

Company Registration No 02679756 (England and Wales)

**KENNET & AVON CANAL (ENTERPRISES) LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**



# KENNET & AVON CANAL (ENTERPRISES) LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr T Jones	
	Dr M Rodd	
	Ms S Gara	(Appointed 1 December 2010)
	Mr D Inight	(Appointed 5 October 2010)
	Mr A Whitewick	(Appointed 9 September 2010)
<b>Company number</b>	02679756	
<b>Registered office</b>	Wharf Centre Couch Lane Devizes Wiltshire SN10 1EB	
<b>Auditors</b>	David Owen & Co 17 The Market Place Devizes Wiltshire SN10 1BA	
<b>Business address</b>	Wharf Centre Couch Lane Devizes Wiltshire SN10 1EB	
<b>Bankers</b>	Lloyds TSB 38 Market Place Devizes Wiltshire SN10 1JD	

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# **KENNET & AVON CANAL (ENTERPRISES) LTD**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

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# KENNET & AVON CANAL (ENTERPRISES) LTD

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their report and financial statements for the year ended 31 December 2010

#### Principal activities

The principal activity of the company continued to be 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 following directors have held office since 1 January 2010

Mr T Jones	
Dr M Rodd	
Ms S Gaia	(Appointed 1 December 2010)
Mr D Inight	(Appointed 5 October 2010)
Ms A Boyd	(Appointed 25 January 2010 and resigned 30 December 2010)
Mr A Whitewick	(Appointed 9 September 2010)
Mr T Coleman	(Appointed 24 May 2010 and resigned 16 September 2010)
Mr N Lethby	(Resigned 3 February 2011)

#### Auditors

The auditors, David Owen & Co, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

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

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

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

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

# **KENNET & AVON CANAL (ENTERPRISES) LTD**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

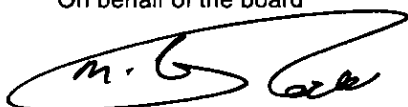
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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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 relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to be 'M. Rodd', enclosed within a large, loopy oval shape.

Dr M Rodd

**Director**

3 June 2011

# **KENNET & AVON CANAL (ENTERPRISES) LTD**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF KENNET & AVON CANAL (ENTERPRISES) LTD**

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We have audited the financial statements of Kennet & Avon Canal (Enterprises) Ltd for the year ended 31 December 2010 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter**

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the Lloyds TSB bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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

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

# **KENNET & AVON CANAL (ENTERPRISES) LTD**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF KENNET & AVON CANAL (ENTERPRISES) LTD**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



**Andrew Coombes (Senior Statutory Auditor)**  
for and on behalf of David Owen & Co

3 June 2011

**Chartered Accountants**  
**Statutory Auditor**

17 The Market Place  
Devizes  
Wiltshire  
SN10 1BA

# KENNET & AVON CANAL (ENTERPRISES) LTD

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover		245,866	261,882
Cost of sales		(153,933)	(179,338)
Gross profit		91,933	82,544
Administrative expenses		(109,732)	(108,197)
Operating loss	2	(17,799)	(25,653)
Interest payable and similar charges	3	(1,114)	(558)
Loss on ordinary activities before taxation		(18,913)	(26,211)
Tax on loss on ordinary activities	4	-	-
Loss for the year	10	(18,913)	(26,211)



# KENNET & AVON CANAL (ENTERPRISES) LTD

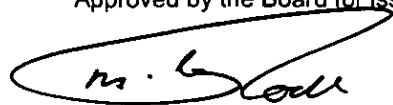
## BALANCE SHEET

AS AT 31 DECEMBER 2010

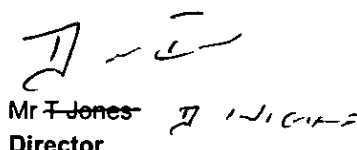
	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	5		78,782		84,085
<b>Current assets</b>					
Stocks		15,394		21,217	
Debtors	6	14,134		21,352	
Cash at bank and in hand		587		20,230	
		30,115		62,799	
<b>Creditors amounts falling due within one year</b>	7	(83,443)		(102,517)	
<b>Net current liabilities</b>			(53,328)		(39,718)
<b>Total assets less current liabilities</b>			25,454		44,367
<b>Creditors amounts falling due after more than one year</b>	8		(45,000)		(45,000)
			(19,546)		(633)
<b>Capital and reserves</b>					
Called up share capital	9		1,000		1,000
Profit and loss account	10		(20,546)		(1,633)
<b>Shareholders' funds</b>			(19,546)		(633)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 3 June 2011



Dr M Rodd  
Director



Mr T Jones  
Director

29.6.11

Company Registration No 02679756

# KENNET & AVON CANAL (ENTERPRISES) LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 7 months from the date of their approval of these financial statements. On the basis of this cash flow information and assuming the utilisation of the parent company's cash resources, the directors consider that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed on 31st August 2011, when the company's bankers are due to consider renewing the facility for a further year.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

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

Leasehold improvements	25% on a straight line basis
Boats	5% on a straight line basis
Computer equipment	20% on a straight line basis
Fixtures, fittings & equipment	15% on a reducing balance basis

### 2 Operating loss

	2010	2009
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	7,007	7,725

### 3 Interest payable

	2010	2009
	£	£
Included in interest payable is the following amount		
On amounts payable to group companies	1,114	558

# KENNET & AVON CANAL (ENTERPRISES) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

#### 4 Taxation

The company has estimated losses of £ 147,771 (2009 - £ 128,040) available for carry forward against future trading profits

#### 5 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 January 2010	195,746
Additions	1,704
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At 31 December 2010	197,450
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<b>Depreciation</b>	
At 1 January 2010	111,661
Charge for the year	7,007
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At 31 December 2010	118,668
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<b>Net book value</b>	
At 31 December 2010	78,782
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At 31 December 2009	84,085
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#### 6 Debtors

	2010	2009
	£	£
Trade debtors	8,289	14,796
Other debtors	5,845	6,556
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	14,134	21,352
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# KENNET & AVON CANAL (ENTERPRISES) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

7	Creditors amounts falling due within one year	2010 £	2009 £
	Bank loans and overdrafts	13,671	-
	Trade creditors	54,062	85,282
	Taxation and social security	870	2,495
	Other creditors	14,840	14,740
		<u>83,443</u>	<u>102,517</u>

8	Creditors amounts falling due after more than one year	2010 £	2009 £
	Other creditors	<u>45,000</u>	<u>45,000</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	<u>45,000</u>	<u>45,000</u>

9	Share capital	2010 £	2009 £
	<b>Allotted, called up and fully paid</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2010	(1,633)
	Loss for the year	<u>(18,913)</u>
	Balance at 31 December 2010	<u>(20,546)</u>

## 11 Control

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

# **KENNET & AVON CANAL (ENTERPRISES) LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2010***

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### **12 Related party relationships and transactions**

During the year the following charges were made by Kennet & Avon Canal Trust, the holding company

Contribution towards running costs £28,730

At the year end a net balance of £102,040 was owed by this company to the Kennet & Avon Canal Trust