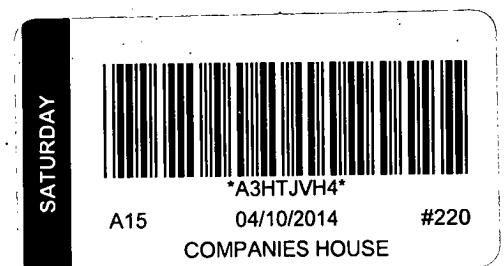


# Financial Statements British Waterways Marinas Limited

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**For the year ended 31 March 2014**

**Registered number: 4930453**



## Company Information

<b>Directors</b>	Darren Bramhall Brian Casey Derek Newton (resigned 28 April 2014) Philip M Ridal Julie A Sharman F H Louise Mitchell
<b>Company secretary</b>	Prism Cosec Limited
<b>Registered number</b>	4930453
<b>Registered office</b>	First Floor North Station House 500 Elder Gate Milton Keynes Buckinghamshire MK9 1BB
<b>Bankers</b>	National Westminster Bank Plc PO Box 12263 1 Princes Street London EC2R 8PH
<b>Solicitors</b>	Shoosmiths Waterfront House Waterfront Plaza 35 Station Street Nottingham NG2 3DQ

# Contents

	Page
<b>Directors' report</b>	1 - 2
<b>Strategic report</b>	3 - 5
<b>Independent auditor's report</b>	6 - 7
<b>Profit and loss account</b>	8
<b>Balance sheet</b>	9
<b>Notes to the financial statements</b>	10 - 19

## **Directors' report**

**For the year ended 31 March 2014**

The directors present their report and the financial statements for the year ended 31 March 2014.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Going concern**

The directors of the company are of the opinion that there are adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties at the year end. This opinion is supported by detailed forecasts on cashflow. As such it is deemed appropriate to continue to adopt the going concern basis in preparing the financial statements.

### **Directors**

The directors who served during the year were:

Darren Bramhall

Brian Casey

Derek Newton (resigned 28 April 2014)

Philip M Ridal

Julie A Sharman

Christopher Warren (resigned 19 July 2013)

F H Louise Mitchell (appointed 1 August 2013)

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

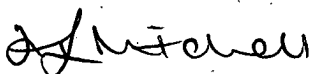
- so far as that director is aware, there is no relevant audit information of which the company's auditor is

## Directors' report

For the year ended 31 March 2014

- unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 June 2014 and signed on its behalf.



F H Louise Mitchell  
Director

# Strategic report

For the year ended 31 March 2014

## Principal activity

The principal activity of the company during the year was that of marina operations.

## Business review

Our key performance indicators show a return on average capital employed of 1.10% (2013: 7.94%) using operating profit as the return, and 7.77% (2013: 11.38%) using EBITDA as the return. These reductions are predominantly explained by the exceptional expense items which impact the return in the year.

Currently we manage a total of 3327 (2013: 3,323) saleable water and land berths (including visitor berths) across the 20 (2013: 20) sites from which we operate. These are split water berths 2,882 (2013: 2,893) and land berths 445 (2013: 430).

Our revenue performance by each of our main business activities is shown below:

	2014 £	2013 £
Moorings (including hardstanding)	4,769,499	4,828,471
Retail	746,538	816,921
Boat Management Fees	-	200,969
Brokerage Fees	142,713	193,453
Marina Services (repairs & lifting)	154,630	167,485
Caravan Permits	200,090	206,003
Property Rents	207,321	179,407
Other Income (Inc cost recoveries)	332,148	385,288
Total	6,552,939	6,977,997

British Waterways Marinas Limited ("BWML") mooring occupancy has been impacted this financial year by region. In London BWML is benefitting from increased demand for berths whilst the Midland marinas have been affected by an oversupply of berths. Occupancy levels are beginning to show signs of recovery from a low in August 2013, providing confidence that we are experiencing a reversal of the recent downward trend.

Unfortunately, BWML lost the boat management business at the start of the financial year as a direct result of the economic downturn. BWML made significant cost savings alongside this loss of income which mitigated the impact on net profit.

The additional analysis provided for revenue types illustrates that the retail area of the business has continued to also have been impacted by the UK downturn and increased competition. However, this area of the business continues to provide a positive contribution to the business and therefore the company will continue to provide this service.

Likewise, brokerage revenues have been impacted due to a reduction in boat selling activity, whilst competition has intensified.

BWML is a wholly owned subsidiary of Canal & River Trust ("CRT") and operates under a Fair Trading Code of Practice. The principles of the Fair Trading Code are that BWML will be treated by CRT in the same manner as any other private mooring or marina operator, and that BWML should not receive any special help, information, services or privileges that are not made available on the same terms to other operators on the CRT network of waterways.

## **Strategic report**

**For the year ended 31 March 2014**

Various operating measures are in place to ensure that BWML complies with this Code which include paying CRT for the supply of accounting, payroll and pension services and the open market rents for marinas that are leased from CRT. In the year ended 31 March 2014 the following payments were made to CRT:-

Property rents	£709k (2013: £531k to CRT, £177k to BW)
Service level agreements	£77k (2013: £56k to CRT, £19k to BW)

During the year BWML paid net profit gift aid of £916k relating to profits earned in the year ended 31 March 2013 (2013: paid a dividend of £600k from post tax earnings) to its holding company. It is not intended that the business will pay net profit gift aid to CRT for the year ended 31 March 2014 which has given rise to a tax on profits instead. It is intended however, to pay net profit gift aid in future years.

The company made allotments of 100 ordinary £1 shares to the company's sole shareholder, CRT, in the year, at a share premium of £9,999 per share, providing £1m additional shareholder funds.

BWML employs 74 (2013: 78) full time equivalent staff throughout the company. Staff remain a key factor in the effective performance of the business, and help to deliver long term growth of the business. The directors would like to thank the staff for their continuing efforts without which the company would not continue to prosper.

### **Results and dividends**

The profit for the year, after taxation, amounted to £77,210 (2013: after gift aid £402,305).

Particulars of net profit gift aid and dividend payments are detailed in note 19 to the financial statements.

### **Principal risks and uncertainties**

The company uses various financial instruments that include cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk.

#### **Liquidity risk**

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. BWML funding where necessary is via share capital issue to its holding company CRT. Such investments by CRT are made in accordance with its corporate hurdle rate and business objectives.

#### **Interest rate risk**

The company was not permitted to utilise bank or other borrowings, as at the Balance Sheet date. Since then a moderate overdraft has been arranged. However, the directors do not consider the company's exposure to interest risk to be material, even with the overdraft policy.

#### **Credit risk**

In order to manage credit risk, the directors have instituted a process at each of its marina sites of a review of all debtors by a devoted credit control team each month with individual customer accounts being subject to debt collection action where necessary on a regular basis with reference to debt ageing and collection history.

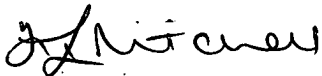
# Strategic report

**For the year ended 31 March 2014**

## **Auditor**

The auditor, Grant Thornton UK LLP, will be considered for reappointment in accordance with section 485 of the Companies Act 2006, alongside other auditors who have been invited to tender for the role.

This report was approved by the board on 25 June 2014 and signed on its behalf.



F H Louise Mitchell  
Director





## Independent auditor's report to the members of British Waterways Marinas Limited

We have audited the financial statements of British Waterways Marinas Limited for the year ended 31 March 2014, which comprise the Profit and loss account, the 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Independent auditor's report to the members of British Waterways Marinas Limited

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read "Catherine Reid", with a long horizontal flourish extending to the right.

Catherine Reid (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Leeds

Date: 25 June 2014

## Profit and loss account

For the year ended 31 March 2014

	Note	2014	2013 £
Turnover	1,2	6,552,939	6,977,997
Administrative expenses	3	<u>(6,408,782)</u>	<u>(5,969,081)</u>
Operating profit	4	144,157	1,008,916
Interest receivable and similar income		3,146	-
Gift aid		<u>-</u>	<u>(916,073)</u>
Profit on ordinary activities before taxation		147,303	92,843
Tax on profit on ordinary activities	8	<u>(70,093)</u>	<u>309,462</u>
Profit for the financial year	17	<u><u>77,210</u></u>	<u><u>402,305</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

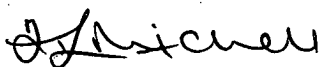
The notes on pages 10 to 19 form part of these financial statements.

## Balance sheet

As at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Intangible assets	9		2,751,787		3,064,297
Tangible assets	10		<u>11,009,359</u>		<u>11,021,852</u>
			13,761,146		14,086,149
<b>Current assets</b>					
Stocks	11	169,916		276,658	
Debtors	12	2,307,977		2,644,796	
Cash at bank and in hand		<u>1,017,520</u>		<u>584,502</u>	
		3,495,413		3,505,956	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,760,931)</u>		<u>(5,178,032)</u>	
<b>Net current liabilities</b>			<u>(265,518)</u>		<u>(1,672,076)</u>
<b>Total assets less current liabilities</b>			13,495,628		12,414,073
<b>Creditors: amounts falling due after more than one year</b>	14		(38,781)		(34,436)
<b>Provisions for liabilities</b>					
Deferred tax	15	-	-	-	-
<b>Net assets</b>			<u>13,456,847</u>		<u>12,379,637</u>
<b>Capital and reserves</b>					
Called up share capital	16		2,116		2,016
Share premium account	17		11,158,884		10,158,984
Profit and loss account	17		<u>2,295,847</u>		<u>2,218,637</u>
<b>Shareholders' funds</b>	18		<u>13,456,847</u>		<u>12,379,637</u>

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



F H Louise Mitchell  
 Director  
 Date: 25 June 2014

The notes on pages 10 to 19 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2014

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### **1.2 Going concern**

The directors of the company are of the opinion that there are adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties at the year end. This opinion is supported by detailed forecasts on cashflow. As such it is deemed appropriate to continue to adopt the going concern basis in preparing the financial statements.

### **1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised upon the performance of services or transfer of risk to the customer as follows;

#### **a) Sale of Goods**

Revenue from the sale of goods is recognised when the significant risks and rewards are transferred to the customer.

#### **b) Rendering of services**

##### **i) Mooring & Hardstanding permits**

These are invoiced in advance and revenue is recognised on a deferred basis over the term of the contract.

##### **ii) Property Rents**

Revenue is generally invoiced monthly or quarterly in advance and recognised over the lease period.

##### **iii) Brokerage Fees**

Revenue is recognised on the transfer of title to the buyer of the craft.

##### **iv) Marina Services – (Repairs and Lifting)**

Charges for these services are rendered upon completion of the service and recognised at that point.

# Notes to the financial statements

For the year ended 31 March 2014

## 1. Accounting policies (continued)

### 1.5 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is currently not amortised, however an impairment review is undertaken annually, and any impairment necessary is recognised in that year.

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, over their expected useful lives on the following straight line bases:

Long leases	The unexpired lease term
Freehold buildings and structures	40 years
Pontoons & redecking	25 years
Vessels	25 years
Major power & water upgrades	25 years
Fencing & sheds	15 years
Plant, facilities, cranes & hoists, bollards	10 years – 25 years
Security CCTV/access controls	10 years
Minor power upgrades	10 years
Operational vehicles, computer & office equipment	5 years

### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slow-moving stocks.

### 1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# Notes to the financial statements

For the year ended 31 March 2014

## 1. Accounting policies (continued)

### 1.10 Pensions

The company participates in the two pension schemes of its parent company, CRT. The schemes are centrally administered and one is a defined benefit scheme, and the other a defined contribution scheme. New employees are invited to join the latter.

It is not possible for the scheme to identify the company's share of the underlying assets and liabilities of the defined benefit scheme and therefore, in accordance with FRS 17, contributions to this scheme are accounted for as though it were a defined contribution scheme.

## 2. Turnover

The whole of the turnover is attributable, either directly or indirectly, to the one principal activity of the company and all arose within the UK.

## 3. Administrative Expenses

Administrative Expenses include the following exceptional reassessment of asset values:

	£
Increase in stock provision	84,361
Adjustment to depreciation relating to reassessment of tangible asset lives	48,948
Increase in bad debt provision	53,072
Impairment of goodwill	<u>312,510</u>
	<u>498,891</u>

## 4. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Impairment of intangible assets (goodwill)	312,510	-
Depreciation of tangible fixed assets:		
- owned by the company	579,381	435,900
Operating lease renewals:		
- plant and machinery	62,520	52,347
- land and buildings	<u>789,641</u>	<u>809,728</u>

## 5. Auditors' remuneration

	2014	2013
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>15,500</u>	<u>15,000</u>

# Notes to the financial statements

For the year ended 31 March 2014

## 6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,703,144	1,728,173
Social security costs	134,411	130,859
Other pension costs	141,827	148,818
	<u>1,979,382</u>	<u>2,007,850</u>

The average monthly number of employees (on an FTE basis), including the directors, during the year was as follows:

	2014 No.	2013 No.
Full time	58	58
Part time	16	20
	<u>74</u>	<u>78</u>

## 7. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>266,063</u>	<u>253,929</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of the defined benefit pension scheme, and 1 director in respect of the defined contribution pension scheme.

The highest paid director received remuneration of £97,182 (2013 - £92,626).



## Notes to the financial statements

For the year ended 31 March 2014

## 8. Taxation

	2014 £	2013 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	70,093	-
Under provision in prior year	-	(5,466)
<b>Total current tax</b>	<u>70,093</u>	<u>(5,466)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(309,042)
Under provision in prior year	-	5,046
<b>Total deferred tax</b> (see note 14)	<u>-</u>	<u>(303,996)</u>
<b>Tax on profit on ordinary activities</b>	<u>70,093</u>	<u>(309,462)</u>

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>147,303</u>	<u>92,843</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	33,880	22,282
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	4,012
Capital allowances for year in excess of depreciation	(35,664)	(26,294)
Adjustment impairment of goodwill	71,877	
Adjustments to tax charge in respect of prior periods	-	(5,466)
<b>Current tax (credit)/charge for the year</b>	<u>70,093</u>	<u>(5,466)</u>

## Notes to the financial statements

For the year ended 31 March 2014

## 9. Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	<u>3,064,297</u>
<b>Amortisation</b>	
At 1 April 2013	-
Impairment charge	<u>312,510</u>
At 31 March 2014	<u>312,510</u>
<b>Net book value</b>	
At 31 March 2014	<u>2,751,787</u>
At 31 March 2013	<u>3,064,297</u>

Goodwill arising on acquisitions is capitalised and classified as an asset on the Balance Sheet. Amortisation is not provided in respect of goodwill as the useful economic life is deemed to be indefinite. This judgement is primarily made on the grounds that intangibles are held under a lease with a term in excess of 20 years, or where the company or its parent company, CRT, own the freehold. The board members consider that the departure from the statutory accounting rules is necessary to provide a true and fair view and to comply with FRS 10. An impairment review is undertaken annually to justify the value of goodwill retained on the Balance Sheet, and this has given rise to a reduction in the value as at 31 March 2014 by £312,510.

## 10. Tangible fixed assets

	Freehold property £	L/Term leasehold property £	Plant & machinery £	Total £
<b>Cost</b>				
At 1 April 2013 (Restated)	2,569,976	5,096,084	5,383,553	13,049,613
Additions	0	46,005	520,883	566,888
Transfer between classes	(10,952)	(274,045)	284,997	-
At 31 March 2014	<u>2,559,024</u>	<u>4,868,044</u>	<u>6,189,433</u>	<u>13,616,501</u>
<b>Depreciation</b>				
At 1 April 2013 (Restated)	91,907	554,152	1,381,702	2,027,761
Charge for the year	27,340	200,776	351,265	579,381
At 31 March 2014	<u>119,247</u>	<u>754,928</u>	<u>1,732,967</u>	<u>2,607,142</u>
<b>Net book value</b>				
At 31 March 2014	<u>2,439,777</u>	<u>4,113,116</u>	<u>4,456,466</u>	<u>11,009,359</u>
At 31 March 2013	<u>2,478,069</u>	<u>4,541,932</u>	<u>4,001,851</u>	<u>11,021,852</u>

Included within tangible fixed assets is £210,583 (2013: £500,416) of assets under construction. No

# Notes to the financial statements

For the year ended 31 March 2014

depreciation is charged on assets under construction.

## 11. Stocks

	2014 £	2013 £
Finished goods and goods for resale	<u>169,916</u>	<u>276,658</u>

## 12. Debtors

	2014 £	2013 £
<b>Due within one year</b>		
Trade debtors	1,971,396	2,179,905
Corporation tax repayable	-	50,314
Other debtors	2,867	5,304
Prepayments and accrued income	<u>333,714</u>	<u>409,273</u>
	<u>2,307,977</u>	<u>2,644,796</u>

## 13. Creditors:

### Amounts falling due within one year

	2014 £	2013 £
Trade creditors	331,311	464,831
Amounts owed to group undertakings	291,693	1,754,807
Corporation tax	70,093	-
Other taxation and social security	3,425	18,500
Other creditors	294,719	52,550
Accruals and deferred income	<u>2,769,690</u>	<u>2,887,344</u>
	<u>3,760,931</u>	<u>5,178,032</u>

## Notes to the financial statements

For the year ended 31 March 2014

**14. Creditors:**  
**Amounts falling due after more than one year**

	2014 £	2013 £
Other creditors	8,754	7,354
Accruals and deferred income	30,027	27,082
	<u>38,781</u>	<u>34,436</u>

**15. Deferred taxation**

	2014 £	2013 £
At 1 April 2013	-	303,996
Released during year (note 7)	-	(303,996)
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	-	303,996
Tax losses not recognised	-	(303,996)
	<u>-</u>	<u>-</u>

The company released its deferred tax liability in full during the year ended 31 March 2013 on the basis that it will not be incurring tax liabilities due to its elections to make gift aid payments to the parent company, CRT.

**16. Share capital**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
2,116 (2013 - 2,016) Ordinary Shares shares of £1 each	<u>2,116</u>	<u>2,016</u>

The company made allotments of 100 ordinary £1 shares (2013 - 47 ordinary £1 shares) to the company's sole shareholder, CRT, during the year.

# Notes to the financial statements

For the year ended 31 March 2014

## 17. Reserves

	Share premium account £	Profit and loss account £
At 1 April 2013	10,158,984	2,218,637
Profit for the financial year	-	77,210
Premium on shares issued during the year	999,900	-
	<u>11,158,884</u>	<u>2,295,847</u>
At 31 March 2014		

## 18. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	12,379,637	12,107,332
Profit for the financial year	77,210	402,305
Dividends (Note 19)	-	(600,000)
Shares issued during the year	100	47
Share premium on shares issued	<u>999,900</u>	<u>469,953</u>
Closing shareholders' funds	<u>13,456,847</u>	<u>12,379,637</u>

## 19. Net Profit Gift Aid / Dividends

The following gift aid/dividends were paid in the year

	2014 £	2013 £
Dividends paid on equity capital relating to profits earned in year ended 31 March 2012	<u>-</u>	<u>600,000</u>
Net profit gift aid paid to CRT relating to profits earned in year ended 31 March 2013	<u>916,073</u>	<u>-</u>

# Notes to the financial statements

For the year ended 31 March 2014

## 20. Capital commitments

At 31 March 2014 the company had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>19,382</u>	<u>49,507</u>

## 21. Pension commitments

The company participates in the two pension schemes of its parent company, CRT. The schemes are centrally administered and one is a defined benefit scheme, and the other a defined contribution scheme. New employees are invited to join the latter.

It is not possible for the scheme to identify the company's share of the underlying assets and liabilities of the defined benefit scheme and therefore, in accordance with FRS 17, contributions to this scheme are accounted for as though it was a defined contribution scheme.

## 22. Operating lease commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	-	9,178	-
Between 2 and 5 years	-	-	47,620	56,034
After more than 5 years (2013 as restated)	<u>545,029</u>	<u>545,029</u>	<u>-</u>	<u>-</u>

## 23. Related party transactions

For the year ended 31 March 2014, the company paid rent totalling £709,232, service level agreement charges totalling £76,681 and net profit gift aid of £916,073 relating to profits for 2012/13 to CRT. The business also received commissions for the sale of craft licences on behalf of the CRT totalling £10,303. In addition, 100 ordinary £1 shares were issued to CRT for a total consideration of £1 million.

## 24. Ultimate parent undertaking and controlling party

On 2 July 2012, trade and assets relating to England and Wales transferred out of British Waterways to Canal & River Trust, a registered charity. By virtue of this transfer, the ultimate parent company is now Canal & River Trust. A copy of the financial statements of the parent undertaking can be obtained from First Floor North Station House, 500 Elder Gate, Milton Keynes, Buckinghamshire, MK9 1BB.