

Report of the Trustees and
Consolidated Financial Statements
for the Year Ended 31 December 2021
for
Kennet and Avon Canal Trust (The)

MHA Monahans
Chartered Accountants
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BA14 8FA

Kennet and Avon Canal Trust (The)

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for the Year Ended 31 December 2021

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Kennet and Avon Canal Trust (The)

Report of the Trustees **for the Year Ended 31 December 2021**

The trustees who are also directors of the charity and its subsidiary for the purposes of the Companies Act 2006, present their report with the financial statements of the charity and its subsidiary for the year ended 31 December 2021. The trustees have adopted the provisions of 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) (effective 1 January 2019).

2021 in summary

- Restrictions on operations because of Covid Regulations still had an impact on income in 2021, although this was less than in 2020. Commercial trading income increased from £54,912 in 2020 to £164,476, although our trading subsidiary still made a loss after depreciation. Visitor income at Crofton Beam Engines also increased, from £4,461 to £14,860.
- As a consequence, the overall Group results showed net expenditure of £31,960 (2020: net expenditure of £116,885). Income from grants and donations was lower than in the previous year (£81,734; 2020 £94,954), as was income from legacies (£18,396; 2020: £50,000).
- Because capital expenditure was less than the depreciation charge, cash balances at the end of the year increased to £504,582 (2020: £457,067), and free reserves remain well above the target level of £150,000.
- Passenger numbers on public boat trips were 14,393 (2020: 1,358). The number of weeks of holiday hire of Bruce Boats was 41 (2020: 17).
- Crofton Beam Engines opened to the public in mid-May, and the engines were steamed on seven days. Total visitor numbers were 881 on steaming days (2020: 0), and 2,347 on non-steaming days (2020: 1,760), with 879 adults and children touring the station itself (2020: 946).
- Other achievements in the year included transferring membership data to a new system, and issuing two editions 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 31 December 2021 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:

- Promote, facilitate, and assist in the conservation, protection and improvement of the Kennet and Avon Canal and its associated watercourses, towpaths, structures and buildings;
- Advance the education of the public in general of the significance of the Kennet and Avon Canal and its associated structures;
- 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 and Avon Canal; and
- Promote and facilitate recreational use of the Kennet and Avon Canal by a wide section of the community in order to improve conditions of life for the public.

In 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 guide the 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

Kennet and Avon Canal Trust (The)
Report of the Trustees
for the Year Ended 31 December 2021

Review of 2021

(a) Overview

At the end of 2021, the Group employed three members of staff, one at Crofton and two managing administration and finance. The Trust's achievements are therefore 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 2021 were again affected by the Covid-19 pandemic. These delayed the planned start date for 2021 activities, with Crofton Beam Engines reopening on 22 May and trip boat operations restarting around the same time.

Our café licensees were also impacted severely by Covid restrictions in the early part of the year. The Enterprise Board agreed to share the financial impact by waiving rents in February 2021.

Trust Council reviewed updated financial projections for 2021 and for the five years to 2026 at its meeting in July. These showed that with an expected recovery in visitor income, coupled with the changes in staffing structures and other cost saving measures agreed in 2020, the Group would continue to generate surpluses, although Crofton Beam Engines would probably not achieve its cash neutral target by 2025. However, it was unlikely that the Trust would be able to progress all the projects identified by Branches without significant external fundraising.

(b) Trust

The Trust operates mainly through its eight Branches.

Crofton Branch is responsible for running Crofton Beam Engines, a Grade 1 listed site 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 a major project to tell 'Our Crofton Story: Its Buildings and Its People'.

The site has continued to be managed in 2021 by a volunteer Site Manager with support from a full-time Assistant Site Manager, volunteer members of the Branch Committee, as well as about forty other regular volunteers. In 2021, the focus at Crofton has been opening to visitors, including seven steaming days, and taking steps to ensure that the engines can continue to operate. Limited progress has been made in developing the learning programme, in part because of Covid and in part because of the resignation of the part-time Learning and Community Engagement Officer in August when her other part-time role at the University of Bath was made full-time.

The site was open to visitors from 22 May for a total of 40 days, with the engines steamed on seven of those days. In order to manage visitor flow around the station on steaming days, all visitors to the site required a timed ticket, and were encouraged to purchase this in advance through the Art Tickets platform. Total visitor numbers were 881 (including 125 children) on steaming days and with 2,347 on non-steaming days. On non-steaming days, site entry was free, with a charge to tour the station itself; 879 visitors (including 81 children) toured the station.

Following a full boiler survey during the year, repair work to the boiler has been agreed costing around £30K. Subject to any unforeseeable issues arising, this work should enable the boiler to operate for a further ten years with only normal annual maintenance. H A McEwen, who carried out the previous boiler repairs in 2017, have been commissioned to undertake the work, which started in January 2022. To fund the work, a Boiler Appeal was launched at the end of August 2021; this is already more than half way to the target level of £30K.

Also during the year, cracks were identified in the pump-end parallel motion of No 2 engine (the 1846 Harvey & Co. engine). Following disassembly, the affected parts have been subject to further assessment, and remedial steps – consistent with the Grade 1 listed status of the engines – is being developed. In the meantime, only No 1 engine can be steamed.

In November, Crofton Branch secured grant funding for a Collection Care audit. This was carried out in December by Peter Meehan, a qualified conservator. His report will form an important input to the procedures and documentation being developed to support Crofton's planned application for accreditation under the Arts Council scheme for museums. Earlier in the year, Peter had carried out conservation work on the Archimedes Screw Pump exhibited at Crofton, largely funded by grants from the Association of Independent Museums/Pilgrim Trust and the Wiltshire Community Foundation.

The Canal and River Trust has agreed in principle to transfer ownership of the Smithy at Crofton – the only building retained by the then British Waterways Board when the Trust purchased the site in 1968 – and detailed proposals are awaited.

Kennet and Avon Canal Trust (The)
Report of the Trustees
for the Year Ended 31 December 2021

Some of the other Branches, such as Reading, have continued with their programme of talks, although these were mainly held electronically. The Reading Branch was also involved in organising the Reading Waterfest held on 19 June, a joint venture with Reading Borough Council. Visitor numbers and admission times were restricted in accord with applicable regulations.

Trust central staff continued to work mainly from home, with the Devizes office generally open only one day a week. To enable Trust Council to determine the long term future of the building, a survey was commissioned in the summer, which identified a number of issues which could require major expenditure in the medium term, as well as some urgent short term work such as a full rewiring. This work is now being carried out, and Trust Council has commissioned further studies to allow a firm decision to be reached during 2022 on whether to enter into a new lease of the building, which is owned by Wiltshire Council.

The Trust Museum at Devizes reopened in June, with a volunteer on hand to welcome visitors and to ensure that Covid protocols were met. However, it closed again in November, to allow for the rewiring to proceed.

Two editions of the Trust's magazine The Butty were published although many members opted to receive the Autumn edition in digital form only. In line with the new membership rules introduced in 2021, only members 'opting in' to receive a hard copy will receive one from Spring 2022 onwards. During 2021, the transfer of membership information to Donorfy was completed, and, from 4 January 2022 direct debits were transferred from Lloyds Teledebit to GoCardless. These new arrangements simplify the management of the membership system, and will also integrate better with the new Trust website which is currently being developed.

(c) Enterprise

The Trust's trading subsidiary, The Kennet and Avon Canal Trust (Enterprise) Ltd, operates public boat trips, holiday hire of 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. 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. In addition, by paying profits to the Trust, the scope of the Trust's activities can be expanded, so that Enterprise also supports the public benefit indirectly.

In a normal year, trip boats and holiday hire activities run from Easter to October, with additional public services at Christmas. All the trip boats operated in 2021, although trips generally did not start until late May. As in 2020, capacity was reduced in order to ensure social distancing between different households. Bruce Boat holiday hires also restarted in the late Spring.

Because of the pandemic, and also river conditions at the eastern end of the canal, the Reading trip boat, Matilda, was only able to operate a very limited service. As it was not possible to negotiate terms for the continued lease of the boat which would enable it to make profits, the lease was terminated in October and the boat returned to its owner.

The remaining four trip boats were all able to operate Christmas services.

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.] Following agreement to a loan facility of £100K from Trust in 2020, Enterprise drew down a further £20K during 2021, and is expected to require a further draw-down in Spring 2022. The Directors of Enterprise remain confident that the loan can be repaid by the latest date in the loan agreement of December 2025. However, as a condition of agreement to 2022 budget bids, Trust Council has asked the Enterprise Board to carry out a strategic review, with external commercial input, to be completed by the end of June 2022.

The four licensed cafés continued to make a positive contribution to Enterprise, although with a rent waiver in February (reflecting the continued impact of Covid) and some additional building maintenance costs this was much smaller than in previous years. Given various operational issues, the licence to operate the café at Devizes Wharf was terminated on 31 October 2021; future café operations there will depend on Trust Council's decision on the future of the site.

Terms for a new 15 year lease from the Canal and River Trust of the tea room at Bradford on Avon, which formally expired in December 2021, have now been agreed, and a new licence agreement will be put in place with the current operators once the lease has been signed. A formal sub-lease with the operator of the tea room at Aldermaston is also close to being finalised.

Kennet and Avon Canal Trust (The)
Report of the Trustees
for the Year Ended 31 December 2021

(d) Administration and governance

The arrangements for administration of the Trust put in place in 2020 have continued to operate effectively.

Two Trustees were co-opted during the year, and they will be putting themselves forward for election at the 2022 AGM. One Trustee stood down during the year. Trust Council has agreed that it should recruit an additional trustee with particular experience of fundraising; this will be done by external recruitment.

Portfolio role descriptions are being developed for all Trustees. Those for the Chairman and Treasurer have already been agreed.

Further policies have been developed or updated during the year, and are published on the Trust's website. This included a full review of the Health and Safety policy and supporting Safety Instructions. Health and Safety continues to be reviewed at all meetings of Trust Council and the Enterprise Board, including both accidents and near misses. Given the particular safety issues at Crofton Beam Engines, a separate Safety Management System is being developed to document procedures there. This mirrors the Boat Safety Management Manual, which each trip boat maintains as a condition of licensing by the Maritime and Coastguard Agency.

Plans for 2022 and beyond

(a) Trust

At its January 2022 meeting, Trust Council agreed its priorities for 2022. These include:

- Building on the measures taken in 2021 to strengthen links between Trust Council and Branches, continuing to hold meetings of all Branch Chairs and Trustees every six months;
- Completing the project to replace the Trust's website, and then develop proposals to increase Trust membership;
- Taking decisions on future plans for Devizes Wharf and on plans to conserve the Wash House at Aldermaston by mid-2022.

In addition to these central initiatives, Branches will continue to deliver activities on a local basis, in particular through operation of the Crofton site and other Branch activities including supporting water festivals at Reading and Newbury.

(b) Enterprise

Operating plans for the company's trip boat and holiday hire fleet in 2022 are based on Covid restrictions having only a limited impact. This should allow the company to return to more normal levels of profit, so that it can repay the loan from Trust and in due course resume making payments of its profits to support the charitable work of the Trust.

No major expenditure on boats is anticipated in 2022 apart from planned repainting of Kenavon Venture. In line with its general policy on the funding of major projects, Trust Council approved the budget for this work on condition that the Devizes Branch sought to raise 50% of the total cost of £10K locally.

As part of the strategic review requested by Trust Council, the cost and operating implications of replacing a trip boat and/or one of the Bruce Boats with a new boat with hybrid or all-electric engine will be investigated. Such a boat 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, delayed from 2021 because of the pandemic.

(c) Administration and governance

Apart from recruitment of at least one additional Trustee, the main priority in respect of governance will be to agree Trust policies in respect of safeguarding and conservation, and continue to review and update existing policies in particular the environmental policy. It is also planned to update the Trust's Volunteer Handbook in 2022. Branch constitutions will also be reviewed to ensure that they reflect current good practice.

Kennet and Avon Canal Trust (The)
Report of the Trustees
for the Year Ended 31 December 2021

Financial Review

At Group level (Trust and Enterprise), net expenditure in 2021 was £31,960 (2020: £116,885). These figures are after charging depreciation on fixed assets of £46,185 (2020: £46,961).

There was a significant increase in income from commercial trading activities from £54,912 in 2020 to £164,476, although this was still well below the 2019 level of £311,308. However, this was partially offset by a reduction in donations, grants and legacies from £257,049 in 2020 to £132,739. Although some further local authority grants to leisure businesses were received in 2021, 2020 figures also included 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, after depreciation, of £36,162 (see note 11), although this was significantly less than the loss in 2020 of £145,663. 2022 budgets envisage a return to profitability for trading activities.

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. As no profits were made in 2021, no payment will be made, and indeed a further drawdown of the loan facility from Trust agreed in 2020 was required. Enterprise Directors have confirmed that they still expect the company to be able to repay the loan by the end of 2025.

As a result of lower losses by Enterprise, and capital expenditure below the level of the depreciation charge, cash balances increased during the year, from £457,067 to £504,582. On the basis of commitments made in 2021, in particular for the repair of the boiler at Crofton and for rewiring of the Devizes Wharf building, Trustees expect reserves to fall in 2022. Additional projects approvals will only be given if Trustees are satisfied that reserves will in excess of the target level of reserves set under the Reserves Policy.

Risk management

Trustees are continuing to develop a more formal risk management framework for Trust and Enterprise activities. Trustees agreed a Risk Management policy in January 2022. To support this, a draft corporate risk register has been prepared, and will be further developed and then reviewed on a regular basis. 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 reflect changes in 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 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.

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2021

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. Trustees agreed in July 2021 that the target level of free reserves, which had been increased to £200K in July 2020, should revert to the previous level of £150K. This will be reviewed again in July 2022.

On the basis of the most recent projections, Trustees are satisfied that the Trust has sufficient balances to maintain current activities in 2022. 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 a further update to the Finance Manual in 2021, and this will be reviewed again in 2022 in the light of any issues identified following the annual assessment of internal financial controls.

Kennet and Avon Canal Trust (The)

Report of the Trustees **for the Year Ended 31 December 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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. Portfolio specifications are now being developed, and it is intended generally to use open recruitment for future appointments.

The Trust Council (which is the Board of Directors of the company) currently comprises ten 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 Trust Council such as major expenditure commitments. The Trust is not required to appoint a Company Secretary and the Treasurer also takes responsibility for governance matters.

The Enterprise Board currently comprises nine Directors (only three 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 and operational matters relating to the passenger boats, the Bruce boats, and the three 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 selected 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.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trust's name is Kennet and Avon Canal Trust (The) and it is registered with Companies' House with the reference 00726331, and with the Charity Commission for England and Wales with the reference 209206.

The Trust's trading company is called The Kennet and 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.

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2021

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 R Bailey
C W Bolt* (Treasurer)
D A Copley
R G H Dunton
D J Fearn
T W Mundy
Z S E E Puddephatt (appointed 7 June 2021)
T J Pyatt* (appointed 20 September 2021)
C D Sims* (Chairman)
G P Snook
P J Turvey (resigned 30 November 2021)

In addition, the following were Directors of Enterprise:

C E Calder (appointed 14 June 2021)
C R Churchouse (Chairman)
J M Foley
D C Hanlon
L P Hooper (appointed 24 March 2021)
G S Puddephatt

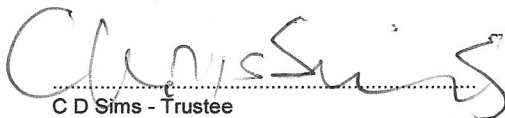
Independent Examiner

James Gare
FCA DChA
MHA Monahans
Chartered Accountants
Fortescue House, Court Street
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BA14 8FA

Banker

Lloyds Bank plc
38 Market Place
Devizes
Wiltshire
SN10 1JD

Approved by order of the board of trustees on 21 March 2022 and signed on its behalf by:


C D Sims - Trustee

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2021

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.

On behalf of the board



C D Sims
Director

Date: 18 March 2022

**Independent Examiner's Report to the Trustees of
Kennet and Avon Canal Trust (The)**

Independent examiner's report to the trustees of Kennet and Avon Canal Trust (The) ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity's 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 charity'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 can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountant 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:

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.



James Gare FCA DChA
The Institute of Chartered Accountants in England and Wales
MHA Monahans
Chartered Accountants
Fortescue House, Court Street
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Wiltshire
BA14 8FA

Date: **6 April 2022**

Kennet and Avon Canal Trust (The)

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		132,796	-	132,796	257,049
Other trading activities	3	25,810	-	25,810	14,073
Commercial trading operation	11	164,476	-	164,476	54,912
Investment income	4	1,487	-	1,487	1,566
Other income		<u>1,609</u>	<u>-</u>	<u>1,609</u>	<u>9,298</u>
Total		326,178	-	326,178	336,898
 EXPENDITURE ON					
Raising funds		4,006	-	4,006	7,891
Charitable activities					
Charitable activities		135,424	19,000	154,424	236,224
Commercial trading operations		<u>199,708</u>	<u>-</u>	<u>199,708</u>	<u>209,668</u>
Total		339,138	19,000	360,138	453,783
 NET INCOME/(EXPENDITURE)		(12,960)	(19,000)	(31,960)	(116,885)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,120,919</u>	<u>79,919</u>	<u>1,200,838</u>	<u>1,317,723</u>
 TOTAL FUNDS CARRIED FORWARD		<u>1,107,959</u>	<u>60,919</u>	<u>1,168,878</u>	<u>1,200,838</u>

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Consolidated Balance Sheet
31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	9	<u>615,007</u>	<u>60,419</u>	<u>675,426</u>	<u>714,661</u>
		615,007	60,419	675,426	714,661
CURRENT ASSETS					
Debtors	12	9,329	-	9,329	55,739
Cash at bank and in hand		<u>504,082</u>	<u>500</u>	<u>504,582</u>	<u>457,067</u>
		513,411	500	513,911	512,806
CREDITORS					
Amounts falling due within one year	13	(10,204)	-	(10,204)	(16,374)
NET CURRENT ASSETS		<u>503,207</u>	<u>500</u>	<u>503,707</u>	<u>496,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,118,214	60,919	1,179,133	1,211,093
PROVISIONS FOR LIABILITIES		(10,255)	-	(10,255)	(10,255)
NET ASSETS		<u>1,107,959</u>	<u>60,919</u>	<u>1,168,878</u>	<u>1,200,838</u>
FUNDS	14				
Unrestricted funds				761,678	738,476
Charitable subsidiary funds				346,281	382,443
Restricted funds				<u>60,919</u>	<u>79,919</u>
TOTAL FUNDS				<u>1,168,878</u>	<u>1,200,838</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 March 2022 and were signed on its behalf by:


C D Sims – Trustee

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Charity Balance Sheet
31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	9	205,696	60,419	266,115	273,841
Investments	10	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
		206,696	60,419	267,115	274,841
CURRENT ASSETS					
Debtors	12	102,272	-	102,272	118,160
Cash at bank and in hand		<u>457,235</u>	<u>500</u>	<u>457,735</u>	<u>431,363</u>
		559,507	500	560,007	549,523
CREDITORS					
Amounts falling due within one year	13	(4,525)	-	(4,525)	(5,969)
NET CURRENT ASSETS		<u>554,982</u>	<u>500</u>	<u>555,482</u>	<u>543,554</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>761,678</u>	<u>60,919</u>	<u>822,597</u>	<u>818,395</u>
NET ASSETS		<u>761,678</u>	<u>60,919</u>	<u>822,597</u>	<u>818,395</u>
FUNDS	14				
Unrestricted funds				761,678	738,476
Restricted funds				<u>60,919</u>	<u>79,919</u>
TOTAL FUNDS				<u>822,597</u>	<u>818,395</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

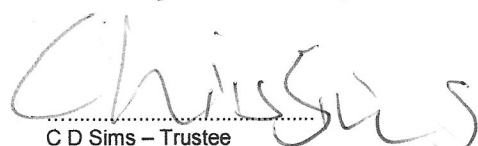
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 March 2022 and were signed on its behalf by:


C D Sims – Trustee

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>52,978</u>	<u>(103,926)</u>
Net cash provided by operating activities		<u>52,978</u>	<u>(103,926)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,949)	(4,591)
Sale of fixed assets		-	1,250
Interest received		<u>1,487</u>	<u>1,658</u>
Net cash provided by investing activities		<u>(5,462)</u>	<u>(1,683)</u>
Change in cash and cash equivalents in the reporting period		47,515	(105,609)
Cash and cash equivalents at the beginning of the reporting period		<u>457,067</u>	<u>562,676</u>
Cash and cash equivalents at the end of the reporting period		<u><u>504,582</u></u>	<u><u>457,067</u></u>

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	(31,960)	(116,885)
Adjustments for:		
Depreciation charges	46,185	46,961
Loss on disposal of fixed assets	-	900
Interest received	(1,487)	(1,658)
Decrease/(increase) in debtors	46,410	(15,785)
Increase/(Decrease) in provisions for liabilities		(2,912)
Increase/(Decrease) in creditors	<u>(6,170)</u>	<u>(14,547)</u>
Net cash provided by operations	<u><u>52,978</u></u>	<u><u>(103,926)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>457,067</u>	<u>47,516</u>	<u>504,582</u>
	<u>457,067</u>	<u>47,516</u>	<u>504,582</u>
Total	<u><u>457,067</u></u>	<u><u>47,516</u></u>	<u><u>504,582</u></u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

Charity information

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

Kennet and Avon Canal Trust (The) 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.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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 Trust (Enterprise) Ltd, are consolidated with the accounts of Kennet and Avon Canal Trust (The) 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.

Income

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.

Expenditure

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.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- is not depreciated
Freehold buildings	- 2% on straight line basis
Long leasehold & Boats	- 5% on a straight line basis
Plant and machinery	- 25% on straight line basis
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 20% on a straight line basis

Boats are included in the accounts at deemed cost, based on historic valuations. This is a change from the previous accounting policy which was that the boats were revalued by the Directors based on current trading value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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.

Financial instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments, as defined by FRS102. The financial assets and liabilities and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and measured at fair value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instrument disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements
for the Year Ended 31 December 2021

2. DONATIONS AND LEGACIES

Group and charity	2021	2020
	£	£
Grants and donations	81,734	105,354
National Lottery Heritage Fund	-	55,681
Coronavirus Job Retention Scheme	-	11,232
Legacies	18,396	50,000
Gift Aid Reclaims	9,555	6,268
Subscriptions	23,111	24,473
Fundraising	-	4,041
	<u>132,796</u>	<u>257,049</u>

3. OTHER TRADING ACTIVITIES

Group and charity	2021	2020
	£	£
Admissions	12,371	3,241
Crofton car park	860	645
Rent received	<u>12,579</u>	<u>10,187</u>
	<u>25,810</u>	<u>14,073</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2021

4. INVESTMENT INCOME

Group and charity

	2021	2020
	£	£
Bank interest receivable	<u>1,487</u>	<u>1,566</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Independent examiner's remuneration (excluding VAT)		
Examination and preparation of the Group Accounts	3,400	3,900
Preparation of accounts for the trading subsidiary	1,200	1,250
Other services	1,450	265
Depreciation – owned assets	11,380	11,097
Hire of plant and machinery	670	669
Deficit on disposal of fixed assets	<u>-</u>	<u>900</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 (2020: One Trustee was reimbursed for travel expenses totalling £56).

7. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	37,146	79,668
Social security costs	-	1,859
Pension	423	1,056
Other costs	147	801
	<u>37,716</u>	<u>83,384</u>

The average monthly number of employees during the year was as follows:

2021	2020
<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000 (2020: None).

No employees received termination benefits during the year. (2020: £16,000)

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2021

8. COMPARATIVES FOR THE STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	169,736	87,313	257,049
Other trading activities	14,073	-	14,073
Commercial trading operations	54,912	-	54,912
Investment income	1,566	-	1,566
Other income	9,298	-	9,298
Total	249,585	87,313	336,898
EXPENDITURE ON			
Raising funds	7,891	-	7,891
Commercial trading operations	209,668	-	209,668
Charitable activities			
Charitable activities	148,964	87,260	236,224
Total	366,523	87,260	453,783
NET INCOME	(116,938)	53	(116,885)
Transfer between funds	(1,877)	1,877	-
Net movement in funds	(118,815)	1,930	(116,885)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,239,734	77,989	1,317,723
TOTAL FUNDS CARRIED FORWARD	1,120,919	79,919	1,200,838

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2021

9. 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 2021 (2020: £Nil).

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST				
At 1 January 2021	297,204	65,302	174,954	54,804
Additions	<u>-</u>	<u>-</u>	<u>3,730</u>	<u>3,219</u>
At 31 December 2021	<u>297,204</u>	<u>65,302</u>	<u>178,684</u>	<u>58,023</u>
DEPRECIATION				
At 1 January 2021	59,735	45,253	109,327	45,288
Charge for year	<u>4,004</u>	<u>1,568</u>	<u>13,235</u>	<u>2,027</u>
At 31 December 2021	<u>63,739</u>	<u>46,821</u>	<u>122,562</u>	<u>47,315</u>
NET BOOK VALUE				
At 31 December 2021	<u>233,465</u>	<u>18,481</u>	<u>56,122</u>	<u>10,708</u>
At 31 December 2020	<u>237,469</u>	<u>20,049</u>	<u>65,627</u>	<u>9,516</u>

	Boats £	Totals £
COST		
At 1 January 2021	507,000	1,099,264
Additions	<u>-</u>	<u>6,949</u>
At 31 December 2021	<u>507,000</u>	<u>1,106,213</u>
DEPRECIATION		
At 1 January 2021	125,000	384,603
Charge for year	<u>25,350</u>	<u>46,184</u>
At 31 December 2021	<u>150,350</u>	<u>430,787</u>
NET BOOK VALUE		
At 31 December 2021	<u>356,650</u>	<u>675,426</u>
At 31 December 2020	<u>382,000</u>	<u>714,661</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

9. TANGIBLE FIXED ASSETS - continued

Charity

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST				
At 1 January 2021	297,204	65,302	41,332	54,804
Additions	-	-	435	3,219
At 31 December 2021	<u>297,204</u>	<u>65,302</u>	<u>41,767</u>	<u>58,023</u>
DEPRECIATION				
At 1 January 2021	59,735	45,253	34,525	45,288
Charge for year	<u>4,004</u>	<u>1,568</u>	<u>3,781</u>	<u>2,027</u>
At 31 December 2021	<u>63,739</u>	<u>46,821</u>	<u>38,306</u>	<u>47,315</u>
NET BOOK VALUE				
At 31 December 2021	<u>233,465</u>	<u>18,481</u>	<u>3,461</u>	<u>10,708</u>
At 31 December 2020	<u>237,469</u>	<u>20,049</u>	<u>6,807</u>	<u>9,516</u>
	Totals £			
COST				
At 1 January 2021	458,642			
Additions	<u>3,654</u>			
At 31 December 2021	<u>462,296</u>			
DEPRECIATION				
At 1 January 2021	184,801			
Charge for year	<u>11,380</u>			
At 31 December 2021	<u>196,181</u>			
NET BOOK VALUE				
At 31 December 2021	<u>266,115</u>			
At 31 December 2020	<u>273,841</u>			

10. FIXED ASSET INVESTMENTS

Charity

	Unlisted investment £
MARKET VALUE	
At 1 January 2021 and 31 December 2021	<u>1,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,000</u>
At 31 December 2020	<u>1,000</u>

There were no investment assets outside the UK. Investments represent 100% of the issued share capital in The Kennet and Avon Canal Trust (Enterprise) Limited.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. SUBSIDIARY COMPANY

The charity has a wholly owned trading subsidiary, The Kennet & Avon Canal Trust (Enterprise) Ltd, company number 02679756, which is incorporated in the United Kingdom. The principal activity of The Kennet & Avon Canal (Enterprise) Ltd is to operate boat trips and sales of gifts and souvenirs.

A summary of the financial performance of the subsidiary is shown below:

	2021 £	2020 £
Turnover	164,476	54,870
Total expenditure	200,638	(210,575)
Other income	-	10,042
Profit / (loss)	<u>(36,162)</u>	<u>(145,663)</u>

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

	2021 £	2020 £
Current assets	460,392	474,126
Current liabilities	(113,111)	(90,683)
Total net assets	<u>347,281</u>	<u>383,443</u>
Share capital and reserves	347,281	383,443

Expenditure includes interest payable to the parent charity of £930. This transaction has been eliminated on consolidation in the group Statement of Financial Activities.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	-	42,221	-	40,819
Other debtors	2,216	3,989	-	685
Amounts owed by group undertakings	-	-	97,177	70,023
Prepayments and accrued income	<u>7,113</u>	<u>9,529</u>	<u>5,095</u>	<u>6,633</u>
	<u>9,329</u>	<u>55,739</u>	<u>102,272</u>	<u>118,160</u>

Included within amounts owed by group undertaking is an amount of £97,177 (2020: £70,023) that is falling due after more than one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	3,608	11,224	202	2,069
Social security and other taxes	866	-	243	-
Accruals and deferred income	<u>5,730</u>	<u>5,150</u>	<u>4,080</u>	<u>3,900</u>
	<u>10,204</u>	<u>16,374</u>	<u>4,525</u>	<u>5,969</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

14. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	738,476	23,202	60,419	822,097
Trading subsidiary	382,443	(36,162)	-	346,281
Restricted funds				
Our Crofton Story (NLHF Project) Fund	60,419	-	(60,419)	-
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)	-	-
President's Fund	500	-	-	500
	<u>79,919</u>	<u>(19,000)</u>	<u>(60,419)</u>	<u>500</u>
TOTAL FUNDS	<u>1,200,838</u>	<u>(31,960)</u>	<u>-</u>	<u>1,168,878</u>

The transfer between Our Crofton Story (NLHF Project) Fund of £60,419 to the unrestricted fund was deemed appropriate because Kennet and Avon Canal Trust (The) had satisfied the restriction through completion of the project.

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	162,632	(139,430)	23,202
Trading subsidiary	164,476	(200,638)	(36,162)
Consolidation adjustments	(930)	930	-
Restricted funds			
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)
	<u>-</u>	<u>(19,000)</u>	<u>(19,000)</u>
TOTAL FUNDS	<u>326,121</u>	<u>(358,081)</u>	<u>(31,960)</u>

Purposes of restricted funds

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

The Bradford on Avon Projects Fund, Bedwyn Wharf Development Fund and Archimedean Screw Conservation Fund were established following receipt of restricted grants in 2020, and the associated work was completed in 2021.

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

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Net Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	711,628	28,725	(1,877)	738,476
Trading subsidiary	528,106	(145,663)	-	382,443
Restricted funds				
Marina Project	1,220	-	(1,220)	-
Our Crofton Story (NLHF Project) Fund	76,269	(20,347)	4,497	60,419
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)	-
President's Fund	500	-	-	500
	<u>77,989</u>	<u>53</u>	<u>1,877</u>	<u>79,919</u>
TOTAL FUNDS	<u>1,317,723</u>	<u>(116,885)</u>	<u>-</u>	<u>1,200,838</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	195,581	(166,856)	28,725
Trading subsidiary	64,912	(210,575)	(145,663)
Consolidation adjustments	(10,908)	10,908	-
Restricted funds			
Marina Project	-	-	-
Our Crofton Story (NLHF Project) Fund	55,681	(76,028)	(20,347)
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>87,313</u>	<u>(87,260)</u>	<u>53</u>
TOTAL FUNDS	<u>336,898</u>	<u>(453,783)</u>	<u>(116,885)</u>

15. 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.

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

17. ULTIMATE PARENT UNDERTAKING

The ultimate controlling party is the Board of Trustee Directors.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

18. COMPANY LIMITED BY GUARENTEE

Kennet and Avon Canal Trust (The) 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 it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Kennet and Avon Canal Trust (The)

Detailed Statement of Financial Activities
for the Year Ended 31 December 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
National Lottery Heritage Fund	-	55,681
Grants and donations	81,734	105,354
Gift aid	9,555	6,268
Legacies	18,396	50,000
Subscriptions	23,111	24,473
Coronavirus Job Retention Scheme	-	11,232
Fundraising	-	4,041
	<u>132,796</u>	<u>257,049</u>
Other trading activities		
Admissions	12,371	3,241
Crofton car park	860	645
Rent received	<u>12,579</u>	<u>10,187</u>
	25,810	14,073
Investment income		
Bank interest receivable	2,417	2,474
Interest from trading subsidiary	(930)	(908)
Commercial trading operations		
Commercial trading operations	164,476	64,912
Grant from trading subsidiary	-	(10,000)
Other income		
Sundry income	<u>1,609</u>	<u>9,298</u>
Total incoming resources	326,178	336,898
EXPENDITURE		
Raising funds		
Butty costs	2,489	3,018
Advertisement & Publicity	524	1,769
Fundraising costs	<u>993</u>	<u>3,104</u>
	4,006	7,891
Commercial trading operations		
Costs of trading subsidiary	200,638	210,576
Interest on loan paid to parent	<u>(930)</u>	<u>(908)</u>
Total costs of raising funds	203,714	217,559
Charitable activities		
Wages	37,146	79,668
Social security	-	1,859
Pensions	423	1,056
Hire of plant and machinery	670	669
Rates and water	752	2,045
Insurance	9,874	8,402
Light and heat	2,258	5,841
Telephone	4,381	3,966
Postage and stationery	149	638
Sundries	838	725
Bank charges	1,161	1,150
Grants payable	-	1,684
Carried forward	57,652	107,703

This page does not form part of the statutory financial statements

Kennet and Avon Canal Trust (The)

Detailed Statement of Financial Activities
for the Year Ended 31 December 2021

	2021 £	2020 £
Charitable activities		
Brought forward	57,652	107,703
Health & safety	7,667	4,526
Staff training	72	561
Recruitment	75	240
Rent	1,200	1,200
Repairs & maintenance	56,602	36,146
Depreciation	11,381	11,097
Coal	5,301	528
NLHF project costs	-	66,047
Computer costs	4,513	1,209
Travel costs	-	448
	<u>144,463</u>	<u>229,705</u>
Support costs		
Governance costs		
Independent examiner's remuneration	1,200	1,200
Accountancy fees	4,050	3,048
Other professional costs	<u>4,711</u>	<u>2,272</u>
	<u>9,961</u>	<u>6,520</u>
Total resources expended	<u>358,138</u>	<u>453,784</u>
Net income	<u>(31,960)</u>	<u>(116,885)</u>