

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST DECEMBER 2008

Company Registration Number: 2679756

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KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

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FOR THE YEAR ENDED 31ST DECEMBER 2008

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KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

COMPANY DETAILS

FOR THE YEAR ENDED 31ST DECEMBER 2008

Registered Office:	Wharf Centre Couch Lane Devizes Wiltshire SN10 1EB
Directors:	A Softley T Jones
Secretary:	J Forbes (resigned March 2009) N Lethby (appointed March 2009)
Auditors:	David Owen & Co 17 Market Place Devizes Wiltshire SN10 1BA
Bankers:	Lloyds TSB Bank plc 38 Market Place Devizes Wiltshire
Company Number:	2679756

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2008

The directors present their report to the members, together with the annual accounts of the company for the year ended 31st December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is the promotion of the Kennet and Avon Canal. This was achieved by the operation of boat trips and the sale of gifts and souvenirs from the Canal shops.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below.

	Ordinary shares of £1 each	
	As at 31st December 2008	As at 31st December 2007
A Softley	-	-
T Jones	-	-

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgments and estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

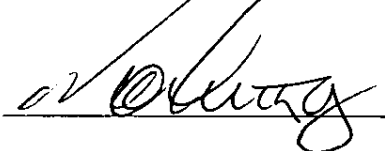
A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

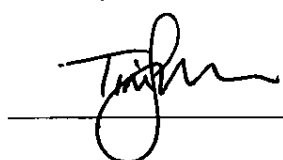
STATEMENT OF DISCLOSURE TO AUDITOR

- (a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on and signed on their behalf by:

 N Lethby
SECRETARY

 T Jones
DIRECTOR

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
KENNET & AVON CANAL TRUST (ENTERPRISE) LIMITED**

We have audited the financial statements of Kennet & Avon Canal Trust (Enterprise) Limited for the year ended 31 December 2008 on pages 4 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985. In our opinion the information given in the Directors' report is consistent with the financial statements.

17 Market Place
Devizes
Wiltshire
SN10 1BA



DAVID OWEN & CO
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST DECEMBER 2008**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
		£	£
TURNOVER		251,026	307,304
COST OF SALES		189,732	236,322
GROSS PROFIT		61,294	70,982
Administrative expenses		99,528	92,811
		(38,234)	(21,829)
Other operating income		511	122
OPERATING (LOSS)	2	(37,723)	(21,707)
Interest receivable		313	784
Interest payable		(2,742)	(2,700)
		(2,429)	(1,916)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(40,152)	(23,623)
Tax on profit on ordinary activities	3	(4,343)	(1,082)
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after taxation			
transferred to reserves	10	(35,809)	(22,541)

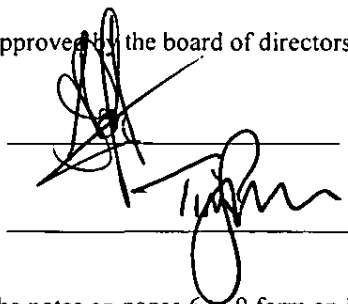
The notes on pages 6 to 9 form an integral part of these accounts.

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD
BALANCE SHEET
AS AT 31ST DECEMBER 2008

	<u>Notes</u>	<u>£</u>	<u>2008</u> <u>£</u>	<u>£</u>	<u>2007</u> <u>£</u>
FIXED ASSETS					
Tangible assets	4		85,955		85,114
CURRENT ASSETS					
Stocks		23,860		16,842	
Debtors	5	13,213		7,061	
Cash at bank and in hand		4,926		32,461	
		41,999		56,364	
CREDITORS - amounts falling due within one year	6	(57,377)		(30,749)	
NET CURRENT (LIABILITIES)/ASSETS			(15,378)		25,615
TOTAL ASSETS LESS CURRENT LIABILITIES			70,577		110,729
CREDITORS - amounts falling due after more than one year	7		(45,000)		(45,000)
PROVISIONS FOR LIABILITIES AND CHARGES	8		-		(4,343)
			25,577		61,386
CAPITAL AND RESERVES					
Called up share capital	9		1,000		1,000
Profit and loss account			24,577		60,386
SHAREHOLDERS' FUNDS			25,577		61,386

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the board of directors on and signed on their behalf by:



The notes on pages 6 to 9 form an integral part of these accounts.

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST DECEMBER 2008**

1. ACCOUNTING POLICIES

a. Accounting convention

The accounts are prepared under the historical cost convention.

b. Turnover

Turnover represents the amounts derived from the provision of goods and services during the period, after the deduction of Value Added Tax.

c. Depreciation of tangible assets

Depreciation on tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Boats:	5% straight line
Equipment:	15% per annum on written down balance
Computer equipment	20% straight line

d. Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

e. Deferred taxation

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

f. Leased assets

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease. Operating lease rentals are charged to profit and loss as incurred.

2. OPERATING (LOSS)

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Auditors' remuneration		
- audit fees	2,900	1,680
- accountancy fees	2,900	1,680
Depreciation	<u>7,028</u>	<u>6,836</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The company has losses of £96,136 (2007 £47,181) available for carry forward against future trading profits.

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2008****4. TANGIBLE FIXED ASSETS**

	<u>Leasehold Improve- ments</u>	<u>Boats</u>	<u>Plant and equipment</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st January 2008	3,983	145,296	36,726	186,004
Additions	-	-	7,868	7,868
At 31st December 2008	<u>3,983</u>	<u>145,296</u>	<u>44,594</u>	<u>193,872</u>
Depreciation:				
At 1st January 2008	3,983	76,411	20,496	100,890
Charge for period	-	3,292	3,736	7,028
At 31st December 2008	<u>3,983</u>	<u>79,703</u>	<u>24,232</u>	<u>107,918</u>
Net book value at 31st December 2008	<u>-</u>	<u>65,593</u>	<u>20,362</u>	<u>85,955</u>
Net book value at 31st December 2007	<u>-</u>	<u>68,885</u>	<u>16,230</u>	<u>85,114</u>

5. DEBTORS

	<u>2008</u>	<u>2007</u>
	£	£
Trade debtors	9,405	259
Other debtors	3,808	6,802
	<u>13,213</u>	<u>7,061</u>

**6. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>2008</u>	<u>2007</u>
	£	£
Trade creditors	41,605	1,520
Other creditors (including tax and social security of £1,282 (2007 £4,565))	15,772	29,229
	<u>57,377</u>	<u>30,749</u>

**7. CREDITORS - AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	<u>2008</u>	<u>2007</u>
	£	£
Loan from group company	<u>45,000</u>	<u>45,000</u>

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2008

£45,000 represents a loan from the holding company. This loan has no set repayment date and carries interest calculated on a daily basis in line with The Bank of England base rate.

8. DEFERRED TAXATION

Analysis of provision made in the year is as follows:

	<u>2008</u> <u>Provision</u> <u>made</u> <u>£</u>	<u>2007</u> <u>Provision</u> <u>made</u> <u>£</u>
Accelerated capital allowances	-	4,343
Movements on the provision for deferred taxation are:-		
At 1st January 2008		£ 4,343
Charge for the year		(4,343)
At 31st December 2008		-

9. CALLED UP SHARE CAPITAL

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
<u>Authorised</u> 1,000 Ordinary shares of £1 each	1,000	1,000
<u>Allotted, called up and fully paid</u> 1,000 Ordinary shares of £1 each	1,000	1,000

10. RESERVES

	<u>Profit</u> <u>and loss</u> <u>account</u> <u>£</u>
At 1st January 2008	60,386
Profit for the year	(35,809)
At 31st December 2008	24,577

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2008

11. RELATED PARTY TRANSACTIONS

During the year the following transactions were made with The Kennet & Avon Canal Trust, the holding company:

	<u>£</u>
<u>Payments to Parent Company</u>	
Contributions towards running costs	8,807
Contribution to butty costs	250
Loan interest paid (gross)	675

12. ULTIMATE HOLDING COMPANY

The company regards The Kennet & Avon Canal Trust, incorporated in England, as its ultimate holding company.

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2008

The following page is for management information only and does not form part of the statutory financial statements.

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD
DETAILED TRADING PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 2008

		<u>2008</u>		<u>2007</u>
	£	£	£	£
SALES				
Sale of Goods		60,245		71,077
Catering		102,771		136,600
Boat fares and hire		86,771		97,392
Rents		1,239		2,235
		<u>251,026</u>		<u>307,304</u>
COST OF SALES				
Opening stock	16,842		19,314	
Boat fuel	2,388		2,160	
Boat repairs and sundries	8,971		9,725	
Boat and crew licences	13,843		10,026	
Training	1,797		1,448	
Purchases of retail goods	52,960		43,230	
Catering costs	47,154		68,533	
	<u>143,955</u>		<u>154,436</u>	
Less: Closing stock	(23,860)		(16,842)	
		<u>(120,095)</u>		<u>(137,594)</u>
GROSS PROFIT BEFORE WAGES & SALARIES	52.2%	130,931	55.2%	169,710
Wages and salaries		<u>69,637</u>		<u>98,728</u>
GROSS PROFIT		<u>61,294</u>		<u>70,982</u>
OTHER INCOME				
Bank interest	313		784	
Sundry income	<u>511</u>		<u>122</u>	
		<u>824</u>		<u>906</u>
		<u>62,118</u>		<u>71,888</u>
ADMINISTRATIVE EXPENSES				
Management charges	29,033		31,282	
Wages and salaries	7,395		6,840	
Rent and rates	6,971		6,452	
Insurances	3,746		3,073	
Electricity and heating	4,127		4,196	
Property maintenance	10,796		5,189	
Office equipment repairs and maintenance	2,185		874	
Stationery and printing	843		1,198	
Postage and telephone	5,614		4,907	
Advertising	5,793		5,013	
Travelling expenses	4,213		8,060	
Audit and accountancy	5,800		3,360	
Legal and professional fees	-		333	
Bank charges	4,452		4,829	
Sundry expenses	1,532		369	
Interest payable to group company	2,700		2,700	
Bank interest payable	42		-	
Depreciation:				
Boats	3,292		3,828	
Equipment	<u>3,736</u>		<u>3,008</u>	
TOTAL OVERHEAD EXPENSES		<u>102,270</u>		<u>95,511</u>
NET (LOSS) FOR THE PERIOD		<u>(40,152)</u>		<u>(23,623)</u>