

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 2014

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

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

Legal and administrative information

Charity number CC209206

Company registration number 00726331

Registered office Couch Lane
Devizes
Wiltshire
SN10 1EB

Trustees Mr D Copley
Mrs P King
Mrs L Mundy
Mr T Mundy
Mr R Dean
Mr A Nares
Mr R Selvidge
Mr D Inight – appointed 17 May 2014
Mr P Turvey – appointed 17 May 2014

Secretary Mrs L Mundy

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

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

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

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2014

The trustees present their report and the financial statements for the year ended 31 December 2014. The trustees, who are also directors of The Kennet & Avon Canal Trust for the purposes of company law and who served during the year and up to the date of this report, are set out on page 1.

Structure, governance and management

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

Trustees are elected, following a formal nomination, at the Annual General Meeting of the Trust. The Trust Council seeks new Trustees to bring their skills to support the work of the Trust. Candidates are considered by a meeting of the Trust Council which is able to co-opt suitable candidates until the next AGM at which time they are put forward for election by the membership, together with direct nominations from the membership.

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

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

The Trust continues to work closely with other organisations with an interest in the canal. The Trust chairs the K&A Canal HLF Partnership and is active in the Local Waterways Partnership for the K&A, and the K&A Trade Association. The Trust is also regularly called on by media to comment on canal related matters.

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

Objectives and activities

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

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

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

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

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2014

Achievements and Performance

1. Financial Review

2014 was a year of good progress for the Trust and the canal although we identified some challenges both current and for the future. Serious winter flooding damaged both the Avon and the Kennet in ways that could have been a long term problem. But diligent and prompt work by our colleagues at the Canal & River Trust ensured the K&A was ready for business when the excellent summer weather arrived. We were pleased to offer a little support in the form of a 'flood benefit day' on the trust's passenger boats in May that raised just under £2,000 towards repairs.

Trustees and staff continued our work to ensure we manage our funds carefully and that drove costs down further. Meanwhile our volunteers worked hard to help look after the canal and its important places such as Crofton; and to bring in the funds needed to help us in our work to protect, enhance and promote the K&A

As planned, the Trust came through the lean winter months of 2013/14 without recourse to overdraft facilities and our cash flow remained strong through the year and into the winter of 2014/15.

Trading by our commercial subsidiary, Enterprise, increased by just 1% to £236k. Operating costs were driven down by a remarkable 14% and this enabled a 12% increase in trading profit to £150k. A significant proportion of the Enterprise trading surplus is gift aided to the Trust to eliminate any Corporation Tax liability and to support the work of the parent charity. Subsequently the net profit reflected in the consolidated Trust accounts has reduced from £30k to £15k. However members may be assured that this is not due to any reduction in trading or profitability of Enterprise and the total recognised gains of Enterprise increased from £30k to £73k.

Trust income from donations nearly doubled to £12k although this was more than offset by a decrease in grants obtained and in lower gift aid recoveries. We need to do better at obtaining gift aid tax refunds from the government. Overall our voluntary income increased by £33k to £102k as the result of a very welcome bequest.

Trustees consider three key funding criteria and all have seen an improvement in the year:-

- Overall cash balances have risen from a net £71k to £145k.
- Unrestricted funds balances have increased marginally to £132k.
- Overall funds of the Trust have increased from £393k (restated) to £524k, an improvement of a third.

The Commitment Register introduced in 2013 became an important tool of financial management and was reviewed at every meeting of the Trust Council. The Trust Financial Principles agreed in 2013 (reproduced below) were also used to guide decision making and to brief our branches ensuring good financial management of the Trust's funds.

2. Charitable Impact

Our season got off to a strong start with a royal visit in April when HRH the Princess Royal met over 70 volunteers and presented the Queen's Award for Voluntary Service. That made us one of the few recipients of the award to receive it directly from a member of the royal family. As Her Royal Highness commented, that are a great many contributions recognised in the award.

Our branches (Bath & Bristol, Bradford on Avon, Devizes, Crofton, Hungerford, Newbury and Reading) were all active in organising their volunteers to improve the canal, inspire and enthuse others, lobby for support, raise funds and present the beautiful Kennet & Avon to tens of thousands of visitors through our boats, festivals, steaming days, cafes and many other activities.

We worked on the much-needed enhancement of the canal entrance at Bath and this will be completed in 2015. We are restoring the unique header pond at Crofton and this will be formally re-opened in 2015.

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Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2014

At Crofton we submitted a 'pre-bid' document to the Heritage Lottery Fund for major work to both preserve our heritage and present it for future generations. The feedback was disappointing and we were not able to immediately proceed to a full stage one bid. The project continues however and we will be seeking funding from a broader range of grant makers including the HLF. Recent survey work has shown that we need to complete around £1.6m worth of works on the buildings alone at Crofton.

The editor of The Butty stepped down after 5 years producing our popular magazine. We took the opportunity to review the format, content and style of the magazine. Volunteers stepped forward to take on editing and production. This resulted in an attractive and content rich autumn edition of the magazine, produced at a greatly reduced cost.

Our museum at Devizes remained popular with schools groups and visitors to the Wharf. Replacing formal entry charges with donations increased visitor numbers without any loss of income.

Our archive team continued their diligent work of preserving and presenting the canal's history. Their services were valued by CRT engineers and television makers alike.

Our 4 trip boats worked hard throughout the season and met the challenging turnover target set by their Director. It becomes ever harder to meet the compliance requirements set for passenger boats, and to bring in passengers to them in a rapidly changing tourism marketplace that requires us to become expert in social media. Our boat management teams showed they could do just that. An online passenger booking system was introduced at zero cost and with great success.

Our 5 cafes (Bradford, Devizes, Crofton, Newbury and Aldermaston) brought in valuable income as well as attracting visitors to the canal and our passenger boats. At the end of the season we bid a sad farewell to our café team at Crofton and commenced the search for new management.

Our relationship with the Canal & River Trust developed further and we found ways in which we could support each other. We helped with the recruitment and management of volunteers whilst CRT undertook a detailed embankment survey at Crofton saving us around £10,000.

3. Conclusion & Outlook

The Trust ended 2014 in good order with the finances under control, an amazing and diverse collection of volunteers helping to make the Kennet & Avon a better place, and our trading position holding up well.

There are significant challenges for the Trust in 2015 though. We have no choice other than to raise more funds than we have for a generation in order to meet our commitment to preserve and interpret the grade one listed heritage asset at Crofton Pumping Station. That will not be easy and requires more effort than we currently have to achieve it.

Maintaining our trading position will be an immediate challenge. We need a new staff team in place at Crofton and we need to keep our cafes returning income to the Trust. Our boats are all ageing and we will need to put aside funds (and use them well) to ensure the boats continue to work for us in the future.

The Kennet & Avon Canal Trust
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Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2014

Trust Financial Principles - agreed by Trust Council on 11 June 2013

Background

The Trust is involved in both trading and fund raising. We have to cover our running costs but we also exist to meet our charitable objectives. We must avoid the former preventing the latter. We must understand our running costs and be able to say where our donors' money has gone. We need a formal process to identify spending commitments that we must honour.

Purpose

We have agreed a set of financial principles that will guide our setting of budgets, decision making on spending and oversight of the good financial governance of the Trust. The principles will assist communication with branches and provide assurance that fund raising efforts are not being wasted. The principles will ensure spending commitments are not made without Trust Council authority.

Principles:

1. The Trust will use donations, bequests and fund raising to support its charitable objectives. These funds should not be ring-fenced or allocated to 'Restricted funds' without TC agreement, subject to a de-minimis provision that will be agreed with each branch.
2. Enterprise trading should support the running costs of both the company and those of the Trust. Enterprise profits will be transferred to the Trust as agreed by its Board and a recommendation put to Trust Council who will have final approval for such transfer.
3. The bulk of the Trust's cash (charity and Enterprise) will be centrally managed by Trust Council to minimise borrowing costs and smooth out the uneven profile of income and expenditure over the year
4. Sufficient cash will be held in local accounts to support basic running costs and expenses, having regard for seasonal fluctuations and needs. Local cash balances will be agreed by Trust Council through the budgeting process.
5. Fund raising operations should be self-sustaining in that they should meet their own costs.
6. Membership income should at least sustain the costs of servicing the membership.
7. Fund raising should be a mix between initiatives targeted at 'supporting the work of the Trust' to enable flexible deployment against our charitable objectives; and agreed projects raising funds for a specific task.
8. Funds will not be recorded in the accounts as 'restricted' unless a donor formally requires it and a legal commitment is made.
9. Spending commitments made with branches or donors, and agreed with Trust Council, will be recorded in a 'commitment register' which Trust Council will review regularly.
10. When agreeing a budget for the year, Trust Council will identify the extent to which it discharges commitments and assure itself that those not provided for can either be rolled forward or abandoned.

The Kennet & Avon Canal Trust
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Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2014

Statement as to disclosure of information to auditors

In so far as the trustees are aware:

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

Statement of trustees' responsibilities

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

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

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

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

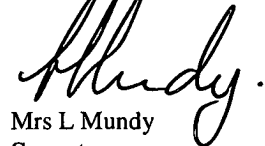
Auditors

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

Small company provisions

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

On behalf of the board



Mrs L Mundy
Secretary

14 April 2015

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

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

We have audited the financial statements of The Kennet & Avon Canal Trust for the year ended 31 December 2014 which comprise the Group and the Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 2014 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.



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: 19 MAY 2015

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

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

For the year ended 31 December 2014

					Restated
	Notes	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	102,179	-	102,179	69,035
Commercial trading operations	5	235,998	-	235,998	233,511
Activities for generating funds	3	72,323	-	72,323	87,958
Investment income	4	8	-	8	5
Incoming resources from charitable activities	6	2,115	-	2,115	5,905
Other incoming resources	7	2,169	-	2,169	10,236
Total incoming resources		414,792	-	414,792	406,650
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	8	17,255	-	17,255	31,277
Commercial trading operations	5	168,448	-	168,448	181,723
Charitable activities	9	148,077	-	148,077	132,794
Governance costs	10	7,519	-	7,519	12,327
Total resources expended		341,299	-	341,299	358,121
Net incoming resources for the year		73,493	-	73,493	48,529
Other recognised gains and losses					
Other gains/(losses)		58,291	-	58,291	(31,724)
Net movement in funds		131,784	-	131,784	16,805
Total funds brought forward		387,247	5,471	392,718	375,913
Total funds carried forward		519,031	5,471	524,502	392,718

The notes on pages 12 to 24 form an integral part of these financial statements.

The Kennet & Avon Canal Trust
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Consolidated Balance Sheet
as at 31 December 2014

Company number: 00726331

		2014		Restated	
	Notes	£	£	2013	£
Fixed assets					
Tangible assets	15		404,493		352,389
Current assets					
Stocks	17	7,274		7,315	
Debtors	18	9,645		10,345	
Cash at bank and in hand		144,580		70,725	
		<u>161,499</u>		<u>88,385</u>	
Creditors: amounts falling due within one year	19	<u>(29,481)</u>		<u>(31,680)</u>	
Net current assets			<u>132,018</u>		<u>56,705</u>
Total assets less current liabilities			536,511		409,094
Creditors: amounts falling due after more than one year	20		<u>(12,009)</u>		<u>(16,376)</u>
Net assets			<u>524,502</u>		<u>392,718</u>
Funds	21				
Restricted funds			5,471		5,471
Unrestricted funds			438,118		379,397
Charitable subsidiary funds			80,913		7,850
Total unrestricted income funds			<u>519,031</u>		<u>387,247</u>
Total funds			<u>524,502</u>		<u>392,718</u>

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

The financial statements were approved by the board on 14 April 2015 and signed on its behalf by



Rob Dean CMG
Director

The notes on pages 12 to 24 form an integral part of these financial statements.

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

Balance sheet
as at 31 December 2014

		2014		Restated	
	Notes	£	£	£	2013
					£
Fixed assets					
Tangible assets	15		250,331		250,649
Investments	16		1,000		1,000
			<u>251,331</u>		<u>251,649</u>
Current assets					
Debtors	18	177,829		117,158	
Cash at bank and in hand		26,737		31,363	
		<u>204,566</u>		<u>148,521</u>	
Creditors: amounts falling due within one year	19	(12,308)		(15,302)	
Net current assets			<u>192,258</u>		<u>133,219</u>
Net assets			<u>443,589</u>		<u>384,868</u>
Funds	21				
Restricted income funds			5,471		5,471
Unrestricted income funds			438,118		379,397
Total funds			<u>443,589</u>		<u>384,868</u>

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

The financial statements were approved by the board on 14 April 2015 and signed on its behalf by


Rob Dean CMG
Director

The notes on pages 12 to 24 form an integral part of these financial statements.

The Kennet & Avon Canal Trust
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Notes to financial statements
for the year ended 31 December 2014

1. Accounting policies

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

1.1. Basis of accounting

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

1.2. Basis of consolidation

The accounts of the trading subsidiary, The Kennet & Avon Canal (Enterprise) Ltd, are consolidated with the accounts of The Kennet & Avon Canal Trust in accordance with current legislation. Inter group income and expenditure is eliminated and all income and expenditure relates to external transactions only. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

Change in accounting policy

The previous method of consolidation was to revalue the tangible fixed assets of the subsidiary company on consolidation to their open market value, and include these as investments in the Consolidated Balance Sheet.

This accounting policy has been changed to include the assets of the trading subsidiary on a line by line basis. The assets are not revalued on consolidation but are instead revalued within the subsidiary accounts periodically to reflect material changes in the values.

Restatement of comparative information

Comparative information for 2013 has been restated to reflect the change described above. The investment in the wholly owned subsidiary is shown in the parent company Balance Sheet at cost. The results and assets of the trading subsidiary are included in the Consolidated Statement of Financial Activities and the Consolidated Balance Sheet on a line by line basis.

1.3. Fund accounting

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

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

The Kennet & Avon Canal Trust
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Notes to financial statements
for the year ended 31 December 2014

1.4. Incoming resources

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

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

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

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

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

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

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

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.

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

1.6. Tangible fixed assets and depreciation

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

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

1.7. Stock

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

1.8. Deferred taxation

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

The Kennet & Avon Canal Trust
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Notes to financial statements
for the year ended 31 December 2014

2. Voluntary income

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Donations	11,914	11,914	6,209
Legacies	39,406	39,406	3,221
Grants receivable	500	500	7,500
Subscriptions	36,878	36,878	36,854
Gift Aid Reclaims	13,481	13,481	15,251
	<u>102,179</u>	<u>102,179</u>	<u>69,035</u>

3. Activities for generating funds

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Admissions	39,525	39,525	56,500
Crofton Appeal	11,199	11,199	11,556
Fundraising	13,015	13,015	9,594
Crofton Car Park	2,522	2,522	3,736
Rent Received	6,062	6,062	6,572
	<u>72,323</u>	<u>72,323</u>	<u>87,958</u>

4. Investment income

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Bank interest receivable	8	8	5
	<u>8</u>	<u>8</u>	<u>5</u>

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Notes to financial statements
for the year ended 31 December 2014

5. Trading subsidiaries

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

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

The Kennet & Avon Canal (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

	2014	2013
	£	£
Turnover	235,748	233,511
Total expenditure	(221,226)	(205,373)
Other income	250	600
Net profit for the year	<u>14,772</u>	<u>28,738</u>
Retained profit	<u><u>14,772</u></u>	<u><u>28,738</u></u>

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

Assets	287,136	155,991
Liabilities	(205,223)	(147,141)
Funds	<u><u>81,913</u></u>	<u><u>8,850</u></u>

Revaluation of the Boats in the year to 31/12/14 have resulted in the creation of a revaluation reserve of £58,291.

The Kennet & Avon Canal Trust
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Notes to financial statements
for the year ended 31 December 2014

6. Incoming resources from charitable activities

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Butty advertisements	1,791	1,791	5,180
Calendar sales	9	9	252
Butty sales	315	315	473
	<u>2,115</u>	<u>2,115</u>	<u>5,905</u>

7. Other incoming resources

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Gain on disposal of tangible fixed assets	-	-	10,175
Sundry Income	2,169	2,169	61
	<u>2,169</u>	<u>2,169</u>	<u>10,236</u>

8. Cost of generating voluntary income

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Costs of generating donations and legacies	17,255	17,255	31,277
	<u>17,255</u>	<u>17,255</u>	<u>31,277</u>

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

Notes to financial statements
for the year ended 31 December 2014

9. Activities undertaken directly

Group and Parent

	2014	2013
	Total	Total
	£	£
<u>Unrestricted</u>		
Wages & Salaries	48,906	47,439
Employer's NIC	990	2,867
Health & safety	6,077	5,210
Staff training	-	320
Rent	2,000	3,560
Coal	5,233	6,975
Boiler chemicals & lubricant	3,704	3,360
Light & heat	12,123	12,827
Repairs & maintenance - unrestricted	30,532	16,082
Insurance	12,687	11,807
Computer costs	352	810
Hire of office equipment	2,268	2,805
Travel costs	439	450
Telephone	3,400	3,444
Other office expenses	968	1,792
Printing, postage & stationery	1,356	4,126
Depreciation	11,615	9,926
Profit/loss on disposal	3,156	1,278
Bad debts	(119)	(4,428)
Bank charges	2,390	2,144
	<u>148,077</u>	<u>132,794</u>

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

Notes to financial statements
for the year ended 31 December 2014

10. Governance costs

Group and Parent

	Unrestricted funds £	2014 Total £	2013 Total £
Accountancy fees	2,400	2,400	3,340
Auditor remuneration	4,800	4,800	5,600
Legal fees	-	-	1,235
Other professional costs	319	319	2,152
	<u>7,519</u>	<u>7,519</u>	<u>12,327</u>

11. Net incoming/(outgoing) resources for the year

Parent

	2014 £	2013 £
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	15,206	13,655
Loss on disposal of tangible fixed assets	3,156	1,278
Auditors' remuneration	<u>4,800</u>	<u>5,600</u>
and after crediting:		
Profit on disposal of tangible fixed assets	<u>-</u>	<u>10,175</u>

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

Notes to financial statements
for the year ended 31 December 2014

12. Employees

Parent

Employment costs	2014	2013
	£	£
Wages and salaries	57,513	54,682
Social security costs	990	2,867
Other costs	-	320
	<u>58,503</u>	<u>57,869</u>

No employee received emoluments of more than £60,000 (2013 : None).

Number of employees

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

2014	2013
Number	Number
<u>4</u>	<u>4</u>

No trustee received remuneration during the year (2013: £NIL). No trustees were reimbursed for travel expenses (2013: £NIL).

14. 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 2014 (2013: £NIL).

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

Notes to financial statements
for the year ended 31 December 2014

15. Tangible fixed assets (Restated)	Fixtures, Land and Plant and fittings and buildings machinery equipment Boats Total				
	£	£	£	£	£
<u>Group and Parent</u>					
Cost					
At 1 January 2014	295,438	64,035	50,878	182,296	592,647
Additions	-	16,930	2,345	-	19,275
Disposals	-	(2,515)	(5,738)	-	(8,253)
Revaluation	-	-	-	(40,296)	(40,296)
At 31 December 2014	<u>295,438</u>	<u>78,450</u>	<u>47,485</u>	<u>142,000</u>	<u>563,373</u>
Depreciation					
At 1 January 2014	64,594	44,955	32,122	98,587	240,258
Charge for the year	5,092	7,154	2,960	7,100	22,306
On disposals	-	(2,515)	(2,582)	-	(5,097)
Revaluation	-	-	-	(98,587)	(98,587)
At 31 December 2014	<u>69,686</u>	<u>49,594</u>	<u>32,500</u>	<u>7,100</u>	<u>158,880</u>
Net book values					
At 31 December 2014	<u>225,752</u>	<u>28,856</u>	<u>14,985</u>	<u>134,900</u>	<u>404,493</u>
At 31 December 2013	<u>230,844</u>	<u>19,080</u>	<u>18,756</u>	<u>83,709</u>	<u>352,389</u>

<u>Parent</u>	Fixtures, Land and Plant and fittings and buildings machinery equipment Boats Total				
	£	£	£	£	£
Cost					
At 1 January 2014	295,438	15,384	50,878	-	361,700
Additions	-	12,109	2,345	-	14,454
Disposals	-	(2,515)	(5,738)	-	(8,253)
At 31 December 2014	<u>295,438</u>	<u>24,978</u>	<u>47,485</u>	<u>-</u>	<u>367,901</u>
Depreciation					
At 1 January 2014	64,594	14,335	32,122	-	111,051
Charge for the year	5,092	3,564	2,960	-	11,616
On disposals	-	(2,515)	(2,582)	-	(5,097)
At 31 December 2014	<u>69,686</u>	<u>15,384</u>	<u>32,500</u>	<u>-</u>	<u>117,570</u>
Net book values					
At 31 December 2014	<u>225,752</u>	<u>9,594</u>	<u>14,985</u>	<u>-</u>	<u>250,331</u>
At 31 December 2013	<u>230,844</u>	<u>1,049</u>	<u>18,756</u>	<u>-</u>	<u>250,649</u>

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

Notes to financial statements
for the year ended 31 December 2014

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

<u>Group and Parent</u>	2014		2013	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
Asset description	£	£	£	£
Plant and machinery	<u>35,150</u>	<u>1,850</u>	<u>35,150</u>	<u>1,850</u>

16. Fixed asset investments (Restated)

<u>Parent</u>	Subsidiary undertakings shares	Total
	£	£
Cost		
At 1 January 2014 and		
At 31 December 2014	<u>1,000</u>	<u>1,000</u>

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

17. Stocks

<u>Group</u>	2014	2013
	£	£
Stocks	<u>7,274</u>	<u>7,315</u>

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

Notes to financial statements
for the year ended 31 December 2014

18. Debtors

Group and Parent

	2014	2013
	£	£
Trade debtors	4,760	6,747
Other debtors	4,885	3,598
	<u>9,645</u>	<u>10,345</u>

Parent

	2014	2013
	£	£
Trade debtors	1,787	2,764
Amounts recoverable on long term contracts	-	-
Amounts due from subsidiary and associated undertakings	131,042	69,394
Debtors due in over one year	45,000	45,000
Other debtors	-	-
	<u>177,829</u>	<u>117,158</u>

19. Creditors: amounts falling due within one year

Group and Parent

	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	4,367	4,367
Trade creditors	13,684	12,105
Other taxes and social security	1,230	3,919
Accruals	10,200	11,289
	<u>29,481</u>	<u>31,680</u>

Parent

	2014	2013
	£	£
Trade creditors	4,210	3,823
Other taxes and social security	898	3,190
Accruals	7,200	8,289
	<u>12,308</u>	<u>15,302</u>

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

Notes to financial statements
for the year ended 31 December 2014

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

Group and Parent

	2014	2013
	£	£
Net obligations under finance leases	12,009	16,376

21. Analysis of net assets between funds

Group and parent

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2014 as represented by:			
Tangible fixed assets	404,493	-	404,493
Current assets	156,028	5,471	161,499
Current liabilities	(29,481)	-	(29,481)
Long-term liabilities	(12,009)	-	(12,009)
	<u>519,031</u>	<u>5,471</u>	<u>524,502</u>

Parent

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2014 as represented by:			
Tangible fixed assets	250,331	-	250,331
Investment assets	1,000	-	1,000
Current assets	199,095	5,471	204,566
Current liabilities	(12,308)	-	(12,308)
	<u>438,118</u>	<u>5,471</u>	<u>443,589</u>

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

Notes to financial statements
for the year ended 31 December 2014

22. Unrestricted funds	At 1 January 2014 £	Incoming resources £	Outgoing resources £	Gains and losses £	At 31 December 2014 £
Unrestricted Funds	379,397	178,794	(172,851)	-	385,340
Trading subsidiary	7,850	235,998	(168,448)	58,291	133,691
	<u>387,247</u>	<u>414,792</u>	<u>(341,299)</u>	<u>58,291</u>	<u>519,031</u>

23. Restricted funds	At 1 January 2014 £	At 31 December 2014 £
Marina Project	1,220	1,220
Claverton costs	1,926	1,926
K & A 200 Fund	2,325	2,325
	<u>5,471</u>	<u>5,471</u>

24. Ultimate parent undertaking

The ultimate controlling party is the Board of Trustee Directors.

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 2014

	2014	2013
	£	£
Incoming resources		
Incoming resources from generating funds:		
<i>Voluntary income</i>		
Donations	11,914	6,209
Legacies	39,406	3,221
Grants receivable	500	7,500
Subscriptions	36,878	36,854
Gift Aid Reclaims	13,481	15,251
	<u>102,179</u>	<u>69,035</u>
<i>Activities for generating funds</i>		
Admissions	39,525	56,500
Crofton Appeal	11,199	11,556
Fundraising	13,015	9,594
Crofton Car Park	2,522	3,736
Rent Received	6,062	6,572
	<u>72,323</u>	<u>87,958</u>
<i>Investment income</i>		
Bank interest receivable	8	5
	<u>8</u>	<u>5</u>
<i>Income from trading subsidiaries</i>		
Commercial trading operations	235,998	233,511
	<u>235,998</u>	<u>233,511</u>
Total incoming resources from generating funds	<u>410,508</u>	<u>390,509</u>
Incoming resources from charitable activities		
Butty advertisements	1,791	5,180
Calendar sales	9	252
Butty sales	315	473
	<u>2,115</u>	<u>5,905</u>
Other incoming resources		
Gain on disposal of tangible fixed assets	-	10,175
Sundry Income	2,169	61
	<u>2,169</u>	<u>10,236</u>
Total incoming resources	<u><u>414,792</u></u>	<u><u>406,650</u></u>

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

Detailed statement of financial activities

For the year ended 31 December 2014

Resources expended

Costs of generating funds:

Costs of generating donations and legacies

Butty costs	7,381	19,300
Advertisement & Publicity	1,267	4,734
Fund raising costs	8,607	7,243

17,255	31,277
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Total cost of generating voluntary income

17,255	31,277
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Commercial trading operations

Costs of trading subsidiaries	168,448	181,723
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Fundraising trading:

cost of goods sold and other costs

Total costs of generating funds	185,703	213,000
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The Kennet & Avon Canal Trust
(A company limited by guarantee)

Detailed statement of financial activities

For the year ended 31 December 2014

	2014 £	2013 £
Charitable activities		
Charitable activities		
<i>Activities undertaken directly</i>		
Wages & Salaries	48,906	47,439
Employer's NIC	990	2,867
Health & safety	6,077	5,210
Staff training	-	320
Rent	2,000	3,560
Coal	5,233	6,975
Boiler chemicals & lubricant	3,704	3,360
Light & heat	12,123	12,827
Repairs & maintenance - unrestricted	30,532	16,082
Insurance	12,687	11,807
Computer costs	352	810
Hire of office equipment	2,268	2,805
Travel costs	439	450
Telephone	3,400	3,444
Other office expenses	968	1,792
Printing, postage & stationery	1,356	4,126
Depreciation	11,615	9,926
Profit/loss on disposal	3,156	1,278
Bad debts	(119)	(4,428)
Bank charges	2,390	2,144
	<u>148,077</u>	<u>132,794</u>
Total charitable activity expenditure	<u>148,077</u>	<u>132,794</u>
Governance costs		
<i>Activities undertaken directly</i>		
Accountancy fees	2,400	3,340
Auditor remuneration	4,800	5,600
Legal fees	-	1,235
Other professional costs	319	2,152
	<u>7,519</u>	<u>12,327</u>
Total governance costs	<u>7,519</u>	<u>12,327</u>
Net incoming/(outgoing) resources for the year	<u>73,493</u>	<u>48,529</u>