims	6,268	-	6,268	12,576	-	12,576
Crofton Projects	-	-	-	-	2,645	2,645
Fundraising	4,041	-	4,041	12,726	-	12,726
	<u>169,736</u>	<u>87,313</u>	<u>257,049</u>	<u>70,629</u>	<u>75,666</u>	<u>146,295</u>

3. Income from other trading activities

Group and Parent

	Unrestricted funds £	2020 Total £	Unrestricted funds £	2019 Total £
Admissions	3,241	3,241	39,289	39,289
Crofton Car Park	645	645	5,503	5,503
Rent Received	10,187	10,187	11,425	11,425
	<u>14,073</u>	<u>14,073</u>	<u>56,217</u>	<u>56,217</u>

4. Investment income

Group and Parent

	Unrestricted funds £	2020 Total £	Unrestricted funds £	2019 Total £
Bank interest receivable	1,566	1,566	842	842
	<u>1,566</u>	<u>1,566</u>	<u>842</u>	<u>842</u>

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

Notes to the financial statements
for the year ended 31st December 2020

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

	2020	2019
	£	£
Turnover	54,870	301,268
Total expenditure	(210,575)	(273,289)
Other income	10,042	10,040
Net profit for the year	<u>(145,663)</u>	<u>38,019</u>
Amount gift-aided to the charity	<u>-</u>	<u>(10,850)</u>
Retained profit	<u><u>(145,663)</u></u>	<u><u>27,169</u></u>

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

Assets	474,126	675,360
Liabilities	(90,683)	(146,254)
Funds	<u><u>383,443</u></u>	<u><u>529,106</u></u>

Expenditure includes interest payable to the parent Charity of £908. Other income includes a grant transferred from the parent charity of £10,000. These transactions have been eliminated on consolidation in the group SOFA.

6. Expenditure on raising funds

Group and Parent

	Unrestricted	2020	Unrestricted	2019
	funds	Total	funds	Total
	£	£	£	£
Costs of generating donations and legacies	7,891	7,891	19,437	19,437
	<u>7,891</u>	<u>7,891</u>	<u>19,437</u>	<u>19,437</u>

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

Notes to the financial statements
for the year ended 31st December 2020

7. Activities undertaken directly

Group and Parent

	Unrestricted funds	Restricted funds	2020 Total	Unrestricted funds	Restricted funds	2019 Total
	£	£	£	£	£	£
Wages & Salaries	61,197	18,471	79,668	58,886	25,606	84,492
Employer's NIC	832	1,027	1,859	2,617	613	3,230
Employer's pension costs	1,056	-	1,056	1,140	403	1,543
Health & safety	4,526	-	4,526	5,886	58	5,944
Staff training	561	-	561	269	-	269
Recruitment	165	75	240	-	35	35
Rent	1,200	-	1,200	3,260	-	3,260
Rates	2,045	-	2,045	2,357	-	2,357
Coal	528	-	528	6,859	-	6,859
Light & heat	5,841	-	5,841	9,607	-	9,607
Repairs & maintenance	36,146	-	36,146	16,301	2,928	19,229
NLHF project costs	-	66,047	66,047	-	73,220	73,220
Insurance	8,402	-	8,402	11,348	-	11,348
Computer costs	1,209	-	1,209	1,016	1,030	2,046
Hire of office equipment	669	-	669	781	-	781
Travel costs	94	354	448	1,088	269	1,357
Telephone	3,966	-	3,966	3,720	-	3,720
Other office expenses	725	-	725	1,844	-	1,844
Printing, postage & stationery	638	-	638	2,326	-	2,326
Depreciation	9,811	1,286	11,097	11,524	1,286	12,810
Bank charges	1,150	-	1,150	1,711	-	1,711
Grants payable	1,683	-	1,683	-	-	-
Governance & support costs	6,520	-	6,520	10,065	-	10,065
	<u>148,964</u>	<u>87,260</u>	<u>236,224</u>	<u>152,605</u>	<u>105,448</u>	<u>258,053</u>

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	2020 Total	Governance costs	2019 Total
	£	£	£	£
Accountancy fees	3,048	3,048	2,958	2,958
Independent examination fee	1,200	1,200	-	-
Auditor remuneration	-	-	4,860	4,860
Other professional costs	2,272	2,272	2,247	2,247
	<u>6,520</u>	<u>6,520</u>	<u>10,065</u>	<u>10,065</u>

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

Notes to the financial statements
for the year ended 31st December 2020

9. Net incoming resources for the year

Parent

	2020	2019
	£	£
Net outgoing resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	11,097	12,810
Independent examiner's remuneration	1,200	-
Auditors' remuneration	-	4,860
Auditors' remuneration from non-audit work	-	2,958
	<u><u> </u></u>	<u><u> </u></u>

10. Employees

Parent

Employment costs	2020	2019
	£	£
Wages and salaries	79,668	84,492
Social security costs	1,859	3,230
Pension costs	1,056	1,543
Other costs	801	304
	<u><u>83,384</u></u>	<u><u>89,569</u></u>

No employee received emoluments of more than £60,000 (2019: None).

During this financial year 1 redundancy was identified and termination benefits of £16,000 (2019: £Nil) were paid.

Number of employees

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

2020	2019
Number	Number
<u><u> </u></u>	<u><u> </u></u>
2	5
<u><u> </u></u>	<u><u> </u></u>

No trustee received remuneration during the year (2019: £Nil). One trustee was reimbursed for travel expenses totaling £56 (2019: £62).

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:

	2020	2019
	£	£
Pension charge	<u><u>1,056</u></u>	<u><u>1,543</u></u>

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

Notes to the financial statements
for the year ended 31st December 2020

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 2020 (2019: £Nil).

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 2020	297,204	65,302	175,267	53,400	507,000	1,098,173
Additions	-	-	3,187	1,404	-	4,591
Disposals	-	-	(3,500)	-	-	(3,500)
At 31 December 2020	<u>297,204</u>	<u>65,302</u>	<u>174,954</u>	<u>54,804</u>	<u>507,000</u>	<u>1,099,264</u>
Depreciation						
At 1 January 2020	55,731	43,685	96,367	43,559	99,650	338,992
Charge for the year	4,004	1,568	14,310	1,729	25,350	46,961
On disposals	-	-	(1,350)	-	-	(1,350)
At 31 December 2020	<u>59,735</u>	<u>45,253</u>	<u>109,327</u>	<u>45,288</u>	<u>125,000</u>	<u>384,603</u>
Net book values						
At 31 December 2020	<u>237,469</u>	<u>20,049</u>	<u>65,627</u>	<u>9,516</u>	<u>382,000</u>	<u>714,661</u>
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>
Parent						
Cost						
At 1 January 2020	297,204	65,302	40,862	53,400	-	456,768
Additions	-	-	470	1,404	-	1,874
Disposals	-	-	-	-	-	-
At 31 December 2020	<u>297,204</u>	<u>65,302</u>	<u>41,332</u>	<u>54,804</u>	<u>-</u>	<u>458,642</u>
Depreciation						
At 1 January 2020	55,731	43,685	30,729	43,559	-	173,704
Charge for the year	4,004	1,568	3,796	1,729	-	11,097
On disposals	-	-	-	-	-	-
At 31 December 2020	<u>59,735</u>	<u>45,253</u>	<u>34,525</u>	<u>45,288</u>	<u>-</u>	<u>184,801</u>
Net book values						
At 31 December 2020	<u>237,469</u>	<u>20,049</u>	<u>6,807</u>	<u>9,516</u>	<u>-</u>	<u>273,841</u>
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>

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

Notes to the financial statements
for the year ended 31st December 2020

14. Fixed asset investments

<u>Parent</u>	Subsidiary undertakings	Total
	shares	
	£	£
Cost		
At 1 January 2020 and		
At 31 December 2020	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

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

15. Debtors

<u>Group</u>	2020	2019
	£	£
Trade debtors	42,221	4,253
Other debtors	3,989	9,536
Prepayments and accrued income	9,529	26,165
	<u>55,739</u>	<u>39,954</u>
	<u>55,739</u>	<u>39,954</u>
 <u>Parent</u>		
	2020	2019
	£	£
Trade debtors	40,819	-
Amounts owed by subsidiary and associated undertakings	70,023	113,077
Other debtors	685	-
Prepayments and accrued income	6,633	26,165
	<u>118,160</u>	<u>139,242</u>
	<u>118,160</u>	<u>139,242</u>

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

Notes to the financial statements
for the year ended 31st December 2020

16. Creditors: amounts falling due
within one year

Group

	2020	2019
	£	£
Trade creditors	11,224	7,321
Other taxes and social security	-	2,100
Accruals	5,150	21,500
	<u>16,374</u>	<u>30,921</u>

Parent

	2020	2019
	£	£
Trade creditors	2,069	1,763
Other taxes and social security	-	1,648
Accruals	3,900	7,500
	<u>5,969</u>	<u>10,911</u>

17. Analysis of net assets between funds

Group

	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	654,242	60,419	714,661
Current assets	493,306	19,500	512,806
Current liabilities	(16,374)	-	(16,374)
Provisions	(10,255)	-	(10,255)
	<u>1,120,919</u>	<u>79,919</u>	<u>1,200,838</u>

	Unrestricted	Restricted	Total
	funds	funds	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>

The Kennet & Avon Canal Trust
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Notes to the financial statements
for the year ended 31st December 2020

Parent

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 December 2020 as represented by:			
Tangible fixed assets	213,422	60,419	273,841
Investment assets	1,000	-	1,000
Current assets	530,023	19,500	549,523
Current liabilities	(5,969)	-	(5,969)
	<u>738,476</u>	<u>79,919</u>	<u>818,395</u>

	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>

18. Unrestricted funds

	At 1 January 2020	Incoming resources	Outgoing resources	Transfers	At 31 December 2020
	£	£	£	£	£
Unrestricted funds	711,628	195,581	(166,856)	(1,877)	738,476
Trading subsidiary	528,106	64,912	(210,575)	-	382,443
Consolidation adjustments	-	(10,908)	10,908	-	-
	<u>1,239,734</u>	<u>249,585</u>	<u>(366,523)</u>	<u>(1,877)</u>	<u>1,120,919</u>
	<u>1,239,734</u>	<u>249,585</u>	<u>(366,523)</u>	<u>(1,877)</u>	<u>1,120,919</u>
	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>
	<u>1,255,043</u>	<u>441,365</u>	<u>(445,331)</u>	<u>(11,343)</u>	<u>1,239,734</u>

The Kennet & Avon Canal Trust
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Notes to the financial statements
for the year ended 31st December 2020

19. Restricted funds

	At 1 January 2020 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 December 2020 £
Marina project	1,220	-	-	(1,220)	-
Our Crofton Story (NLHF Project) fund	76,269	55,681	(76,028)	4,497	60,419
President's fund	500	-	-	-	500
Bradford on Avon Projects fund	-	5,000	-	-	5,000
Bedwyn Wharf Development fund	-	5,000	-	-	5,000
Archimedean Screw conservation fund	-	9,000	-	-	9,000
Crofton Donation Box fund	-	1,400	-	(1,400)	-
Coronavirus Job Retention Scheme Grant	-	11,232	(11,232)	-	-
	<u>77,989</u>	<u>87,313</u>	<u>(87,260)</u>	<u>1,877</u>	<u>79,919</u>

	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 (NLHF 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>

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 funds were used in the year to purchase a fingerpost installed at Dundas Wharf by the Bath & Bristol Branch.

The Crofton Projects fund comprises funds donated towards projects at Crofton, including conservation of the Archimedean Screw.

Crofton houses the world's oldest fully working beam engine. Our Crofton Story (NLHF Project) fund was created to conserve Crofton whilst developing our interpretation, activities and visitor facilities and secure Crofton for future generations. The project was accepted as complete by NLHF in December 2020.

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 Coronavirus Job Retention Scheme Grant was used to pay staff during the pandemic.

20. Charges

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

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

Notes to the financial statements
for the year ended 31st December 2020

21. Related party transactions

There are no related party transactions that require disclosure.

22. Ultimate parent undertaking

The ultimate controlling party is the Board of Trustee Directors.

23. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	562,676	(105,609)	457,067
Net funds	<u>562,676</u>	<u>(105,609)</u>	<u>457,067</u>

24. 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.

25. Financial instruments

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

	2020	2019
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 15)	42,221	4,253
- Other debtors (note 15)	3,989	3,845
	<u>46,210</u>	<u>8,098</u>
Financial liabilities		
Measured at amortised cost		
- Trade creditors (note 16)	11,224	7,321
- Other taxes and social security (note 16)	-	2,100
	<u>11,224</u>	<u>9,421</u>

The Kennet & Avon Canal Trust
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The following pages do not form part of the statutory accounts.

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

Detailed statement of financial activities

For the year ended 31 December 2020

	2020		2019	
	£	£	£	£
Income				
Voluntary income:				
Donations and legacies				
Grants and donations		105,354		20,783
National Lottery Heritage Fund		55,681		70,771
Coronavirus Job Retention Scheme		11,232		-
Legacies		50,000		1,000
Subscriptions		24,473		25,794
Gift Aid Reclaims		6,268		12,576
Crofton Projects		-		2,645
Fundraising		4,041		12,726
		<u>257,049</u>		<u>146,295</u>
Other trading activities				
Admissions		3,241		39,289
Crofton Car Park		645		5,503
Rent Received		10,187		11,425
		<u>14,073</u>		<u>56,217</u>
Investment income				
Bank interest receivable		2,474		842
Interest from trading subsidiary		(908)		-
		<u>1,566</u>		<u>842</u>
Commercial trading operations				
Commercial trading operations		64,912		311,308
Grant from parent to trading subsidiary		(10,000)		-
		<u>54,912</u>		<u>311,308</u>
Total incoming resources from generating funds		<u>327,600</u>		<u>514,662</u>
Other income				
Sundry Income		9,298		2,369
Gift aid from trading subsidiary		-		10,850
Gift aid paid by trading		-		(10,850)
		<u>9,298</u>		<u>2,369</u>
Total income		<u><u>336,898</u></u>		<u><u>517,031</u></u>

The Kennet & Avon Canal Trust
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Detailed statement of financial activities

For the year ended 31 December 2020

	2020		2019	
	£	£	£	£
Expenditure				
Raising funds:				
Costs of raising funds:				
Butty costs	3,018		6,085	
Advertisement & Publicity	1,769		4,623	
Fundraising costs	3,104		8,729	
		<u>7,891</u>		<u>19,437</u>
Total cost of raising funds		<u>7,891</u>		<u>19,437</u>
Commercial trading operations				
Costs of trading subsidiaries		210,576		273,289
Interest on loan paid to parent		(908)		-
		<u>209,668</u>		<u>273,289</u>
Total costs of raising funds		<u>217,559</u>		<u>292,726</u>
Charitable activities				
Activities undertaken directly				
Wages & Salaries	79,668		84,492	
Employer's NIC	1,859		3,230	
Employer's pension costs	1,056		1,543	
Health & safety	4,526		5,944	
Staff training	561		269	
Recruitment	240		35	
Rent	1,200		3,260	
Rates	2,045		2,357	
Coal	528		6,859	
Light & heat	5,841		9,607	
Repairs & maintenance	36,146		19,229	
NLHF project costs	66,047		73,220	
Insurance	8,402		11,348	
Computer costs	1,209		2,046	
Hire of office equipment	669		781	
Travel costs	448		1,357	
Telephone	3,966		3,720	
Other office expenses	725		1,844	
Printing, postage & stationery	638		2,326	
Depreciation (unrestricted)	11,097		12,810	
Grants payable	1,683		-	
Bank charges	1,150		1,711	
		<u>229,704</u>		<u>247,988</u>
Total charitable activity expenditure		<u>229,704</u>		<u>247,988</u>

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

Detailed statement of financial activities

For the year ended 31 December 2020

	2020		2019	
	£	£	£	£
Governance costs				
Activities undertaken directly				
Accountancy fees	3,048		2,958	
Auditor remuneration	-		4,860	
Independent examiner's fee	1,200		-	
Other professional costs	2,272		2,247	
	<u> </u>	6,520	<u> </u>	10,065
Total governance costs		<u>6,520</u>		<u>10,065</u>
Total expenditure		<u>453,783</u>		<u>550,779</u>
Net income/(expenditure) for the year		<u>(116,885)</u>		<u>(33,748)</u>