

THE COTSWOLD CANALS TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Company number: 01207787

Charity number: 269721



THE COTSWOLD CANALS TRUST

YEAR ENDED 31 MARCH 2016

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THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2016

CCT Council submits its 41st Annual Report to the members of the Trust for the year ended 31st March 2016 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

Please note that figures in brackets refer to the year ended 31st March 2015.

1. LEGAL AND ADMINISTRATIVE

- Governing document: Memorandum & Articles of Association.
- Company limited by guarantee no: 01207787.
- Registered charity no: 269721.
- Registered office: Island House, Moor Road, Chesham, HP5 1NZ.
- Administration office: Bell House, Wallbridge Lock, Stroud, GL5 3JS.
- Bankers: Barclays Bank, Gloucester.
- Auditors: Little & Co., 45 Park Road, Gloucester GL1 1LP.
- Wholly owned subsidiary: Cotswold Canals Trust (Trading) Limited.
- The Trust is also one of four members of the Stroud Valleys Canal Company Limited (SVCC), a registered charity.
- Principal activity: the promotion and restoration of the Stroudwater Navigation and the Thames & Severn Canal.

2. AIMS AND OBJECTIVES

CCT's aims are:-

- To promote for the benefit of the community the reopening of the Cotswold Canals.
- To promote the restoration of the two waterways to give a balance between the needs of navigation, development, recreation, heritage, landscape, conservation, wildlife and natural habitats.
- To promote the use of the towpaths as the Thames and Severn Way.
- To achieve restoration of the Cotswold Canals as a navigable route from Saul Junction to the River Thames.

Full restoration by the Cotswold Canals Partnership will be phased dependent upon major funding. CCT as a member of the Partnership will be donating to the matched funding. It will, however, be seeking to seize every opportunity to raise funds to restore sections of the canals not within designated schemes.

The trustees confirm that they have referred to the information contained in the Charity Commissioner's General Guidance on Public Benefit when reviewing the Trust's objectives, activities and plans for the future.

3. TRUST COUNCIL

CCT is both a charity and a company limited by guarantee.

Trust Council members fulfil the dual roles of Trustees of the charity and Directors of the Limited Company.

The following served as Trust Council members during the financial year ended 31st March 2016:

Chair:	Vacancy (April 2015 – October 2015); Jim White (November 2015 – March 2016)
Vice-Chair:	Jim White (April 2015 – October 2015)
Co- Vice Chairs:	Val Kirby & John Newton (November 2015 – March 2016)
Treasurer:	Trudy Ayre
Company Secretary:	Jack Telling

John Allan, Ken Bailey, Lois Francis (Co-Opted March 2016), Polly Fothergill (Resigned October 2015), Michael Hynd, Alan Jones (Co-Opted Sept 2015), Val Kirby, John Newton (Co-Opted Sept 2015), Robin Payne, Steve Pickover and Patrick Swift (Co-Opted July 2015).

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Appointment of Trust Council Members

There are two main factors considered when seeking additional or replacement members of the Trust Council. Firstly, to strengthen a particular representation of a geographical region of the Cotswold Canals; secondly to consider what skills and expertise that member is able to contribute.

All candidates are made aware of the duties and responsibilities of the post and are given all relevant documentation before final acceptance.

At year end there were two vacancies on Council (the maximum is 15).

There have been no contracts, during the year, in which a Trustee has had a personal interest except for Alan Jones who, with two other members of the Trust, has a financial interest in a multipurpose hydraulic machine (The Hydraquad) which the Trust hires from time to time. A total of £795 was spent on hiring this machine during the year.

Appointments to Other Bodies

Ken Burgin CCT's CEO represents the Trust on the Board of the Stroud Valleys Canal Company. Lois Francis represents CCT on the South Wales and Severn Waterways Partnership (part of CRT).

4. MEETINGS

Council, which manages the business of the Trust, meets monthly except in January and August.

Council has appointed an Executive Committee to a) liaise with Stroud District Council (SDC), the lead restoration partner and b) to carry out urgent business between Council meetings. The Executive Committee consists of the Trust Chair, 2 Vice-Chairs, Treasurer and Company Secretary. The Chief Executive normally attends these meetings.

Directors of the Cotswold Canals Trust (Trading) Limited meet quarterly and are responsible for trading activities such as sale of goods, boat trips and festivals.

The Construction Action Group (CAG) meets monthly and discusses issues and projects associated with volunteer work concerned with a) physical restoration b) maintenance of structures and towpaths and c) health & safety.

The Project Management Group (PMG) also meets monthly to discuss technical and strategic planning issues.

Working Groups are also set up according to need and the Dredging Group and Water Supply Group meet as required.

Individual Trust members attend numerous meetings with local authorities and many other organisations as well as giving talks to many and varied groups to publicise the restoration.

The Cotswold Canals Trust has a Western Branch which organises quarterly meetings (usually with a visiting speaker) at Fromebridge Mill and an Eastern Branch which held monthly meetings at the Trout Inn, Lechlade. Noggin & Natter meetings are also held monthly at the Ale House, Stroud. The main emphasis of these meetings is to keep members up to date, in a social setting, with the latest developments and to exchange information and ideas.

Working parties take place within geographical areas known as Western, Summit and Eastern.

5. MEMBERSHIP

Membership is vital to the success of the restoration as it demonstrates commitment to the project locally, nationally and even internationally. Trust membership at the year end was 7,595. The Visitor Centres at Wallbridge Lock and at Saul Junction continue to make a very significant contribution to membership.

THE COTSWOLD CANALS TRUST (CCT)
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6. DAY TO DAY MANAGEMENT AND ADMINISTRATION

CCT employed one full-time Administrator (Justine Hopkins) and one part-time Assistant Administrator (Karen Bingle) who between them worked 52.5 hours per week part of which is spent on Trading Company matters. CCT re-charges the Trading Company accordingly.

Ken Burgin is Chief Executive and employed on a part-time basis (20 hours per week).

Trudy Ayre is Honorary Treasurer and Jack Telling Honorary Company Secretary.

Neville Nelder continues to act as Honorary Strategic Planning Consultant. The Trust is grateful for his advice and support.

7. TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also the directors of CCT for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 of the incoming resources and application of resources, including income and expenditure, of the charitable company 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;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures that must be 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 Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 Trust's website.

Identification of major risks

All work of the Cotswold Canals Trust, with the exception of the Chief Executive and Administrators, is undertaken by volunteers. It is the physical work associated with maintenance or reconstruction where exposure to risk can be greatest.

Health & Safety is an agenda item for every meeting of CCT Council. Method statements and risks assessments are in place for all work carried out by volunteers where relevant.

8. VICE PRESIDENTS

Mr. Geoffrey Clifton-Brown MP, Mr. Neil Carmichael MP, Mr. Chris Coburn MBE, Mr. David Drew, Dr. David Fletcher CBE, Mr. Peter Gadsden, Professor Mark Horton and the Rt. Hon. Sir Richard Needham continue to hold the office of Vice President. The Trust thanks them for their active and encouraging support.

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9. MAJOR GRANTS AND DONATIONS

The Trust wishes to record thanks to the following for their most generous grants & donations:

- Peter Best for another £10,000 towards the Weymoor Bridge restoration project.
- Tarmac Ltd for a £5,000 S.106 payment
- The estate of Mr Houghton for a legacy of £63,385 which with an instalment of £10,000 received last year gives a total legacy of £73,385.
- The estates of Mr D & Mrs A Pinnock for a legacy of £5,000
- Molson of Avonmouth for their continued long term loan of an excavator.
- Stroud Town Council for a grant of £15,000 to purchase two mud barges.
- Stroud Rotary Club for a donation towards the cost of landing stages.
- Donations (including Gift Aid) from CCT members towards the Phase 1B Restoration Appeal amounting to £176,375.

The Trust is also grateful to the following:

- Individuals, Charitable Trusts and Companies who have made grants and donations which have been recorded in *The Trow*.
- Local and national businesses that have continued to assist the Trust by giving equipment, materials and services, or made them available on favourable terms.
- Businesses who advertise in the quarterly edition of *The Trow*.

10. RESERVES POLICY

The Reserves of a charity are that part of a charity's income funds that is freely available for its general purposes. This excludes Restricted Funds (funds donated for a specific purpose).

The Balance Sheet of CCT on 31st March 2016 shows Total Funds of £532,297 (£368,343) of which £299,553 (£134,671) is Restricted.

The Trust's Reserves are thus £232,744 (£233,672) which comprises:

General Fund £134,649 (£75,562)

Designated Fund £98,095 (£158,110)

Designated Funds are funds which the Trust Council has earmarked for particular projects.

The Trust is aware of the need to:

- a. Secure the viability of the Trust beyond the immediate future.
- b. Absorb any setbacks and to take advantage of change and opportunities.

The Trust's Annual Budget incorporates planned expenditure matched by forecast income in respect of the day to day activities. The Trust believes, however, that it is prudent to keep a Reserve in the General Fund to cover any unforeseen expenditure and/or shortfall in income. This applies particularly to the Trust's maintenance and construction activities, responsibilities as an employer, minor restoration projects and the publication and distribution of the Trust's magazine *The Trow*.

Trust Council has reviewed its Reserves Policy taking into consideration increasing volunteer activity and resolved to keep the following Reserves:

£50,000 - to cover the risk of unforeseen emergency or other unexpected need for funds particularly in connection with its maintenance and construction activities.

£30,000 - to cover the risk of unforeseen administrative and operational costs and a need to fund short-term deficits in the annual budget.

Any General Fund in excess of the £80,000 Reserve may, from time to time, be designated to take account of unforeseen opportunities.

The Trust Council will review its Reserves Policy once a year and will do its best to ensure that reserves are maintained at the agreed level.

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11. THE TRUST'S ROLE WITHIN THE RESTORATION PARTNERSHIP

The Cotswold Canals Partnership comprises 17 organisations including all the local authorities along the line of the canal, the Environment Agency, the Canal & River Trust (CRT), the Inland Waterways Association (IWA), the Stroud Valleys Canal Company (SVCC), the Stroudwater Navigation Archive Charity (SNAC) and CCT.

CCT continues to play an important role within the Partnership. The Chair, Vice-Chairs and Chief Executive attend the main Cotswold Canals Project Board meetings which have been chaired by Jason Leach of the Canal & River Trust (CRT).

The current Phase 1A restoration programme is being led by Stroud District Council (SDC). Our Chief Executive and Vice-Chairs are the primary contacts between CCT and the SDC Canal Project Management Team which is led by Dave Marshall. Other CCT volunteers are also involved with a variety of Phase 1A projects. In liaison with Jon Pontefract, SDC Volunteer Co-ordinator, they continue to make things happen on the ground as well as helping to prepare the way for future projects.

To ensure good communications between SDC and CCT monthly meetings between the SDC Canal Project Team and the CCT's Executive Committee have continued.

CCT is also effectively the Lead Partner in Phases 2 & 3 of the restoration (Brimscombe to Inglesham).

12. PHASE 1B BID TO THE HERITAGE LOTTERY FUND (HLF)

During the year a major focus of our activity was the preparation of a £15 million bid to the HLF towards the £20 million Phase 1B Project to link an existing six-mile stretch of the canal from Brimscombe to Stonehouse to the 2,500 mile national waterways network via the Gloucester & Sharpness Canal at Saul Junction.

In May 2015 we had a visit from Nerys Watts, the Heritage Lottery Fund's (HLF) South West Regional Director. She toured the Stroudwater Navigation from Saul Junction at the western end of Phase 1B to Ham Mill Lock near to the eastern end of 1A. This was followed by a question and answer session at the Thames & Severn HQ at Brimscombe Port.

In May, June and July a series of local public consultations incorporating an exhibition were held starting at Gloucester Docks and proceeded via Whitminster, Frampton, Stonehouse and Eastington, ending in Stroud. More than 150 questionnaires were returned to CCT which overwhelmingly lent their support and encouragement to the Phase 1B restoration scheme.

The bid process continued until the 30th November 2015 submission date. After consultations within the Partnership it was decided to give the bid a more descriptive title '*Stroudwater Navigation Complete and Connected*'. From within the Partnership a sub-group was identified to form a Core Group of key partners: CCT (lead partner), Canal & River Trust (CRT), Gloucestershire County Council, Gloucestershire Wildlife Trust, Inland Waterways Association, Stroud District Council, Stroud Valleys Canal Company and the Stroudwater Navigation Archives Charity.

All Core Partners signed letters of support plus many others who wish the project to succeed including Neil Carmichael (Stroud's MP), Molly Scott-Cato (MEP for the South-West) and organisations such as Stroud and Stonehouse Town Councils, the Stonehouse History Group and Canoe England.

In addition a team, led by Dr Val Kirby, was assembled to lead the different strands or themes of the project: Ken Burgin (Heritage Infrastructure Restored and Recreated), Peter Best (Heritage Sustainably Managed), Iris Capps (Heritage Known and Communicated), Pat Swift (People Gain Skills and Experience), Adam Taylor (Benefits to the Natural Environment) and Tom Low (Local Prosperity and Quality of Life are Improved). John Newton (Finance), Keith Tibbitts (Fund Raising) and Ian Smith (Publicity) were also members of the team together with Brenda Oakey who provided invaluable secretarial support.

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A major bid to HLF consists of two main parts a) an application form (nearly 9,000 words) and b) supporting documents: preparation is an extremely time consuming task. Not only did we have to describe how we would meet each of the HLF's requirements but technical details and costs of the 33 sub-projects also had to be given.

The bid was delivered to HLF, in Exeter, by Val Kirby and CCT's Chairman Jim White meeting the 30th November deadline. On 17th February 2016 a team from HLF led by David Heathcoat-Amory (HLF Trustee) spent the morning visiting a number of sites on the canal between Saul Junction and Bowbridge and during the afternoon met Partnership representatives for a question and answer session.

The results of the 2015 major projects assessment were not made public until after the end of the financial year. In May 2016 we learnt that our bid had not been successful. As always the competition for HLF funding was intense. The letter explaining the HLF decision said that our bid was good and encouraged us to make another application. However we need to address two major issues:

- a) A bid of £15 million is larger than bids from other successful organisations who typically bid between £10 and £11 million. This implies that we need to raise more cash particularly from members of the Core Partnership.
- b) Uncertainty over land tenure and various permissions and regulatory issues.

The Partnership is now concentrating on addressing these issues prior to making a decision on the re-submission of the bid.

13. PROMOTING THE CANALS AND FUNDRAISING

a) Trading Company Activities

Although Trading Company activities are designed to yield a profit, which is then covenanted to CCT, the activities are also very important in promoting, both locally and nationally, CCT's aims.

Trip Boats

Inglesham at Lechlade, *Perseverance* at Saul Junction and *Endeavour* at Ebley continued to operate during 2015/16.

Boats East

'*Inglesham*' (managed by Ron Read), operated on the River Thames from the Riverside Park, Lechlade. She carried a total of 1,180 (2,373) passengers on public and charter trips yielding an income of £5,541 (£9,572). There were continuing difficulties in recruiting boat crew, particularly for public trips, and a decision was made, during the year to concentrate on charters.

Boats West

'*Perseverance*' (managed by Rob Burgon), operated from Saul Junction. *Perseverance* carried a total of 1,957 (1,671) passengers 568 on charters and 1,389 on public trips giving a total income for the year of £10,739 (£13,387) This includes the income from the very successful Santa Cruises in December which attracted 495 (527) passengers.

'*Endeavour*' (managed by Rob Burgon) was in her 3rd season of trading at Ebley, on the Stroudwater Navigation. She carried a total of 722 (859) passengers on 148 (156) public trips and 403 (383) passengers on charter trips yielding a total income of £6,052 (£6,300).

The combined Western Boat income amounted to £16,791 (£19,687). For operational reasons it was decided that for the 2016/17 season, and until further notice, to swap *Perseverance* and *Endeavour* between locations.

Saul and Wallbridge Visitor Centres

Both of these Centres continue to be jointly and voluntarily managed by Clive and Jill Field with the assistance of Justine Hopkins and Karen Bingle as paid administrators. The Centres attracted a combined total of 18,144 (17,942) visitors during the year and generated an income of £32,034 (£37,332). In addition 339 (286) membership applications were processed with the Wallbridge Centre accounting for 282 (204) of these.

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b) Other CCT Activities

Art at Bell House, Wallbridge Lock

Space has been made available at the Trust's HQ for local artists to exhibit and sell their work. During the year Eric Gaskell, Peter Tuffrey and Barbara Wyatt exhibited their work.

Canalside Benches

This enterprise is co-ordinated by Clive & Jill Field. The benches are manufactured and installed by volunteers at the Trust's Eastern and Western Depots using reclaimed hardwood. They are supplied with an etched zinc plaque incorporating a corporate or commemorative message to the customer's design. During the year 7 benches were installed at canalside locations yielding an income of £6,495 (£10,775).

Concerts

In April 2015 a Concert in support of the restoration was held at Wycliffe College featuring the Dursley Male Voice Choir supported by the ladies of the RythmMix Choir. Just over £2,000 was raised for the Phase 1B Restoration Appeal.

In December St Cyr's Church Stonehouse hosted 'Tidings of Joy' a Christmas programme of songs and carols featuring soloists Andrew Hopwood, Julian Elloway, Chris Hill and Mark Coldrick plus the Cotswold Canal Singers conducted by Hugh Barton. £565 was donated to the Phase 1B Appeal.

Steam Boat Flotilla

CCT hosted a gathering in June 2015 of six fine steamboats on a recently restored stretch of the Stroudwater Navigation. The boats are modern day replicas based on traditional designs and their owners are members of the Steam Boat Association.

French Canal Link

The exchange of information and visits between ARECABE (Association pour le reouverture du Canal de Berry) and CCT continued positively through 2015/16.

The first weekend in June is the annual water-based celebration and AGM for ARECABE. The event is known as "de Biefs en Ecluses" (literally "from pound to locks") and takes place, in a marquee, on the side of the Canal de Berry in Vierzon. Local dignitaries attend and present their updates to the membership. David Ramsey attended on behalf of CCT and gave a well received Powerpoint presentation (in French) on our efforts to restore the Cotswold Canals.

During the visit a brass plaque of the Stroudwater HQ building was presented to Andre Barre and Madeleine Thonniet who are Chair and Secretary of ARECABE

Logs Division

The Logs Division based at the Trust's Western (Eastington) & Eastern (Alex Farm) Depots, continues to raise substantial vital funds for the restoration. In the 12 months to 31st March 2016 the West achieved 133 (111) sales and these generated £17,577 (£12,901) in income. A similar operation at Alex Farm where sales are increasing, but from a lower base produced sales income of £ 1,607 (£1,437). All wood has been generously donated to CCT by landowners.

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2nd Hand Book Sales

In September 2015 Alan & Anna Watts ran a book stall at the Tall Ships event in Gloucester Docks and made a profit of £700 for the Trust. Following this success they decided to open, in the Spring of 2016, a book shop at Brimscombe Port on Tuesdays & Saturdays. Early indications are good. The first month's trading yielded a profit of £1,000. Thanks are due to all those who donated books and bookcases and also those who helped sort and organise the books.

300 Club

The 300 Club is voluntarily managed by Diana Edwards. The Club is a lottery held four times a year. The annual subscription is £15 per stake and a member may hold up to four stakes. The number of participating Trust members at year end was 367 (338). The first prize each quarter averaged £624 (£631). £4,165 (£4,211) was distributed in prizes and the Club made a contribution of £6,067 (£5,261) to CCT.

Volunteer Get Togethers

In September 2015 Polly Fothergill & Jan Thomas organised a Quiz Night at Fromebridge Mill. All questions related to water. 9 teams competed in the 12 round contest which was won by Team 'Rest-Oration' (Alan & Anna Watts and Dennis & Brenda Clarke).

Ron Kerby organised the Western Depot Christmas Lunch at Egypt Mill, Nailsworth on 21st December. Over 100 volunteers attended.

Wildlife Watch Walks

Thanks are due to Martin Wright, a CCT member, who once again during the winter and springtime months organised eight canal walks starting from different locations along the canal. The re-watered stretches of the canal continue to attract abundant wildlife.

Thames & Severn Way

Following the waymarking of the 37 mile long distance footpath from Framilode to Lechlade Ordnance Survey was asked to show the footpath on their maps. This has now been achieved. OS 1:25000 Explorer Maps 168 (Stroud, Tetbury and Malmesbury) and 169 (Cirencester & Swindon), dated September 2015, designate the T&S Way as a long distance Recreational Path.

c) Communications

Connect

Connect, which is managed by Dennis Clarke, is an interactive database system which enables a) CCT Activity Leaders to publicise events to the membership and b) Volunteers to record their own areas of interest, browse current and planned activities and become involved.

The system enables the establishment and management of rosters for any event and by displaying rosters online enables all Connect participating volunteers to keep up to date with the overall staffing position for any event and to offer their services.

The key to the system's success is the willingness of Activity Leaders and Roster Managers to accept the system, use it whenever they can and feed back any problems encountered.

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ENews

David Pagett continued to develop and edit ENews, the Trust's email newsletter. It is a proven system for promulgating information in a fast and efficient manner. Since its inception in April 2006 the mailing list has grown year by year and subscribers currently number over 4,000. The mailing list is open to both members and non-members and information about how to join the mailing list can be found on the CCT website at www.cotswoldcanals.com

The Trow

The main means of communication from CCT to its membership continues to be its quarterly award-winning magazine *The Trow* which is edited by David Jowett. It is mailed to all members and over 400 complimentary copies are sent to local councillors, businesses and landowners.

Web-Site

The Web-Site www.cotswoldcanals.com is a very important means of disseminating information about the Trust, and its wholly owned subsidiary, including its aims, restoration progress and organisation and management. Clive Field is the Web Master and Mike Gallagher makes a significant contribution to photographic content.

Promotions & Presentations

During the year 53 talks and presentations to a range of clubs and societies were given promoting the restoration of the Cotswold Canals. These included 33 presentations by Clive Field to passengers on Hotel Boat Edward Elgar which plies the River Severn and Gloucester & Sharpness Canal.

A roster of volunteers giving the talks is managed by Clive Field and full details can be found on the Connect website www.cct.teamconnect.org.uk. Go to Activities & Rosters > Promotions and Presentations.

No charge is made for giving the talks but CCT is extremely grateful for £2,225 received by way of donations.

14. RESTORATION BY VOLUNTEERS

The Role of Volunteers

The operation of the Cotswold Canals Trust is overwhelmingly through volunteer input, with the exception of a part-time Chief Executive and 2 Administrators. This volunteer input ranges from strategic planning and operation to physical maintenance and restoration work on the canals with a large volunteer force also engaged in promotion of the canals, membership recruitment, fundraising, sales and boat trips.

Highly skilled professionals have continued to volunteer to assist with the design and implementation of the restoration and in particular with the preparation of the Phase 1B bid to HLF.

In geographical terms the volunteer presence is apparent from Saul to Inglesham.

A half-day Volunteers' Conference was held in February 2016 at Egypt Mill, Nailsworth to provide an opportunity to talk about issues of mutual concern. 84 volunteers attended, most from CCT, but other organisations were also represented including SVCC, SDC and the Waterway Recovery Group (WRG). A number of actions resulted from the Conference including:

- Development of a Volunteers' Policy
- Development of a Policy for Children, Disabled & Vulnerable persons
- A commitment to improve communications within the Trust.

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Western and Eastern Depots

Ron Kerby is in overall charge of the Depots which act as bases for volunteers who make a very valuable contribution to the physical restoration of the Cotswold Canals.

The Western Depot at Eastington is locally managed by Ron Kerby. Activities during the year included:

- Keeping the Trust's plant and equipment in safe working order.
- Clearing vegetation at various Phase 1A locations and keeping towpaths in good condition which includes mowing and strimming.
- Repairing canal structures.
- Installing CCT designed paddle gear on Phase 1A locks.
- Constructing & installing canal side benches.
- Using the Tug to keep the restored sections of the Stroudwater Navigation free of weed and silt.
- Restoring Ham Mill Lock.

The Eastern Depot at Alex Farm is locally managed by Paul Williams.

Activities during the year included:

- Manufacture of jack posts for Phase 1 lock paddle gear.
- Manufacture of commemorative benches.
- Progress in developing a logging enterprise.
- Vegetation management of a 5 mile stretch of the canal from Siddington Locks to Weymoor Bridge. Work parties are organised by John Maxted, Eastern Construction Manager.
- Assistance with the restoration of Weymoor Bridge.

Construction Division

The Construction Division is led by the Construction Director, Mike Hynd, who oversees construction, maintenance and health & safety along the whole length of the canals as well as the activities of the Eastern and Western Depots. As Maintenance Director, Steve Pickover is responsible for planning projects. The Construction Action Group (CAG) meets monthly at alternative ends of the canal and helps co-ordinate and inform the activities of the Construction Division.

Project Management Group

The Project Management Group (PMG), which also meets monthly, comprises engineers and others with the skills needed to plan the technical side of the restoration of the Cotswold Canals. Some of its work relates to physical projects that are being planned or are under way whilst some of it is strategic such as the water supply strategy.

15. RESTORATION PROJECTS

15.1 PHASE 1A (OCEAN BRIDGE TO BRIMSCOMBE PORT)

Bowbridge Bridge to Brimscombe Port

This is now primarily a volunteer led project which involves the restoration of four locks and the clearance of vegetation from the pounds and subsequent dredging to navigable depth.

Bowbridge Lock

This is a SDC led, volunteer project funded by SDC and led by Jon Pontefract and Paul Weller. Volunteers drawn from the local community, CCT and WRG were involved. The lock chamber has been restored and gates fitted. Work continues below the lock repairing a wall.

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Ham Mill Lock

This project was adopted by the CCT Western Depot team led by Ron Kerby & Les Morris. The restoration was achieved within 1 year and involved extensive repair and rebuilding work including laying 30,000 bricks.

Problems have arisen below the bottom gates where the off-side embankment has slipped. Solutions to the problems are being sought.

Dredging

Volunteers, led by Ron Kerby and assisted by Les Morris, Andy Jones, Frank Laurenson and others, have been dredging the pound between Ham Mill and Griffin Mill Locks and have been greatly assisted by a long reach excavator purchased by SVCC with grant assistance from Stroud District Council.

Robin Payne has been responsible for wet dredging between Hope Mill and Ham Mill Locks.

Ocean Bridge to Bowbridge

Landing Stages

This CCT volunteer project, led by Alan Jones, will eventually provide landing stages at locks and swing/lift bridges along the entire length of the restored canal. The 21 metre long stages are canoe friendly and constructed from reclaimed galvanized motorway crash barrier steel and surfaced with a non-slip glass re-enforced fibre latticed material.

A mud barge has been fitted with a hydraulic crane which operates a piling hammer purchased by SVCC. To date 6 stages have been constructed at three locations – Ocean swing bridge, Ryeford locks and Ebley wharf.

Ryeford Causeway

At year end plans were well advanced to start on a major CCT volunteer project to improve the narrow towpath, between Ryeford Bridge and Ryeford Double Lock, which is bounded on one side by the canal and the other side by the River Frome. On the canal bank this will involve some steel piling but for much of the length a durable ‘soft’ edge protection will be installed. The river bank will also be protected from erosion using wooden stakes and hurdles.

Lodgemore Bridge

This SDC project replaced the old fixed bridge by a hydraulically operated lift bridge (which became operational early in 2016) using a manual hand pump.

Wallbridge Lower Lock

This is a SDC led project which has used contractors and volunteers including WRG. The lock chamber is largely complete but structural problems have been encountered with the off-side wall below the lock.

Cheapside Pound (Wallbridge)

At year end SDC plans to pile and dredge the Cheapside Pound (complicated by a landslip) were well advanced with work by contractors Land & Water scheduled to begin in April 2016.

Waterway Award

Phase 1A of the restored waterway between Stonehouse and Bowbridge (led by SDC) came top of the Restoration and Historic Environment category of the 2015 Living Waterways Awards a prestigious national competition run by CRT. Jim White & Judith Basham represented CCT at an awards ceremony in London.

The citation read *‘This £20 million restoration project has transformed a massive swathe of derelict and contaminated land back into a pleasant waterway environment which supports diverse flora and fauna. It has embraced the involvement of the local community in all aspects of investigation, planning and physical restoration’.*

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2016 (continued)

15.2 PHASES 2 & 3 (BRIMSCOMBE PORT TO INGLESHAM)

Chalford

Neville Nelder arranged for a new interpretation board to be installed near the Roundhouse. It was manufactured by carpenters Ray Talbot and Will Foster at Western Depot and financed by Chalford Parish Council.

Steve Pickover arranged for three sections of the canal, in the vicinity of Chalford, to be cleared of excessive vegetation growth which has enhanced the flow of water. The work was organised in cooperation with Chalford Parish Council and was funded entirely by Gloucestershire County Council from their Flood Relief Fund.

Weymoor Bridge

Work resumed on this project in the Spring of 2016 when volunteers from CCT, WRG and the Wilts & Berks Canal Trust started to construct the brick arch.

Inglesham Lock Restoration

Inglesham Lock and the canal above it are owned by CCT. The restoration of the lock itself is a WRG project funded by the IWA's Tom Rolt Appeal. During the year work continued on restoring the lock chamber. Coping stones were braced and mud and debris removed from the bottom of the lock.

16. SEVERN TO THAMES WATER TRANSFER

The Trust has continued to participate in the discussions regarding the potential use of the Cotswold Canals to transfer water from the western side of the country for use in London and the south-east.

The canal remains one of the options under serious consideration along with several alternative solutions. The technical evaluation of the more likely potential solutions, including the canal, continues in parallel but it will be a year or two before the outcome becomes clearer. So far no show stoppers have been identified either technically or environmentally.

17. STATEMENT AS TO DISCLOSURE TO OUR AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- There is no relevant information, being information need by the auditor in connection with preparing their report, of which the trust's auditor is unaware, and
- The trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2016 (continued)

18. SUMMARY

Although larger boats will not be able to reach Stonehouse and Stroud until Phase 1B (Saul Junction to Ocean Bridge) is restored it gives great satisfaction to note that that canoeists (mainly young people) and boats for the disabled are increasingly using the Phase 1A restored sections of the canal. Walkers, joggers, cyclists and anglers are also using the towpath in ever increasing numbers. The re-watered stretches of the canal continue to attract abundant wildlife.

During the year Dr Val Kirby and her highly qualified team of volunteers continued to work extremely hard to prepare a Phase 1B submission to the HLF in November 2015. Phase 1B is the crucial phase that will link Stroud and Stonehouse to the national system of inland waterways.

In the spring of 2016 HLF announced the projects that were to receive funding from their £50 million 'pot' available this year. Sadly our bid was not on that list. Bids amounting to £140 million had been received and some good ones were always going to be unsuccessful. The feedback from HLF gave cause for optimism, however. The bid was described as 'good' but advice was given as to how the Bid could be improved. There is an expectation by HLF that we will re-submit. For our part CCT remains committed to Phase 1B which has caught the imagination of both our local communities and that of the boating world.

CCT Council, mindful of the need to replenish funds particularly in respect of the restoration of Phase 1B, authorised an appeal to Members in April 2015. The response was excellent with £388,538 being donated, at 31st March 2016, by single payments or pledges backed by standing orders. The cost of the appeal including printing, postage and office administration was very low at £15,503 (4.0%).

CCT's total funds of £532,297 (£368,343) at year end were up by £163,954 on the previous year. This is largely explained by income from the Restoration Appeal

Clearly the main focus of restoration activities has been on Phases 1A and 1B. Council always bears in mind, however, that the ultimate aim is to restore to navigation the Cotswold Canals from the River Severn to the River Thames and that Phases 2 and 3 must not be neglected. Dedicated groups of volunteers continue to maintain and improve stretches of canal and structures within the constraints of limited resources.

The restoration depends on the continued support of many organisations and individuals. Stroud District Council, in particular, must be thanked for their continued enthusiasm and support for the restoration. Thanks are also due to Dave Marshall SDC Project Managers and Ken Burgin, CCT Chief Executive whose hard work and commitment have contributed immensely to so much being achieved.

The continued support of our seventeen Partners remains vital to future progress. They provide funding and/or advice and expertise which is greatly appreciated. Particular mention must be made of the Inland Waterway Association's volunteer organisation WRG which regularly provides work parties at various locations on the canal.

SVCC, a charity and company limited by guarantee, has a key role in being responsible for financing the maintenance and operation of the restored canal. It works closely with CCT volunteers and other organisations. In particular it is increasingly able to purchase items of plant and equipment for use by volunteers.

CCT is well placed to face the future with confidence.

This report was approved by Trust Council on 16th September 2016.

Jim White
Chair

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE COTSWOLD CANALS TRUST

We have audited the financial statements of the Cotswold Canals Trust for the year ended 31 March 2016, which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the organisation's members as a body. Our audit work has been undertaken so that we might state to the organisation's members those matters that 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 organisation's members as a body, for our audit work, for this report or for the opinions that we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the note 7 of the director's report on page 3, the Trustees' (who are also the directors of the Cotswold Canals Trust for the purposes of company law) 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 including "APB Ethical Standards – Provisions Available for Smaller Entities (Revised)" in the circumstances set out in note 19 to the financial statements.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

REPORT OF THE INDEPENDENT AUDITORS (Continued)

TO THE MEMBERS OF THE COTSWOLD CANALS TRUST

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 trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare financial statements in accordance with the small companies' regime.

S T Dudfield
Senior Statutory Auditor
For and on behalf of
LITTLE & COMPANY
Chartered Accountants and Statutory Auditors
Gloucester

19th September 2016

THE COTSWOLD CANALS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2016

		Unrestricted			2016	2015
	Notes	General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
Income from:						
Grants, donations and legacies	2	142,464	10,750	210,375	363,589	181,383
Other trading activities						
Commercial trading operations	3	-	54,366	-	54,366	66,591
Membership subscriptions		59,619	-	-	59,619	59,802
Advertising income		6,657	-	-	6,657	8,636
Investment income		685	-	-	685	728
Total income		209,425	65,116	210,375	484,916	317,140
Expenditure on:						
Raising funds						
Commercial trading operations	3	-	51,549	-	51,549	55,888
Publications and promotional	4	30,989	-	11,503	42,492	31,514
Charitable activities	5	124,520	61,496	40,905	226,921	337,828
Total expenditure		155,509	113,045	52,408	320,962	425,230
Net income/(expenditure) for the year before transfers		53,916	(47,929)	157,967	163,954	(108,090)
Transfers		5,171	(12,086)	6,915	-	-
Net movement in funds for the year		59,087	(60,015)	164,882	163,954	(108,090)
Reconciliation of funds						
Funds brought forward		75,562	158,110	134,671	368,343	476,433
Funds carried forward	13	134,649	98,095	299,553	532,297	368,343

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE COTSWOLD CANALS TRUST

BALANCE SHEET AT 31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	9	53,094	65,180
Investments	10	1	1
		<hr/>	<hr/>
		53,095	65,181
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		4,374	4,910
Debtors	11	80,928	77,806
Cash at bank and in hand		408,389	234,691
		<hr/>	<hr/>
		493,691	317,407
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year			
	12	(14,489)	(14,245)
		<hr/>	<hr/>
NET CURRENT ASSETS			
		479,202	303,162
		<hr/>	<hr/>
TOTAL NET ASSETS			
		532,297	368,343
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY			
	13		
Unrestricted funds:			
General funds		134,649	75,562
Designated funds	14	98,095	158,110
		<hr/>	<hr/>
		232,744	233,672
Restricted funds	15	299,553	134,671
		<hr/>	<hr/>
Total charity funds		532,297	368,343
		<hr/> <hr/>	<hr/> <hr/>

The accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 19 to 28 form part of these accounts.

Approved by the Directors/Trustees on 16th September 2016; and signed on their behalf by:

Jim White
Chair

THE COTSWOLD CANALS TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	£	£
Cash flows from operating activities		
Net cash generated from/(used in) operating activities	<u>177,764</u>	<u>(215,749)</u>
Cash flows from investing activities		
Bank interest received	685	728
Purchases of tangible fixed assets	<u>(4,751)</u>	<u>(1,034)</u>
Net cash (used in) investing activities	<u>(4,066)</u>	<u>(306)</u>
Net cash from financing activities	-	-
Change in cash and cash equivalents during the year	173,698	(216,055)
Cash and cash equivalents at 1 April 2015	<u>234,691</u>	<u>450,746</u>
Cash and cash equivalents at 31 March 2016	<u><u>408,389</u></u>	<u><u>234,691</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016	2015
	£	£
Net movement in funds for the year	163,954	(108,090)
Adjustments for:		
Depreciation charges (note 9)	16,837	23,310
Bank interest received	(685)	(728)
Decrease in stock	536	830
(Increase) in debtors	(3,122)	(20,837)
Increase/(decrease) in creditors	<u>244</u>	<u>(110,234)</u>
Net cash generated from/(used in) operating activities	<u><u>177,764</u></u>	<u><u>(215,749)</u></u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with 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 (FRS102) (the Charities SORP (FRS102)) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Cotswold Canals Trust meets the definition of a public benefit entity under FRS102.

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. The date of transition was 1 April 2014.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Consolidation

The charity has a wholly owned trading subsidiary company, Cotswold Canals Trust (Trading) Limited. The charity has chosen not to prepare consolidated accounts on the basis that aggregate group income does not exceed the relevant threshold.

(c) Income

Income (including grants, donations and legacies) is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Members' subscriptions are recognised in the financial statement in the year of receipt. Life memberships are included in full. Income is treated as deferred to a later period only if it clearly relates to a later period.

(d) Restricted fund income and expenditure

Certain grants, legacies or donations are received subject to specific conditions imposed by the donor, or are made in response to a special appeal. Accordingly, these restricted funds are separately identified in the balance sheet until the expenditure is incurred. Restricted funds are then released on the basis of specific project costs plus an attributable proportion of administrative expenses and depreciation. Where the conditions mean that the grant may become repayable, it is shown as a liability ("deferred income") in the balance sheet, and is credited to the Statement of Financial Activities when the related expenditure is incurred. A liability arising from an obligation to release funds for a specific project is recognised when consideration for the expenditure has passed and an invoice has been received.

(e) Designated fund income and expenditure

Designated income is that set aside by the directors out of general funds for specific purposes. Designated expenditure relating to such purposes is identified by the directors.

(f) Donated assets

Income in the form of donated assets (such as equipment, restoration materials or goods for resale) are included in the Statement of Financial Activities as soon as they are received, at a reasonable estimate of their fair value provided either by the donor or by the Trust.

(g) Donated services

Services provided by volunteers cannot be accurately quantified and are therefore not recognised in these financial statements. Assistance provided free of charge by outside parties is included in the Statement of Financial Activities at the directors' or donor's valuation.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

(h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds which comprise the costs of commercial trading and the publication and promotional expenditure incurred in publicising the trust's work and raising funds.
- Expenditure on charitable activities includes the actual cost of work on the restoration and upkeep of the canals and their associated support and governance costs.

Support costs are the costs of the general administration of the Trust, including maintaining and staffing the office in Stroud, and the reimbursement of travelling expenses to those engaged on the Trust's work. They are allocated 100% to restoration support.

Irrecoverable VAT is charges as a cost against the activity for which the expenditure was incurred.

(i) Tangible fixed assets

Freehold land held for the purposes of the charity is included at cost, or if donated, at the directors' valuation on acquisition.

Other fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis at the following annual rates:

Plant and Machinery	25%
Office Equipment	33.3%

(j) Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are value at the amount prepaid.

(l) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

(m) Going concern

The financial statements are prepared on the going concern basis the directors having considered the commitments of the charity and the charity's ability to meet those commitments for a period of one year from the date of signing of the accounts.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. GRANTS GIFTS AND LEGACIES

Donor	Purpose	Unrestricted Funds		Restricted	Total
		General	Designated	Funds	Funds
		£	£	£	£
Membership appeal	Restoration fund (Phase 1B)	-	-	149,474	149,474
Stroud Town Council	Work boats	-	-	15,000	15,000
Tarmac Ltd - S106	Cemey Wick/Weymoor/Eisey	-	-	5,000	5,000
Molson	Plant hire	-	4,000	-	4,000
Peter Best	Cemey Wick/Weymoor/Eisey	-	-	10,000	10,000
Legacy from Mr Houghton	General donations	63,385	-	-	63,385
Legacy from Mr and Mrs D Pinnock	Future Projects	-	5,000	-	5,000
Stroud Rotary Club	Landing stages	-	-	1,500	1,500
Companies, Clubs and individuals	General donations	63,444	1,750	-	65,194
Gift aid		15,635	-	29,401	45,036
		142,464	10,750	210,375	363,589

3. COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY

The wholly owned trading subsidiary, Cotswold Canals Trust (Trading) Limited, which is incorporated in the UK, pays all its profits to the charity by deed of covenant. The Cotswold Canals Trust (Trading) Limited sells canal related goods, provides canal boat trips and holds fundraising activities. The charity owns the entire issued share capital of 1 ordinary £1 share. The turnover and expenditure is included in the Statement of Financial Activities of the Cotswold Canals Trust.

A summary of the results is shown below.

Cotswold Canals Trust (Trading) Limited
Summary of Unaudited Profit and Loss Account - year ended 31 March 2016

	2016	2015
	£	£
Turnover	54,366	66,591
Cost of sales	(32,641)	(35,835)
Gross profit	21,725	30,756
Overheads	(18,908)	(20,053)
	2,817	10,703
Amount covenanted to Cotswold Canals Trust	(2,817)	(10,703)
Retained in subsidiary	-	-
Total net assets at year end	1	1

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

4. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted			2016	2015
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Publications and promotional					
Trow magazine costs	18,916	-	-	18,916	20,769
Promotional expenses	1,834	-	-	1,834	1,054
Raffle prizes and costs	4,185	-	-	4,185	4,276
Interpretation	3,406	-	-	3,406	600
Events	1,540	-	-	1,540	322
Phase 1B appeal and HLF bid	-	-	11,503	11,503	2,141
Membership leaflet	1,108	-	-	1,108	2,352
	<u>30,989</u>	<u>-</u>	<u>11,503</u>	<u>42,492</u>	<u>31,514</u>

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted			2016	2015
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Restoration costs					
Lower Wallbridge	-	-	-	-	125,000
Phase 1a retention	-	15,955	5,000	20,955	-
Ham Mill lock	-	9,760	-	9,760	-
Cerney Wick/Weymoor/Eisey	-	-	9,834	9,834	19,273
Bowbridge	-	-	-	-	30,000
Landing stages	-	4,416	1,500	5,916	10,000
Contribution to Aquadam	-	-	-	-	2,472
Chalford flood alleviation	-	-	6,165	6,165	-
Mud barges	-	-	13,893	13,893	-
Other projects	24,014	9,721	513	34,248	27,530
Plant hire and maintenance	-	5,195	-	5,195	4,295
Depreciation (note 9)	-	16,449	-	16,449	21,355
	<u>24,014</u>	<u>61,496</u>	<u>36,905</u>	<u>122,415</u>	<u>239,925</u>
Governance and support costs (note 6)	100,506	-	4,000	104,506	97,903
	<u>124,520</u>	<u>61,496</u>	<u>40,905</u>	<u>226,921</u>	<u>337,828</u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	Unrestricted			2016	2015
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Wages and salaries	50,115	-	-	50,115	41,884
Vehicle expenses	9,552	-	-	9,552	10,928
Light and heat	2,683	-	-	2,683	3,067
Training, health and safety	2,734	-	-	2,734	4,264
Office rent and rates	11,577	-	-	11,577	12,403
Telephone	1,587	-	-	1,587	2,256
Insurance	5,648	-	-	5,648	5,370
Travelling expenses	1,793	-	-	1,793	2,124
Office stationery, postage & miscellaneous	8,551	-	4,000	12,551	8,696
Depreciation of office equipment (note 9)	388	-	-	388	1,955
Auditors remuneration	5,016	-	-	5,016	4,956
Legal and professional fees	862	-	-	862	-
	<u>100,506</u>	<u>-</u>	<u>4,000</u>	<u>104,506</u>	<u>97,903</u>

7. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	2016	2015
	£	£
Salaries and wages	47,364	39,907
Social security costs	2,751	1,977
Pension costs	-	-
	<u>50,115</u>	<u>41,884</u>

No employee had employee benefits in excess of £60,000 (2015 - nil).

The average number of employees of the Trust during the year was 3 comprising 1 full time and 2 part time (2015 – 3 – all part time).

The charity trustees (who are considered to be the key management personnel) were not paid and did not receive any other benefits from employment in the trust or its subsidiary in the year (2015 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2015- £nil) other than disclosed in note 8.

During the year the trust reimbursed 2 of its directors expenses totalling £131 (2015 – 2 directors totalling £127) in respect of mileage allowances, postage, stationery and telephone.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

8. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

During the year the following transactions took place between the Trust and its:

- Joint venture company – Stroud Valleys Canal Company
 - the Trust recharged various restoration cost totalling £7,931 (2015 - £2,129) to the Stroud Valleys Canal Company in respect of work done on SVCC-led projects.
 - There were also grants made to Stroud Valleys Canal Company totalling £16,087 to purchase restoration equipment which is available for use free of charge by Cotswold Canals Trust.
- Wholly-owned subsidiary – Cotswold Canals Trust (trading) Ltd
 - The Trust recharged wages to the trading company totalling £10,000 (2015 - £10,000).
 - The trading company transferred to the Trust donations during the year of £2,713 (£2,961).
 - The transfer under deed of covenant of the profits of Cotswold Canals Trust (Trading) Ltd to the Trust of £2,817 (2015 - £10,703).
 - The total amount due to the Trust from Cotswold Canals Trust (Trading) Ltd in respect of the above at 31 March 2016 was £15,530 (2015 -£24,790) as shown in note 11.

Trustee, Alan Jones had a financial interest in a multi-purpose hydraulic machine which was hired to the Trust during the year at a cost of £795.

9. TANGIBLE FIXED ASSETS

	Freehold Land £	Plant & Equipment £	Office Equipment £	Total £
Cost or valuation				
At 1 April 2015	32,586	206,629	17,132	256,347
Additions	-	4,751	-	4,751
Disposals	-	-	-	-
At 31 March 2016	32,586	211,380	17,132	261,098
Depreciation				
At 1 April 2015	230	174,194	16,743	191,167
Charge for the year	-	16,449	388	16,837
On Disposals	-	-	-	-
At 31 March 2016	230	190,643	17,131	208,004
Net Book Value				
At 31 March 2016	32,356	20,737	1	53,094
At 31 March 2015	32,356	32,435	389	65,180

Freehold land represents land at Puck Mill which was professionally valued in 2004 at £1,000, land purchased at Inglesham in 2010 which has been included at cost and land at Claymore Cutting gifted to the trust by Gloucestershire County Council in 2012 and valued by the directors at the time at £1,000.

The directors are not aware that the market values have altered significantly since those valuations.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10. FIXED ASSETS INVESTMENTS

Investment in subsidiaries at cost

At 31 March 2016	2016	2015
	£	£
Cotswold Canals Trust (Trading) Limited		
Ordinary £1 shares	1	1
	<u>1</u>	<u>1</u>

Cotswold Canals Trust (Trading) Limited pays all its profits to the Trust by deed of covenant.

The company also has a 25% share in the Stroud Valleys Canal Company, a charitable company registered in the UK, limited by guarantee and incorporated on 26 March 2009. The purpose of this company is to acquire and hold land along the length of the canal. The Trust's liability is limited to £10. The accounts for Stroud Valleys Canal Company for the year ended 31 March 2016 show:

Net incoming funds for the year	£583,707
Net assets at 31 March 2016	<u>£1,770,830</u>

11. DEBTORS

	2016	2015
	£	£
Trade debtors	4,147	18,166
Gift aid due	44,148	19,812
Grants due	4,000	4,000
Other debtors	-	408
Amounts due from subsidiary	15,530	24,790
Prepayments and accrued income	13,103	10,630
	<u>80,928</u>	<u>77,806</u>

12. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	6,930	6,607
Accruals	7,559	7,638
	<u>14,489</u>	<u>14,245</u>

THE COTSWOLD CANALS TRUST
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13. FUNDS

	Unrestricted			Total Funds £
	General Fund £	Designated Fund £	Restricted Funds £	
Funds at 1 April 2015	75,562	158,110	134,671	368,343
Incoming resources for the period	209,425	65,116	210,375	484,916
Outgoing resources for the period	(155,509)	(113,045)	(52,408)	(320,962)
Transfers	5,171	(12,086)	6,915	-
Funds at 31 March 2016	134,649	98,095	299,553	532,297
Represented by				
Fixed assets (note 9)	-	53,095	-	53,095
Net current assets	134,649	45,000	299,553	479,202
	134,649	98,095	299,553	532,297

14. DESIGNATED FUNDS

	Movement on funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	
Restoration fund	52,929	60,116	(113,045)	-	-
Fixed asset fund (note 9)	65,181	-	-	(12,086)	53,095
Future projects fund	40,000	5,000	-	-	45,000
	158,110	65,116	(113,045)	(12,086)	98,095

The designated restoration fund represents funds set aside by the directors specifically for restoration work on the canals. It includes funds raised from the commercial trading activities of Cotswold Canals Trust (Trading) Limited and the members' restoration appeal. Expenditure during the year has now expended this fund. The Future Projects fund represents funds set aside by the directors towards projects that are in the pipeline but as yet are unstarted. The fixed asset fund represents the net book value of the trust's fixed assets. The transfer from the fixed asset fund represents movements on the fixed assets during the year.

THE COTSWOLD CANALS TRUST
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15. RESTRICTED FUNDS

Purpose	Movement on funds				Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Incoming Resources £	Outgoing Resources £	Transfers £	
	Whitminster Lock	71,888	-	-	
Section 106 funding - Bonds Mill	25,000	-	-	-	25,000
Inglesham lock	2,810	-	-	-	2,810
Cerney Wick/Weymoor bridge/Eisey	18,680	17,500	(9,834)	8,750	35,096
Lower Wallbridge Lock Gates	5,240	-	(5,240)	-	-
Fencing at Tunnel House	1,759	-	(40)	-	1,719
Flood Alleviation	8,000	-	(6,165)	(1,835)	-
Brewery Bridge Mural	381	-	-	-	381
Phase 1B - membership appeal	680	176,375	(15,503)	-	161,552
Troughs/plants at Wallbridge	233	-	(233)	-	-
Landing stages	-	1,500	(1,500)	-	-
Mud barges	-	15,000	(13,893)	-	1,107
	134,671	210,375	(52,408)	6,915	299,553

All restricted funds represent money donated or raised for restoration work in specific areas of the canals or other specific projects. Transfers represent:

- Cerney Wick/Weymoor Bridge/Eisey - The gift aid claimed in prior years on grants from Peter Best.
- Flood Alleviation – The excess of a grant from Gloucestershire County Council at Chalford which will not require repayment.

THE COTSWOLD CANALS TRUST
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16. OTHER FINANCIAL COMMITMENTS

The trust has resolved to provide an annual maintenance contribution of up to £30,000 per annum once the restoration is complete, subject to the appropriate contribution from other partner bodies.

The trust had the following commitments under operating leases falling due in the next year:

	2016	2015
	£	£
Land and buildings		
Visitor centre and office in Stroud	11,182	11,182
	<hr/>	<hr/>

17. CONTINGENT LIABILITIES

There is a possibility that the Trust will be liable for maintenance costs associated with the Pike Bridge structure but it is probable that the maintenance liability will be resolved in the long term as part of the overall restoration and ongoing maintenance of the canal.

Problems on restoration work at Ham Mill Lock have allegedly resulted in slippage on the off-side embankment which will require remedial work. The Trust is currently in negotiation with the land owners and other interested bodies as to how this should be resolved. There is a possibility that the cost of the work, currently estimated at £50,000, will fall on the Trust but the Trust is confident that it can recover some of the costs from the Trust's insurers and others.

There are unresolved issues concerning the satisfactory rebuilding of Weymoor Bridge which may have additional cost implications. Options are under evaluation.

18. LEGAL STATUS OF THE TRUST

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited by guarantee to a maximum of £1 per adult member.

19. FURTHER NOTE

In common with many organisations of a similar size and nature, the trustees use the charity's auditors to assist with the preparation of the financial statements.