

Report of the Trustees and
Consolidated Financial Statements
for the Year Ended 31 December 2023
for
Kennet and Avon Canal Trust (The)

Monahans
Chartered Accountants
County Gate
County Way
Trowbridge
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BA14 7FJ

Kennet and Avon Canal Trust (The)

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2023

	Page
Report of the Trustees	1 to 6
Independent Examiner's Report	7
Consolidated Statement of Financial Activities	8
Consolidated Balance Sheet	9
Charity Balance Sheet	10
Consolidated Statement of Cash Flows	11 To 12
Notes to the Consolidated Financial Statements	13 to 24
Detailed Statement of Financial Activities	25 to 26

Kennet and Avon Canal Trust (The)
Report of the Trustees
for the Year Ended 31 December 2023

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 2023. 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).

2023 in summary

- Income from grants, donations and legacies for the Trust as a whole was £105,800 (compared with £117,368 in 2022).
- Total charitable income was £184,311, a 13% increase on 2022.
- Commercial trading income in Enterprise decreased from £268,731 to £261,384, and this was lower than 2019 (£331,332). Operating costs, including staff, increased. All parts of the business performed below budget with overheads on the cafes causing a particular loss.
- Given project expenditure by the charity, overall cash balances fell from £430,945 at the start of the year to £359,420 at the end of the year. This was better than the figure of £310k, predicted in last year's report.
- Group reserves at the year end were £1,063,189 consisting of £666,912 unrestricted reserves, £20,078 restricted reserves and £376,199 subsidiary company reserves.

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 2023 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 Purpose

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.

The trustees have had due regard to the Charity Commissioner's guidance on public benefit.

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2023

Review of 2023

(a) Overview

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

At the end of 2023, the Group employed five members of staff (two full-time and three part-time), two at Crofton and three centrally managing boat bookings, administration and finance.

(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.

The site has continued to be managed in 2023 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. Urgent repairs to the chimney were completed at a cost of £23,400. The costs were met from a successful targeted fundraising campaign.

A 'resilience' review of operations at Crofton, to identify a route to financial sustainability through developing and expanding audiences was undertaken as planned using a grant from the National Lottery Heritage Fund. Discussions on how to move forward with this are continuing.

The Trust completed the purchase of the Smithy, the only building at Crofton site not owned by the Trust at a cost of £12k.

Two editions of the Trust's magazine The Butty were published, which many members have opted to receive in digital form only.

A new website was launched.

(c) Enterprise

The Trust's trading subsidiary, The Kennet and Avon Canal Trust (Enterprise) Ltd, operates public boat trips, holiday hire of boats adapted for use by disabled passengers, and a boat for use by community groups. It also licenses tea rooms at Bradford on Avon, 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 2023, trip boats and holiday hire activities were able to run from Easter to October, with additional public services at Christmas.

Maintaining the boat fleet owned by Enterprise involves significant fixed costs, for example in respect of licences, inspection by the MCA, mooring and insurance.

Significant legal costs associated with preparing new leases meant the three licensed cafés made a small loss to Enterprise in 2023.

The reduced trading and additional costs meant that Enterprise net profits were significantly reduced.

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2023

Review of 2023

(d) Administration and governance

The arrangements for administration of the Trust faced significant challenges in 2023. Trustees' decision to delegate control of all branches except Crofton to Enterprise led to disagreements and decisions that the majority of trustees did not support. There were a number of new trustees and directors, and a few resignations. The major administrative change was that trustees decided in October that the Bruce branch would be run on a fully charitable basis in 2024 and managed within the Trust rather than Enterprise.

Health and Safety continued to be reviewed at all meetings of Trust Council and the Enterprise Board, including both accidents and near misses.

Three new Trustees were appointed during the year and the Trust entered 2024 with a new Chairman and Treasurer.

A number of Trust policies have been reviewed or updated during the year, and all are published on the Trust's website

Risk management

Trustees are continuing to develop a more formal risk management framework for Trust and Enterprise activities. To support this, a 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.
- **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. Cost risks include energy and fuel costs and unanticipated repair and regulatory costs particularly for Crofton Beam Engines, the Devizes Wharf building and the boats operated by the Enterprise subsidiary.
- **Availability of other resources:** Our ability to recruit, train, retain and motivate our volunteers becomes more challenging as fewer people are retiring early. 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 and the loss of key volunteers.

Following the development of a formal Reserves Policy in 2019, Trustees have reviewed regularly the financial risks facing the Trust. The target minimum level of reserves, remains at £150K, given both the scale of capital commitments and continued uncertainty about both revenue and costs.

On the basis of the most recent projections, Trustees are satisfied that the Trust has sufficient balances to maintain current activities in 2024. Additional 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.

The Finance Manual is being reviewed in 2024.

Kennet and Avon Canal Trust (The)

Report of the Trustees **for the Year Ended 31 December 2023**

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 last updated in 2023. 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.

The Trust Council (which is the Board of Directors of the company) currently comprises 8 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, received reports from Branches 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.

A process of external advertising has been adopted for recruiting new Trustees. Following interview by the Chairman and at least one other Trustee, recommendations are made to the Board; if approved, new Trustees 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 and may offer themselves for re-election at the AGM.

In 2024, trustees are reviewing the purpose and need for Enterprise as a separate trading company, as required by Charity Commission guidance. No decision has yet been taken nor formal advice obtained.

The Enterprise Board comprises, at the date of this report, 5 Directors (only 2 of whom are also Trustees, so that the majority 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 tea rooms, 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 a Finance Manual approved by Trust Council.

In addition, 2 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 2023

REFERENCE AND ADMINISTRATIVE DETAILS

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
A E Cannon – appointed 22 May 2023
C W Bolt* - resigned 2 November 2023
D A Copley – resigned 3 June 2023
R G H Dunton
D J Fearn – resigned 3 June 2023
J S Dixon (Treasurer) – appointed 14 March 2024
T W Mundy
G S Puddephatt * (Chairman) – appointed 30 November 2023
Z S E Puddephatt – resigned 25 July 2023
T J Pyatt* - resigned 31 May 2023
C D Sims* - resigned 12 November 2023
G P Snook
S C Hill – appointed 7 November 2023

In addition, the following were Directors of Enterprise:

D N Bone - appointed 24 February 2023, resigned 20 November 2023
C E Calder – resigned 12 November 2023
C R Churchouse - resigned 13 January 2023
J M Foley – resigned 19 April 2023
D C Hanlon
Captain P S Hanson - appointed 24 February 2023, resigned 2 Nov 2023, reappointed 27th Nov 2023
S C Hill – appointed 27 November 2023
L P Hooper – resigned 17 July 2023
P B Kettel – appointed 15 May 2023
Bryan Baker – appointed 24 Feb 2023, resigned 10 Nov 2023
G P Snook – appointed 8th March 2024

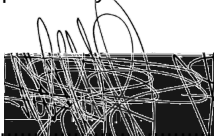
Independent Examiner

James Gare FCA DChA
Monahans
Chartered Accountants
County Gate, County Way
Trowbridge
Wiltshire
BA14 8FJ

Banker

Lloyds Bank plc
38 Market Place
Devizes
Wiltshire
SN10 1JD

Approved by order of the board of trustees on 20 May 2024 and signed on its behalf by:



.....
G S Puddephatt - Trustee

Kennet and Avon Canal Trust (The)

Report of the Trustees
for the Year Ended 31 December 2023

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).

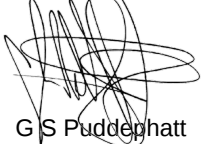
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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



G S Puddephatt
Trustee

Date: 20 May 2024

**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 Group')

I report to the charity trustees on my examination of the consolidated accounts of the Group for the year ended 31 December 2023.

Responsibilities and basis of report

As the trustees of the Trust (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 Group 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 Trust 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
Monahans
Chartered Accountants
County Gate, County Way
Trowbridge
Wiltshire
BA14 8FJ

Date: 24 May 2024

Kennet and Avon Canal Trust (The)

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	105,800	-	105,800	117,368
Other trading activities	3	44,222	21,195	65,417	40,133
Commercial trading operation	12	261,384	-	261,384	268,731
Investment income	4	6,839	-	6,839	3,054
Other income		<u>6,255</u>	<u>-</u>	<u>6,255</u>	<u>2,405</u>
Total		424,500	21,195	445,695	431,691
EXPENDITURE ON					
Raising funds		5,581	-	5,581	6,734
Charitable activities					
Charitable activities		218,287	26,329	244,616	232,548
Commercial trading operations		256,073	-	256,073	237,523
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total		479,941	26,329	506,270	476,805
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)		(55,441)	(5,134)	(60,575)	(45,114)
Transfer between funds		(3,705)	3,705	-	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net movement in funds		(59,146)	(1,429)	(60,575)	(45,114)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,102,257	21,507	1,123,764	1,168,878
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>1,043,111</u>	<u>20,078</u>	<u>1,063,189</u>	<u>1,123,764</u>

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Consolidated Balance Sheet
31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	<u>705,271</u>	<u>-</u>	<u>705,271</u>	<u>697,211</u>
CURRENT ASSETS					
Stocks	13	4,759	-	4,759	11,686
Debtors	14	13,964	-	13,964	10,740
Cash at bank and in hand		<u>339,342</u>	<u>20,078</u>	<u>359,420</u>	<u>430,945</u>
		358,065	20,078	378,143	453,371
CREDITORS					
Amounts falling due within one year	15	<u>(20,225)</u>	<u>-</u>	<u>(20,225)</u>	<u>(26,818)</u>
NET CURRENT ASSETS		<u>337,840</u>	<u>20,078</u>	<u>357,918</u>	<u>426,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,043,111	20,078	1,063,189	1,123,764
PROVISIONS FOR LIABILITIES		-	-	-	-
NET ASSETS		<u>1,043,111</u>	<u>20,078</u>	<u>1,063,189</u>	<u>1,123,764</u>
FUNDS	16				
Unrestricted funds				666,912	726,906
Charitable subsidiary funds				376,199	375,351
Restricted funds				<u>20,078</u>	<u>21,507</u>
TOTAL FUNDS				<u>1,063,189</u>	<u>1,123,764</u>

The charitable group is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable group 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 group 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 20 May 2024 and were signed on its behalf by:


.....
G S Puddephatt – Trustee

The notes form part of these financial statements

Kennet and Avon Canal Trust (The)

Charity Balance Sheet
31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	10	356,191	-	356,191	315,930
Investments	11	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
		357,191	-	357,191	316,930
CURRENT ASSETS					
Stocks	13	4,759	-	4,759	11,686
Debtors	14	105,319	-	105,319	100,294
Cash at bank and in hand		<u>214,253</u>	<u>20,078</u>	<u>234,331</u>	<u>339,839</u>
		324,331	20,078	344,409	451,819
CREDITORS					
Amounts falling due within one year	15	<u>(14,610)</u>	<u>-</u>	<u>(14,610)</u>	<u>(20,336)</u>
NET CURRENT ASSETS		<u>309,721</u>	<u>20,078</u>	<u>329,799</u>	<u>431,483</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>666,912</u>	<u>20,078</u>	<u>686,990</u>	<u>748,413</u>
NET ASSETS		<u>666,912</u>	<u>20,078</u>	<u>686,990</u>	<u>748,413</u>
FUNDS	16				
Unrestricted funds				666,912	726,906
Restricted funds				<u>20,078</u>	<u>21,507</u>
TOTAL FUNDS				<u>686,990</u>	<u>748,413</u>

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- (b) 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.

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G S Puddephatt - 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 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(25,102)</u>	<u>(8,269)</u>
Net cash provided by operating activities		<u>(25,102)</u>	<u>(8,269)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(53,262)	(68,422)
Sale of fixed assets		-	-
Interest received		<u>6,839</u>	<u>3,054</u>
Net cash provided by investing activities		<u>(46,423)</u>	<u>(65,368)</u>
Change in cash and cash equivalents in the reporting period		(71,525)	(73,637)
Cash and cash equivalents at the beginning of the reporting period		<u>430,945</u>	<u>504,582</u>
Cash and cash equivalents at the end of the reporting period		<u>359,420</u>	<u>430,945</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 2023

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

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	(60,575)	(45,114)
Adjustments for:		
Depreciation charges	45,202	46,637
Loss on disposal of fixed assets	-	-
Interest received	(6,839)	(3,054)
(Increase)/decrease in debtors	(3,224)	889
Decrease/(increase) in stocks	6,927	(11,686)
Increase/(Decrease) in provisions for liabilities	-	(10,255)
Increase/(Decrease) in creditors	<u>(6,593)</u>	<u>14,314</u>
Net cash provided by operations	<u><u>(25,102)</u></u>	<u><u>(8,269)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank and in hand	<u>430,945</u>	<u>(71,525)</u>	<u>359,420</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements
for the Year Ended 31 December 2023

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 2023

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 land	- 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 2023

2. DONATIONS AND LEGACIES

Group and charity

	2023	2022
	£	£
Grants and donations	71,026	57,000
Legacies	6,511	2,988
Gift Aid Reclaims	9,862	13,823
Subscriptions	<u>18,401</u>	<u>19,046</u>
	<u>105,800</u>	<u>92,857</u>

3. OTHER TRADING ACTIVITIES

Group and charity

	2023	2022
	£	£
Admissions	27,262	22,871
Crofton car park	253	556
Fundraising	2,754	27,670
Rent received	<u>35,148</u>	<u>13,547</u>
	<u>65,417</u>	<u>64,644</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2023

4. INVESTMENT INCOME

Group and charity

	2023	2022
	£	£
Bank interest receivable	<u>6,839</u>	<u>3,054</u>

5. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Independent examiner's remuneration (excluding VAT)		
Examination and preparation of the group accounts	4,930	3,008
Preparation of accounts for the trading subsidiary	2,430	1,384
Other services	-	1,500
Depreciation – owned assets	45,202	46,637
Hire of plant and machinery	-	642
	<u> </u>	<u> </u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 (2022: none).

7. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	90,935	77,512
Pension	619	541
	<u> </u>	<u> </u>
	<u>91,554</u>	<u>78,053</u>

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

2023	2022
5	5
<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000 (2022: None).

No employees received termination benefits during the year (2022: None).

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2023

8. COMPARATIVES FOR THE STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	117,368	-	117,368
Other trading activities	15,622	24,511	40,133
Commercial trading operations	268,731	-	268,731
Investment income	3,054	-	3,054
Other income	2,405	-	2,405
Total	407,180	24,511	431,691
EXPENDITURE ON			
Raising funds	6,734	-	6,734
Charitable activities			
Charitable activities	229,044	3,504	232,548
Commercial trading operations	237,523	-	237,523
Total	473,301	3,504	476,805
NET INCOME	(66,121)	21,007	(45,114)
RECONCILIATION OF FUNDS			
Total funds brought forward	1,168,378	500	1,168,878
TOTAL FUNDS CARRIED FORWARD	1,102,257	21,507	1,123,764

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements – continued
for the Year Ended 31 December 2023

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 2022 (2021: £Nil).

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST				
At 1 January 2023	297,204	127,133	184,178	59,120
Additions	<u>12,000</u>	<u>40,555</u>	<u>-</u>	<u>707</u>
At 31 December 2023	<u>309,204</u>	<u>167,688</u>	<u>184,178</u>	<u>59,827</u>
DEPRECIATION				
At 1 January 2023	67,743	51,480	133,442	49,059
Charge for year	<u>4,004</u>	<u>6,687</u>	<u>7,225</u>	<u>1,936</u>
At 31 December 2023	<u>71,747</u>	<u>58,167</u>	<u>140,667</u>	<u>50,995</u>
NET BOOK VALUE				
At 31 December 2023	<u>237,457</u>	<u>109,521</u>	<u>43,511</u>	<u>8,832</u>
At 31 December 2022	<u>229,461</u>	<u>75,653</u>	<u>50,736</u>	<u>10,061</u>

	Boats £	Totals £
COST		
At 1 January 2023	507,000	1,174,635
Additions	<u>-</u>	<u>53,262</u>
At 31 December 2023	<u>507,000</u>	<u>1,227,897</u>
DEPRECIATION		
At 1 January 2023	175,700	477,424
Charge for year	<u>25,350</u>	<u>45,202</u>
At 31 December 2023	<u>201,050</u>	<u>522,626</u>
NET BOOK VALUE		
At 31 December 2023	<u>305,950</u>	<u>705,271</u>
At 31 December 2022	<u>331,300</u>	<u>697,211</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

10. TANGIBLE FIXED ASSETS - continued

Charity

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST				
At 1 January 2023	297,204	127,133	41,767	59,120
Additions	<u>12,000</u>	<u>40,555</u>	<u>-</u>	<u>707</u>
At 31 December 2023	<u>309,204</u>	<u>167,688</u>	<u>41,767</u>	<u>59,827</u>
DEPRECIATION				
At 1 January 2023	67,743	51,480	41,012	49,059
Charge for year	<u>4,004</u>	<u>6,687</u>	<u>374</u>	<u>1,936</u>
At 31 December 2023	<u>71,747</u>	<u>58,167</u>	<u>41,386</u>	<u>50,995</u>
NET BOOK VALUE				
At 31 December 2023	<u>237,457</u>	<u>109,521</u>	<u>381</u>	<u>8,832</u>
At 31 December 2022	<u>229,461</u>	<u>75,653</u>	<u>755</u>	<u>10,061</u>
	Totals £			
COST				
At 1 January 2023	525,224			
Additions	<u>53,262</u>			
At 31 December 2023	<u>578,486</u>			
DEPRECIATION				
At 1 January 2023	209,294			
Charge for year	<u>13,001</u>			
At 31 December 2023	<u>222,295</u>			
NET BOOK VALUE				
At 31 December 2023	<u>356,191</u>			
At 31 December 2022	<u>315,930</u>			

11. FIXED ASSET INVESTMENTS

Charity

	Unlisted investment £
MARKET VALUE	
At 1 January 2023 and 31 December 2023	<u>1,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>1,000</u>
At 31 December 2022	<u>1,000</u>

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

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

12. SUBSIDIARY COMPANY

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

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

	2023 £	2022 £
Turnover	248,257	264,107
Total expenditure	(260,536)	(239,661)
Other income	13,127	4,624
Profit / (loss)	<u>848</u>	<u>29,070</u>

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

	2023 £	2022 £
Fixed and current assets	475,927	477,710
Liabilities and provisions	(98,728)	(101,359)
Total net assets	<u>377,199</u>	<u>376,351</u>
Share capital and reserves	<u>377,199</u>	<u>376,351</u>

Expenditure includes interest payable to the parent charity of £4,463 (2022: £2,138). This transaction has been eliminated on consolidation in the group Statement of Financial Activities.

13. STOCKS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Stocks	<u>4,759</u>	<u>11,686</u>	<u>4,759</u>	<u>11,686</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	681	-	651	-
Other debtors	1,727	5,323	-	-
Amounts owed by group undertakings	-	-	93,112	94,877
Prepayments and accrued income	<u>11,556</u>	<u>5,417</u>	<u>11,556</u>	<u>5,417</u>
	<u>13,964</u>	<u>10,740</u>	<u>105,319</u>	<u>100,294</u>

Included within amounts owed by group undertaking is an amount of £93,112 (2022: £94,877) that is falling due after more than one year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	8,265	18,968	5,476	15,422
Social security and other taxes	626	1,376	289	304
Accruals and deferred income	<u>11,334</u>	<u>6,474</u>	<u>8,845</u>	<u>4,610</u>
	<u>20,225</u>	<u>26,818</u>	<u>14,610</u>	<u>20,336</u>

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

16. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	726,906	(56,289)	(3,705)	666,912
Trading subsidiary	375,351	848	-	376,199
	1,102,257	(55,441)	(3,705)	1,043,111
Restricted funds				
AIM/Pilgrim Trust grants	485	(485)	-	-
Bruce Branch Project	20,000	-	-	20,000
Tesco Groundwork - journey cam	944	(1,230)	286	-
President's fund	78	-	-	78
Crofton 2030	-	(3,419)	3,419	-
	21,507	(5,134)	3,705	20,078
TOTAL FUNDS	1,123,764	(60,575)	-	1,063,189

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	167,579	(223,868)	(56,289)
Trading subsidiary	261,384	(260,536)	848
Consolidation adjustments	(4,463)	4,463	-
	424,500	(479,941)	(55,441)
Restricted funds			
AIM/Pilgrim Trust grants	1,122	(1,607)	(485)
Tesco Groundwork – journey cam	694	(1,924)	(1,230)
Crofton 2030	19,379	(22,798)	(3,419)
	21,195	(26,329)	(5,134)
TOTAL FUNDS	445,695	(506,270)	(60,575)

Purposes of restricted funds

Crofton Beam Engines has received a grant in 2022 from the Association of Independent Museums/Pilgrim Trust. This was a Conservation grant, with initial expenditure incurred in 2022. Further costs were incurred in 2023, and the final grant payment was made on successful completion. A further AIM grant was approved in November 2023 under their New Stories New Audiences programme; grant receipts and expenditure will be in 2024.

A donation of £20K was received in 2022 to fund initial design work for a new accessible boat for the Bruce Boat fleet. No expenditure has yet been incurred.

A Tesco Community Grant was agreed, and the initial grant payment received in 2022. Initially, this was to for a Bruce Boats project. However, following a decision not to proceed with that project, Trustees agreed to seek approval to redirect this to Crofton to provide iPads to support the learning and engagement programme there. This change was approved by Tesco, and the project was completed in August 2023. The balance of costs was met from general funds.

The President's Fund was set up by a donation from the Trust President to fund volunteer travel 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 2023

16. MOVEMENT IN FUNDS - continued

Purposes of restricted funds - continued

An application was made in December 2022 for a grant to the National Lottery Heritage Fund to support the Crofton 2030 project, designed to help Crofton Beam Engines retain its position as a premier heritage attraction, worthy of its Grade 1 listed status, and ensure that the Trust is able to keep the engines operating to 2030 and beyond. The project involved developing and testing ideas for increasing the number and range of people engaging with Crofton, and drawing up a Site Master Plan. The grant was approved in February 2023 and project was completed in December 2023. Trustees are considering the recommendations made.

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Net Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	822,097	(95,191)	-	726,906
Trading subsidiary	<u>346,281</u>	<u>29,070</u>	<u>-</u>	<u>375,351</u>
	1,168,378	(66,121)	-	1,102,257
Restricted funds				
AIM/Pilgrim Trust grants	-	485	-	485
Bruce Branch Project	-	20,000	-	20,000
Tesco Groundwork - journey cam	-	944	-	944
President's Fund	<u>500</u>	<u>(422)</u>	<u>-</u>	<u>78</u>
	<u>500</u>	<u>21,007</u>	<u>-</u>	<u>21,507</u>
TOTAL FUNDS	<u>1,168,878</u>	<u>(45,114)</u>	<u>-</u>	<u>1,123,764</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	140,587	(235,778)	(95,191)
Trading subsidiary	268,731	(239,661)	29,070
Consolidation adjustments	<u>(2,138)</u>	<u>2,138</u>	<u>-</u>
	407,180	(473,301)	(66,121)
Restricted funds			
AIM/Pilgrim Trust grants	3,386	(2,901)	485
Bruce Branch Project	20,000	-	20,000
Tesco Groundwork – journey cam	1,125	(181)	944
President's Fund	<u>-</u>	<u>(422)</u>	<u>(422)</u>
	<u>24,511</u>	<u>(3,504)</u>	<u>21,007</u>
TOTAL FUNDS	<u>431,691</u>	<u>(476,805)</u>	<u>(45,114)</u>

17. 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.

Kennet and Avon Canal Trust (The)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2023

18. RELATED PARTY DISCLOSURES

The charity has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

19. ULTIMATE PARENT UNDERTAKING

The ultimate controlling party is the Board of Trustee Directors.

20. COMPANY LIMITED BY GUARANTEE

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 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Grants and donations	71,026	81,511
Gift aid	9,862	13,823
Legacies	6,511	2,988
Subscriptions	<u>18,401</u>	<u>19,046</u>
	105,800	117,368
Other trading activities		
Admissions	27,262	22,871
Crofton car park	253	556
Fundraising	2,754	3,159
Rent received	<u>35,148</u>	<u>13,547</u>
	65,417	40,133
Investment income		
Interest receivable	11,302	5,192
Interest from trading subsidiary	(4,463)	(2,138)
Commercial trading operations		
Commercial trading operations	261,384	268,731
Other income		
Sundry income	<u>6,255</u>	<u>2,405</u>
Total incoming resources	445,695	431,691
EXPENDITURE		
Raising funds		
Butty costs	3,562	3,345
Advertisement & publicity	1,323	1,147
Fundraising costs	<u>696</u>	<u>2,242</u>
	5,581	6,734
Commercial trading operations		
Costs of trading subsidiary	260,536	239,661
Interest on loan paid to parent	<u>(4,463)</u>	<u>(2,138)</u>
Total costs of raising funds	256,073	237,523
Charitable activities		
Wages	44,668	40,853
Pensions	619	541
Hire of plant and machinery	-	642
Rates and water	6,389	4,194
Insurance	12,293	10,957
Light and heat	7,452	2,655
Telephone	4,011	3,545
Postage and stationery	359	269
Sundries	533	940
Bank charges	1,032	1,327
Grants payable	11,674	5,516
Carried forward	89,030	71,439

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 2022

	2023 £	2022 £
Charitable activities		
Brought forward	89,030	71,439
Health & safety	7,283	7,229
Staff training	1,837	216
Recruitment	-	115
Rent	16,584	3,020
Repairs & maintenance	43,767	114,481
Depreciation	13,001	13,113
Coal	14,145	4,707
NLHF project costs	26,554	3,504
Computer costs	6,890	4,645
Stock purchases	<u>1,068</u>	<u>895</u>
	220,159	223,364
Support costs		
Governance costs		
Independent examiner's remuneration	1,320	1,200
Accountancy fees	3,610	3,308
Other professional costs	<u>19,527</u>	<u>4,676</u>
	<u>24,457</u>	<u>9,184</u>
Total resources expended	<u>506,270</u>	<u>476,805</u>
Net expenditure	<u><u>(60,575)</u></u>	<u><u>(45,114)</u></u>