

THE COTSWOLD CANALS TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Company number: 01207787

Charity number: 269721



THE COTSWOLD CANALS TRUST

YEAR ENDED 31 MARCH 2017

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THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017

CCT Council submits its 42nd Annual Report to members of the Trust for the year ending 31st March 2017 which is also prepared to meet the requirements for a Director's Report & Accounts for Companies Act purposes.

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

Please note that figures in brackets refer to the year ended 31st March 2016.

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 & Company, 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 canal 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 2017:

Chair: Jim White

Vice-Chairs: Val Kirby & John Newton

Treasurer: Trudy Ayre (resigned Nov. 2016)

Chris Lambert (from January 2017)

Company Secretary: Jack Telling

John Allan, Bob Ambury (co-opted Jan 2017), Shelley Anderson (co-opted Dec 2016), Ken Bailey (Resigned October 2016), Peter Best (co-opted Dec 2016), Lois Francis, Michael Hynd, Alan Jones, Robin Payne, Steve Pickover, Patrick Swift.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

Appointment of Trust Council Members

There are two main factors considered when seeking additional or replacement members of CCT 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 15 members on Trust Council (the maximum allowed by the Articles of Association) and hence no vacancies.

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 £710 was spent on hiring this machine during the year.

Appointments to Other Bodies

Ken Burgin CCT's CEO is a member of the Board of the Stroud Valley Canal Company. Peter Best is Chair of the Stroud Valleys Canal Company, Lois Francis represents CCT on the South Wales and Severn Waterways Partnership (CRT).

4. MEETINGS

Council, which manages the business of the Trust, normally meets monthly except in August & January. However during 2016/17 Council did meet in August & January to discuss and decide matters concerning the re-submission of the Phase 1B bid (Stroudwater Navigation Connected) to the Heritage Lottery Fund.

Council has appointed an Executive Committee to a) Liaise with Stroud District Council (SDC), the lead Phase 1A 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.

Working Groups are also set up according to need and the Dredging Group and Water Working 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.

In the West, David Bowker-Praed organised quarterly meetings for CCT members at Fromebridge Mill. Visiting speakers included Paul Barnett (Purton Hulks), Andrew Kear (Eels in the River Severn) & Steve Mills (The Mills of the Lower River Frome). In the East monthly meetings are held at the Trout Inn, Lechlade.

Monthly Noggin & Natter meetings were also held at the Ale House, Stroud but were discontinued after December 2016 because of lack of support.

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 7,490 (7,595). The Visitor Centres at Wallbridge Lock and at Saul Junction continue to make a very significant contribution to membership.

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

6. DAY TO DAY MANAGEMENT AND ADMINISTRATION

In April 2016 CCT employed one full-time Administrator (Justine Hopkins), and one part-time 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.

Karen resigned her post in August, and in September Justine gave notice that she wished to resign from her full-time post on 30th September. The full-time post was advertised and Judith Lindley was appointed (37.5 hours per week). Justine Hopkins was appointed part-time (15 hours per week). In addition Diana Edwards was appointed for 12 hours per week because of an increasing office workload.

At its December 2016 meeting Council resolved to meet its obligation to offer a pension scheme to employees by using the government sponsored NEST scheme w.e.f. January 2017.

Ken Burgin is Chief Executive and employed on a part-time basis (20 hours per week).
Chris Lambert 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. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company
- ensuring that the financial statements comply with the Companies Act 1985;
- and
- safeguarding the assets of the trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 which includes damage to neighbouring property. CCT also recognises that there are also major risks associated with IT and fraud.

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, Dr. David Drew, Dr. David Fletcher CBE, Professor Mark Horton and the Rt. Hon. Sir Richard Needham continued to hold the office of Vice President. The Trust thanks them for their active and encouraging support. Peter Gasden resigned as a Vice-President after serving for 20 years. CCT thanks him for his interest and support over so many years.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

9. MAJOR GRANTS AND DONATIONS

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

- Stroud District Council for a grant of £8,000 towards a new trip boat and a grant of £3,500 for footpath signage.
- Tarmac Ltd for a £5,000 S.106 payment.
- The estate of Jane Otway for a legacy of £5,000.
- Molson of Avonmouth for their continued long term loan of an excavator.
- Donations from CCT members, towards the Phase 1B Restoration Appeal, amounting to £49,445 including gift aid.
- British Polythene Industries for supplying, free of charge, plastic posts (value £8,000) for the Ryeford Causeway bank protection project.
- Maynards of King's Stanley for supplying rolls of industrial carpet felt (value £4,000), free of charge, also for the Ryeford Causeway project.

CCT 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 2017 shows Total Funds of £583,297 (£532,297) of which £349,719 (£299,553) is Restricted.

The Trust's Reserves are thus £233,578 (£232,744) which comprises:

General Funds £154,485 (£134,649)

Designated Funds £79,093 (£98,095)

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 Cash 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, and the possible need to fund short-term deficits in the annual budget.

In May 2017 Trust Council reviewed its Reserves Policy and reduced the Cash Reserve from £80,000 to £40,000 which it considered to be a more realistic aspiration.

Any Cash Reserve in excess of the £40,000 Reserve may, from time to time, be used to further the Trust's charitable objectives.

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 Gloucestershire County Council (GCC), Stroud District Council (SDC), Stroud Town Council (STC), Cotswold District Council (CDC), Wiltshire Council (WC), the Environment Agency (EA), 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 continued to play an important role within the Partnership. The Chair, Vice-Chairs and Chief Executive attended the main Cotswold Canals Project Board meetings which were chaired by Jason Leach of the Canal & River Trust.

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).

The working relationship between CCT and SVCC became closer during the year as volunteers from Western Depot increasingly became involved in the maintenance and improvement of the restored Phase 1A sections of the canals. SVCC is the 'navigation authority' responsible for a) maintaining, b) improving and c) operating the canal whilst CCT a) promotes the restoration of the unrestored sections and b) maintains a Depot and volunteer force with access to hand tools and smaller items of plant & equipment. Increasingly SVCC purchases and owns major items of plant & equipment which are made available to the CCT volunteer force.

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

Following the news from HLF in May 2016 that CCT's bid (submitted in November 2015) had been unsuccessful Val Kirby (CCT Bid Convener) obtained feedback from HLF and convened meetings within CCT to consider the way forward.

Feedback from HLF was very helpful. The bid was considered to be good but was competing in a situation where bids totalling £140 million had been received but only £50 million was available for distribution. We were advised that:

- Our bid for £15 million was too high. £10 million would be more realistic.
- HLF expects that our partners would make significant cash contributions.
- Uncertainties regarding land ownership and regulatory approvals need resolving.
- There needs to be more emphasis on 'Activities' (which HLF defines as 'anything in the project which isn't capital work') which were viewed as underdeveloped and underfunded. In particular we need to 'engage people with the heritage'.
- Opportunities around biodiversity could be developed and integrated further.

Trust Council's initial reaction was to aim to re-submit the bid in November 2016. It became apparent, however, that there would be insufficient time to make the necessary improvements and at its August meeting Council resolved to re-submit in November 2017.

Under Val Kirby's leadership the eight teams, assembled for the 2015 bid to develop themes and strands, continued to develop the project and CCT consulted its Core Partners as to the way forward.

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As a result by year end most of the concerns raised by HLF had been addressed:

- SDC, GCC and CRT agreed to contribute, in cash, £3 million, £700K and £625K respectively, phased over the project programme, plus ‘considerable contributions in kind’. It was agreed that the bid would be submitted jointly by SDC and CCT and that SDC would be the Accountable Body.
- CCT & SDC agreed that prior to the re-submission of the bid restoration work should begin on Phase 1B to reduce the value of the work required in the event of a successful bid e.g. (i) restoration of Westfield Lock (ii) vegetation clearance (iii) restoration of locks on the Eastington flight.
- CCT established a Phase 1B Fund Raising Committee, chaired by Leonie Asquith, to increase significantly its cash contribution.
- ‘Activities’ will be based on the development of three Heritage Hubs along the line of the canal which will act as interpretation centres. The first, located in the Bond’s Mill Gatehouse (leased rent free from the site owners Robert Hitchens) was launched in March and is open to the public at weekends and bank holidays. The Gatehouse is a two storey WW2 pill box and gun emplacement on ‘Stop Line Green’. It is hoped to establish the other Hubs at Fromebridge Mill and William Morris House and discussions with the owners are ongoing.

At year end unresolved issues centred on land ownership and planning consents and negotiations with landowners are ongoing. Land owned by Ecotricity (adjacent to M5 Junction 13) is particularly important as the eastern section of the ‘missing mile’ will have to cross this land (which is subject to a planning application for a new football stadium for Forest Green Rovers and an Eco Business Park).

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 Ebley and *Endeavour* at Saul Junction continued to operate during 2016/17.

Boats East

‘*Inglesham*’ which operates on the River Thames from the Riverside Park, Lechlade, had a disappointing season partly because of difficulties in finding boat crews and partly because there were fewer charters than the year before. She carried a total of 402 (2,373) passengers on charter trips yielding an income of £3,105 (£5,541).

During the Winter months meetings, attended by Clive Field (Trading Company Chair) and several CCT members, were held at the Trout Inn, Lechlade to discuss ways and means of revitalising the boat operation. It was agreed that boat trips would continue during the 2017 season with Alan Driver as Boat Manager.

CCT thanks Ron Read, *Inglesham* Boat Manager for the past eight years, who has retired. Thanks are also due to Liz Payne (past CCT Chair), who for many years organised activities in the East and in particular was *Inglesham* Charter Manager, who has retired with her husband Peter to Somerset.

Boats West

‘*Endeavour*’ (managed by Rob Burgon) was in her 1st season of trading at Saul Junction, on the Gloucester & Sharpness Canal (having been transferred from the Stroudwater Navigation). She carried a total of 1,441 (722) passengers on 173 (148) public trips and 41 (41) charter trips yielding a total income of £8,495 (£6,052).

‘*Perseverance*’ (managed by Rob Burgon), operated from Ebley on the Stroudwater Navigation. She carried a total of 1,977 (1,957) passengers on 208 (232) public trips and 46 (52) charters yielding an income for the year of £9,908 (£10,739). This includes the income from a) the very successful Santa Cruises in December which attracted 615 (495) passengers and b) wedding charters operated in partnership with Stonehouse Court Hotel.

The combined Western Boat income amounted to £18,403 (£16,791).

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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 paid administrators. The Centres attracted a combined total of 16,838 (18,144) visitors during the year and generated an income of £33,433 (£32,034). In addition 232 (339) membership applications were processed with the Wallbridge Centre accounting for 193 (282) of these.

b) Other CCT Promotional & Fundraising 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 Natasha Housego was Sculptor in Residence and produced a 13ft high sculpture from a length of locally resourced fallen oak. It is displayed adjacent Wallbridge Upper Lock. Thanks are due to STC for providing £1,760 sponsorship and to SDC for additional assistance.

Artwork was also exhibited during the year by: Pete Tuffrey (canal scene pictures), Rev. Augustus Turner (1840—1880 pen & ink drawings of views around Stroud) and Rob Roland (Railways & Waterways).

Nearby Stroud Brewery Bridge was also enhanced by a mural painted by Matt the Muralist of Gloucestershire based Manifest Geometric Art.

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. Bench sales started in 2012 and since then 54 have been installed along the length of the Cotswold Canals. 4 (7) benches were installed during 2016/17 yielding an income of £3,000 (£6,495)

Concerts

In October St Cyr's Church, Stonehouse hosted 'Songs of Love & War' in support of the Restoration yielding a profit of £638. Val Kirby thanked, in particular, Colin Wood and Ensemble i.a.t.B, led by Steve Harper, who waived their normal fee.

Edward Elgar Cruise

The owners of hotel boat Edward Elgar, English Holiday Cruises, which is based in Gloucester Dock, made the boat and its crew available to CCT, free of charge, at the end of March 2017 for a Weekend Break Cruise along the Gloucester & Sharpness Canal. The Clements family run company had nominated CCT as their favoured charity for 2017. CCT marketed and sold berths in all the 11 twin cabins at £200 per person which resulted in a profit of just over £4,000 which was added to the CCT New Trip Boat Fund.

French Canal Link

The friendship link with CCT's French restoration colleagues at ARECABE (Association pour le reouverture du Canal de Berry) continued successfully on both a formal and informal basis during 2016/17.

The formal annual ARECABE meeting in June 2016 was sadly cancelled due to extreme flooding and transport strikes in France. However contacts have been maintained and CCT members Neil & Polly Fothergill took members of ARECABE on their Dutch Barge on a trip across the famous Pont Canal de Briare aqueduct over the River Loire in September 2016. In April 2017 members of ARECABE treated the Fothergills and Keith and Cathy Tibbitts to lunch and dinner along with a barge trip on the Canal Laterale a la Loire. David and Goldie Ramsay and the Fothergills attended the formal 2017 ARECABE meeting.

ARECABE hope to arrange a visit to the Cotswolds in 2018.

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Logs Division

In December 2009 David Pagett founded the Western Depot Logs Division which quickly attracted a small team of dedicated volunteers who over the years gave their time to sourcing, collecting, cutting and splitting wood into logs & delivering to customers. All wood was generously donated by landowners and hence the enterprise was very profitable. Over the years 900 log sales have been achieved with a turnover in excess of £100,700 yielding a net profit of well over 90%.

It was with regret that David and his team decided that in November 2016 they would cease logging as they are 'reaching, have reached, or indeed have passed their allotted three score years and ten'. All expect to volunteer for other CCT activities. Despite a shorter logging 'season' than normal Western Depot still managed to generate £10,167 (£17,577) from log sales. A similar operation at Alex Farm (Eastern Depot), where sales are increasing but from a lower base, generated an income of £3,492 (£1,607).

It is hoped that the Western logging enterprise will be resurrected in the near future.

New Trip Boat Fund

CCT Council has resolved to purchase, as soon as possible, a new trip boat which would mainly operate between Ebley and Bowbridge using the Wallbridge Visitor Centre (Bell House) as its base. The agreed specification is wide beam with provision for disabled passengers. It is anticipated that it will cost circa £56,000.

An initial appeal to CCT members resulted in donations of £9,000 and subsequent donations included £8,000 from Stroud District Council and £4,000 from the Edward Elgar Cruise. Donations during 2016/17 totalled £19,250 and at year end the Fund balance was £27,194. Stroud Town Council has also pledged £4,000 with the proviso that CCT approaches 4 neighbouring parish councils for additional contributions.

2nd Hand Book Sales

The Book Shop opened in the Spring of 2016 by Anna & Alan Watts, in a building awaiting redevelopment at Brimscombe Port (provided rent free by SVCC), has exceeded all expectations. All books (plus CD's, DVD's & vinyl records) are donated and a team of volunteers sorts, prices and sells stock on Tuesdays, Thursday and Saturdays. The first year's trading produced an income of £15,470. Expenses were £605 and the profit to CCT was £14,865.

Raft Race

Held on Sunday 2nd October this was the first Raft Race held on the Cotswold Canals since the 1987 Race organised by a Luciano Magalotti (landlord of the then Bell PH, Wallbridge Upper Lock). The 2016 Race was organised by a Committee led by Luciano and his wife Sarah and 11 crews competed (many in fancy dress) over the newly dredged pound from Wallbridge Upper Lock to Capels Mill. The event attracted a large crowd which watched raft 'Stonehouse Pipedream' take first place completing the course in 23 minutes. Thanks are due to the Stroud Valley Canoe Club and Frampton Sailing Club for providing H&S facilities and to the main sponsor Keystone Law. The event made a profit of nearly £4,000 which was divided equally between Meningitis Now (a Stroud based charity) and CCT.

Restoration Celebration

The Celebration, organised by Clive Field, was held at the Stroud Subscription Rooms on 21st October 2016. Archive films, photos and anecdotes from CCT members (who called a public meeting in 1972 at the same venue to consider the restoration of the Stroudwater Navigation) were used to provide an evening of reminiscence, celebration and expectation. Over 300 CCT members and friends attended a most informative and enjoyable evening with the bonus of a £1,086 profit which was donated to CCT.

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 385 (367). The first prize each quarter averaged £700 (£624). £4,664 (£4,165) was distributed in prizes and the contribution to CCT was £6,378 (£6,067).

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Stroud Community TV Awards

CCT film maker Robert Paget was judged to be the winner, in the Best Community Project category, with his short film *Voices on the Towpath*. The event is part of the Stroud Film Festival and includes short films which allow local filmmakers to share their thoughts and skills.

Stroud Vintage and Engine Club (SVTEC)

SVTEC organises an annual steam & vintage rally at South Cerney Airfield. CCT was one of the 20 charities to benefit from the proceeds of the event and a donation of £1,000 has been placed in the New Trip Boat Fund.

Volunteer Get Togethers

In November Jan Thomas organised a Quiz Night at Fromebridge Mill. 17 teams competed in the 12 round contest which was won by Team 'Downton Upstarts' (David McGovern, Allison Lusty & John Robinson).

Diana Edwards organised the annual Western Depot Christmas Lunch at Egypt Mill, Nailsworth on 22nd 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 canal walks starting from different locations along the canal. The re-watered stretches of the canal continue to attract abundant wildlife.

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.

ENews

David Pagett has relinquished the editorship of E-News (CCT's email newsletter) which is now managed by Administrator's at Bell House. Since its inception in 2006 the mailing list has grown year by year and there are currently over 4,000 subscribers. The mailing list is open to both members and non-members and information as to how to join the mailing list can be found by visiting www.cotswoldcanals.com. CCT thanks David for the time and effort he has devoted to editing and developing E-News since 2006.

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. The Web-site has also encouraged its visitors to use social media and there has been a growth in the use of Facebook, Flickr, Twitter and YouTube.

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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 1 full-time and 2 part-time 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.

CCT Council Re-structuring

During 2016/17 CCT Council undertook a review of our reporting structure to ensure that we have a strong governing body to manage an increasing workload. Following considerable discussion (including a Council 'Away Day' in July) and consultations a revised structure was agreed by Council in March 2017. The primary aims are to:

- Ensure that all aspects of our activities are represented at Council.
- Encourage better overall communication, teamwork and pre-planning.
- Try and ensure that all volunteers are happy in their various roles.

The key changes are:

- CCT construction and maintenance activities ("Operations") have been combined into one team.
- Specific responsibilities for Environment, Fundraising, Finance, Education & Communities, Volunteers (Human Resources) and Health & Safety have been allocated to members of Council.
- Specific representation regarding our PR and Marketing activities.
- Representation from Stroud Valleys Canal Company (SVCC).

New CCT Operational Divisions

The two new Divisions are a) Western (centred on the Eastington Depot) and b) Eastern + Summit (centred on the Alex Farm Depot). Both Divisions report to John Newton (Operations Director). The Construction Action Group (CAG) has been wound up and instead Managers and Team Leaders meet regularly to discuss pre-planning and working methods with the aim of ensuring that all work activities are safe, legal, fit for purpose and cost efficient.

Before a project commences the existing CCT Project Management Group (PMG), which includes engineering professionals and experienced canal volunteers, considers regulatory issues and final costed construction designs.

The Western Depot at Eastington was locally managed by Reg Gregory. 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 & maintaining lock paddle gear
- Constructing & installing canal side benches.
- Constructing and fitting new sluices at Ryeford.

The Eastern Depot at Alex Farm was 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 team leader John Maxted.
- Assistance with the restoration of Weymoor Bridge.
- Summit work parties organised by team leader Karen Shaw.
- Clearance of the canal bed at Kempsford by the 'Thursday Night Group' a team of volunteers led by Jon Pontefract and assisted by David Marshall. The team meets weekly between April & October and has cleared 2 lengths of canal which has been well received by the Parish Council and has raised awareness locally.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

15. RESTORATION PROJECTS

15.1 PHASE 1A (OCEAN BRIDGE TO BRIMSCOMBE PORT)

Bowbridge Bridge to Brimscombe Port

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

Bowbridge Bridge

This is a GCC project which at year end was making rapid progress and completion imminent. It will be possible to walk under the original bridge but steps are involved. For those unable to negotiate the steps there will be an alternative route.

Bowbridge Lock

This is a SDC led volunteer project funded by HLF, SDC and CCT and led by Jon Pontefract and Paul Weller. Volunteers drawn from the local community, CCT and Waterways Recovery Group (WRG) were involved. The lock chamber has been restored and gates fitted. Repairs to a wall below the lock await the completion of Bowbridge Bridge.

Ham Mill Lock

The lock chamber was restored and new gates fitted in 2015. Since then a landslip below the lock and a damaged overflow culvert around the lock have caused problems solutions for which are being sought.

Dredging

Volunteers led by Les Morris and assisted by Maurice Hayers, Andy Jones, Frank Laurenson and Paul Rees have continued to dredge the pound between Ham Mill and Griffin Mill Locks and have made excellent progress. They have been greatly assisted by the purchase of two excavators by SVCC with grant assistance from SDC, two mud barges *Warp & Weft*, financed by Stroud Town Council and a pump donated by Godwins to facilitate wet dredging.

The fleet of dredging and work boats continues to grow (largely financed by SVCC) which in addition to the mud barges and a dredger includes a tug, and two steel workboats. Thanks are due to all the Managers and their teams for operating and maintaining the fleet.

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 generally 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 both purchased by SVCC. At year end seven stages have been constructed at four locations – Ocean swing bridge, Ryeford Bridge, Ryeford locks, and Ebley wharf. Another 6 stages are planned for next year. The off-side stage at Ocean Bridge was purchased from CCT by Stonehouse Court Hotel to facilitate wedding charter boat trips.

Ryeford Causeway & Ford's Wharf

This CCT volunteer project in partnership with SVCC, started in May 2016, was also led by Alan Jones in conjunction with CRT's Heritage Heroes project funded by the People's Postcode Lottery 'Dream Fund' which contributed £30,000. The grant, which by agreement was paid to SVCC, was the result of a successful joint bid by CCT & SVCC. Veterans from Help for Heroes assisted for the first few weeks of the project.

THE COTSWOLD CANALS TRUST (CCT)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

The 'Causeway' is a narrow path running between two watercourses – the Stroudwater Navigation and a mill leat which is part of the River Frome – which had become eroded. The project involved the restoration of a) 350 metres of canal bank using recycled plastic posts (donated by British Polythene Industries) and industrial felt (donated by Maynards of Stanley Mill) as a soil backfill membrane and b) a further 135 metres of steel piling to strengthen the adjacent Ford's Wharf. It also involved repairs to the river bank using wooden posts with sticks woven between them and back filled with clay and stone natural materials.

At year end the project had been largely completed with the exception of finishing the river bank repairs and the reinstatement of coping stones and towpath re-surfacing which SDC is completing..

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 towards the tail of the lock below the lock and progress was delayed whilst landowner agreements were negotiated. Agreement has now been achieved and it is expected that this last Phase 1A project will be completed during the summer of 2017.

Cheapside Pound (Wallbridge)

SDC employed contractors Land & Water to pile and dredge this pound (which was complicated by a landslip) in April/May 2016. 480 heavyweight timber (eucalyptus) piles were used to stabilise the landslip section and the remainder of the off-side bank was stabilised using the Nicospan system (timber piles and high tensile fabric) which allows natural drainage and vegetation growth.

15.2 PHASES 2 & 3 (BRIMSCOMBE PORT TO INGLESHAM)

Inglesham Lock Restoration

Inglesham Lock and 300m of the canal above it are owned by CCT. The restoration of the lock itself is a Waterway Recovery Group (WRG) project funded by the IWA's Tom Rolt Appeal. During the year WRG volunteers made significant progress in restoring the main lock chamber particularly on the south side.

Kings Reach

Part of the Grade II listed wall, near the entrance to the Coates end of Sapperton Tunnel, has collapsed. A report is being drawn up to explore ways and means of remedying the situation.

Weymoor Bridge

Work resumed in the project in the Spring of 2016 when volunteers from WRG, CCT and the Wilts & Berks Canal Trust built the brick arch. Unfortunately technical issues resulted in work being suspended pending remedial treatment which was completed by Easter 2017.

16. GOUGH'S ORCHARD WATER FEED

Significant planning and design work was undertaken in preparation for installing a new water feed to supply the canal between Brimscombe down to and including Wallbridge Upper Lock. Without it the locks would be unusable by boats and the canal prone to drying out. A series of landowner agreements were needed to enable the pipeline to be installed and CCT and SVCC are grateful for their co-operation. Planning permission, and an Environmental Permit and a water abstraction licence are required before the installation can be built by volunteers and used.

The design itself is unusual in that it comprises a siphon linking a mill pond located about 70m from Goughs Orchard Lock. The flow will be instigated by pumping the air out of the pipe after which gravity will cause the water to flow into the canal. The process can be halted by reintroducing air into the system and flows adjusted by a valve at one end. This design has avoided the need for deep excavations. John Beatty's engineering skills have been key to this project and Neville Nelder assisted securing the planning application.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2017 (continued)

17. 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. Late in 2016 Thames Water proposed concentrating on a pipeline only transfer solution with an intake near Tewkesbury on the grounds it would be cheaper and less complex than using the canal. This conclusion has been challenged and discussions/debate continues.

The whole issue is expected to enter a public consultation stage in early 2018, which we will want as many members and supporters to participate in as possible. That is likely to be followed several months later by a Public Inquiry with a decision later that year or possibly in 2019.

18. AUDITORS

Little & Company of Gloucester have been reappointed Auditors to the Trust.

19. SUMMARY

CCT has continued to play an important role within the Restoration Partnership working closely with the SDC Canal Project Team, led by David Marshall, which is responsible for completing Phase 1A of the restoration. Our volunteers have been involved in a number of Phase 1A projects and it is pleasing to note that this phase of the restoration will be completed by December 2017.

We have also worked closely with SVCC to maintain and improve the restored lengths of canal and the efficiency and output of our volunteers have been enhanced by SVCC's purchase of heavy plant and equipment. The Landing Stage and Ryeford Causeway projects are good examples of significant engineering projects well within the capability of our volunteer labour force.

During 2016/17 CCT Council reviewed our reporting structure to ensure that we have a strong governing body to manage an increasing workload bearing in mind that Health & Safety is paramount. Following discussions and consultations Council in March 2017 agreed a revised structure which, inter alia, incorporated two new Operational Divisions. Our fundraising capability has also been enhanced.

Following the news from HLF in May 2016 that our bid to HLF in respect of Phase 1B restoration (Stroudwater Navigation Connected) had been unsuccessful feedback from HLF was obtained and Council decided to aim to re-submit in November 2017.

Under Val Kirby's leadership the draft bid has been improved and refined and has considerably strengthened by very significant cash and 'in kind' contributions pledged by SDC, GCC and CRT. Unresolved issues centred on land ownership and planning consents are ongoing.

Although the main focus of the restoration continues to be on Phases 1A and 1B Council always bears in mind that the ultimate aim is to restore to navigation the Cotswold Canals from Saul Junction to the River Thames at Lechlade. Phases 2 & 3 are not neglected and dedicated groups of volunteers continue to maintain and improve stretches of canal and structures within the constraints of limited resources.

The continued support of our 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, Waterways Recovery Group (WRG), which regularly provides work parties at various locations on the canal.

This Report records the numerous and diverse activities of CCT which is very largely a volunteer organisation dedicated to the restoration of the Cotswold Canals. Thanks are also due to Ken Burgin, our CEO whose hard work and commitment over many years have contributed immensely to so much being achieved. I would also thank our Office staff for their hard work and commitment which is greatly appreciated.

This Report was approved by Trust Council on 15 September 2017

Jim White
Chair

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE COTSWOLD CANALS TRUST

FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of the Cotswold Canals Trust for the year ended 31 March 2017, 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 2017 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 matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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; or
- In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified any material misstatements in the director's report.

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

18 September 2017

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

FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted			2017	2016
	Notes	General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
Income from:						
Grants, donations and legacies	2	86,592	-	91,755	178,347	344,582
Other trading activities						
Commercial trading operations	3	54,941	-	-	54,941	54,366
Membership subscriptions		56,196	-	-	56,196	59,619
Income from log sales		14,165	-	-	14,165	19,007
Income from sale of donated books		15,470	-	-	15,470	-
Advertising income		8,499	-	-	8,499	6,657
Investment income		1,466	-	-	1,466	685
Total income		237,329	-	91,755	329,084	484,916
Expenditure on:						
Raising funds						
Commercial trading operations	3	50,749	-	-	50,749	51,549
Publications and promotional	4	26,816	-	-	26,816	42,492
Charitable activities	5	152,567	5,821	42,131	200,519	226,921
Total expenditure		230,132	5,821	42,131	278,084	320,962
Net income/(expenditure) for the year before transfers		7,197	(5,821)	49,624	51,000	163,954
Transfers		12,639	(13,181)	542	-	-
Net movement in funds for the year		19,836	(19,002)	50,166	51,000	163,954
Reconciliation of funds						
Funds brought forward		134,649	98,095	299,553	532,297	368,343
Funds carried forward	13	154,485	79,093	349,719	583,297	532,297

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 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	9	39,914	53,094
Investments	10	1	1
		<hr/>	<hr/>
		39,915	53,095
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		5,070	4,374
Debtors	11	76,021	80,928
Cash at bank and in hand		474,384	408,389
		<hr/>	<hr/>
		555,475	493,691
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year			
	12	(12,093)	(14,489)
		<hr/>	<hr/>
NET CURRENT ASSETS			
		543,382	479,202
		<hr/>	<hr/>
TOTAL NET ASSETS			
		583,297	532,297
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY			
	13		
Unrestricted funds:			
General funds		154,485	134,649
Designated funds	14	79,093	98,095
		<hr/>	<hr/>
		233,578	232,744
Restricted funds	15	349,719	299,553
		<hr/>	<hr/>
Total charity funds		583,297	532,297
		<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 15 September 2017; and signed on their behalf by:

Jim White
Chair

THE COTSWOLD CANALS TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net cash generated from operating activities	<u>66,993</u>	<u>177,764</u>
Cash flows from investing activities		
Bank interest received	1,466	685
Purchases of tangible fixed assets	<u>(2,464)</u>	<u>(4,751)</u>
Net cash (used in) investing activities	<u>(998)</u>	<u>(4,066)</u>
Net cash from financing activities	-	-
Change in cash and cash equivalents during the year	65,995	173,698
Cash and cash equivalents at 1 April 2016	<u>408,389</u>	<u>234,691</u>
Cash and cash equivalents at 31 March 2017	<u><u>474,384</u></u>	<u><u>408,389</u></u>

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

	2017	2016
	£	£
Net movement in funds for the year	51,000	163,954
Adjustments for:		
Depreciation charges (note 9)	15,644	16,837
Bank interest received	(1,466)	(685)
(Increase)/decrease in stock	(696)	536
Decrease/(increase) in debtors	4,907	(3,122)
(Decrease)/increase in creditors	<u>(2,396)</u>	<u>244</u>
Net cash generated from operating activities	<u><u>66,993</u></u>	<u><u>177,764</u></u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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.

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. An obligation to release funds for a specific project is recognised in accordance with paragraph (h) below.

(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 and restoration materials) is 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. Donated good for resale are recognised on disposal.

(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 2017

(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 charged 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. No depreciation is provided as the directors are of the opinion that the residual value will exceed cost.

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 valued 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 2017

2. GRANTS GIFTS AND LEGACIES

Donor	Purpose	Unrestricted Funds		Restricted	Total
		General	Designated	Funds	Funds
		£	£	£	£
Membership appeal	Restoration fund (Phase 1B)	-	-	40,428	40,428
Stroud Town Council	Sculptor in residence	-	-	1,760	1,760
Stroud District Council	New trip boat	-	-	8,000	8,000
Stroud District Council	Footpath signage	-	-	3,500	3,500
New trip boat appeal	New trip boat	-	-	19,250	19,250
Tarmac Ltd - S106	Cerney Wick/Weymoor/Eisey	-	-	5,000	5,000
Molson	Plant hire	4,000	-	-	4,000
British Polythene Industries Ltd	Ryford Causeway	8,000	-	-	8,000
Maynards of King's Stanley	Ryford Causeway	4,000	-	-	4,000
Stonehouse Court Hotel	Landing stages	-	-	4,000	4,000
Legacy from Jane Otway	General donations	5,000	-	-	5,000
Legacy from Richard Canning	General donations	10,000	-	-	10,000
Companies, Clubs and individuals	General donations	41,694	-	800	42,494
Gift aid		13,898	-	9,017	22,915
		86,592	-	91,755	178,347

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. 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 2017

	2017	2016
	£	£
Turnover	54,941	54,366
Cost of sales	(31,473)	(32,641)
Gross profit	23,468	21,725
Overheads	(19,276)	(18,908)
	4,192	2,817
Amount covenanted to Cotswold Canals Trust	(4,192)	(2,817)
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 2017

4. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted			2017	2016
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Publications and promotional					
Trow magazine costs	18,466	-	-	18,466	18,916
Promotional expenses	886	-	-	886	1,834
Raffle prizes and costs	4,684	-	-	4,684	4,185
Interpretation	-	-	-	-	3,406
Events	504	-	-	504	1,540
Phase 1B appeal and HLF bid	-	-	-	-	11,503
Membership leaflet	2,276	-	-	2,276	1,108
	<hr/>				
	26,816	-	-	26,816	42,492
	<hr/>				

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted			2017	2016
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Restoration costs					
Phase 1b	-	-	2,371	2,371	-
Phase 1a retention	-	-	-	-	20,955
Ham Mill lock	-	1,132	-	1,132	9,760
Cerney Wick/Weymoor/Eisey	-	-	13,390	13,390	9,834
Landing stages	-	-	1,812	1,812	5,916
Chalford flood alleviation	-	-	-	-	6,165
Mud barges	-	-	739	739	13,893
Ryeford Causeway	12,000	-	-	12,000	-
Other projects	23,653	4,689	3,819	32,161	34,248
Plant hire and maintenance	4,710	-	-	4,710	5,195
Depreciation (note 9)	15,538	-	-	15,538	16,449
	<hr/>				
	55,901	5,821	22,131	83,853	122,415
Governance and support costs (note 6)	96,666	-	20,000	116,666	104,506
	<hr/>				
	152,567	5,821	42,131	200,519	226,921
	<hr/>				

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	Unrestricted			2017	2016
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Wages and salaries	32,011	-	20,000	52,011	50,115
Vehicle expenses	12,693	-	-	12,693	9,552
Light and heat	3,509	-	-	3,509	2,683
Training, health and safety	3,056	-	-	3,056	2,734
Office rent and rates	12,142	-	-	12,142	11,577
Telephone	1,555	-	-	1,555	1,587
Insurance	6,938	-	-	6,938	5,648
Travelling expenses	1,778	-	-	1,778	1,793
Office stationery, postage & miscellaneous	13,959	-	-	13,959	12,551
Depreciation of office equipment (note 9)	106	-	-	106	388
Auditors remuneration	5,136	-	-	5,136	5,016
Legal and professional fees	3,783	-	-	3,783	862
	<u>96,666</u>	<u>-</u>	<u>20,000</u>	<u>116,666</u>	<u>104,506</u>

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

	2017	2016
	£	£
Salaries and wages	50,146	47,364
Social security costs	1,831	2,751
Pension costs	34	-
	<u>52,011</u>	<u>50,115</u>

No employee had employee benefits in excess of £60,000 (2016 - nil).

The average number of employees of the Trust during the year was 3 comprising 1 full time and 2 part time (2016 – 3 - 1 full time and two 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 (2016 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2016- £nil) other than disclosed in note 8.

During the year the trust reimbursed one of its directors expenses totalling £33 (2016 – 2 directors totalling £131) in respect of mileage allowances, postage, stationery and telephone.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

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

- Associate company – Stroud Valleys Canal Company
 - The Trust recharged various restoration costs, totalling £6,558 (2016 - £7,931) 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 £3,393 (2016 - £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 (2016 - £10,000).
 - The trading company transferred to the Trust donations during the year of £6,554 (2016 - £2,713).
 - The transfer under deed of covenant of the profits of Cotswold Canals Trust (Trading) Ltd to the Trust of £4,296 (2016 - £2,817).
 - There was a balance due to the Trust from Cotswold Canals Trust (Trading) Ltd at 31 March 2017 of £19,947 (2016 -£15,530) 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 £710 (2016 - £795).

9. TANGIBLE FIXED ASSETS

	Freehold Land £	Plant & Equipment £	Office Equipment £	Total £
Cost or valuation				
At 1 April 2016	32,586	211,380	17,132	261,098
Additions	-	2,145	319	2,464
Disposals	-	-	-	-
At 31 March 2017	32,586	213,525	17,451	263,562
Depreciation				
At 1 April 2016	230	190,643	17,131	208,004
Charge for the year	-	15,538	106	15,644
On Disposals	-	-	-	-
At 31 March 2017	230	206,181	17,237	223,648
Net Book Value				
At 31 March 2017	32,356	7,344	214	39,914
At 31 March 2016	32,356	20,737	1	53,094

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 2017

10. FIXED ASSETS INVESTMENTS

Investment in subsidiaries at cost		
At 31 March 2017	2017	2016
	£	£
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 is one of four members of 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 'preserve, maintain and improve the Cotswold Canals and their surrounding areas for the benefit of the public'. The Trust's liability is limited to £10. The accounts for Stroud Valleys Canal Company for the year ended 31 March 2017 show:

Net outgoing funds for the year	<u>£ (84,498)</u>
Net assets at 31 March 2017	<u>£ 1,686,332</u>

11. DEBTORS

	2017	2016
	£	£
Trade debtors	285	4,147
Gift aid due	23,102	44,148
Grants due	19,000	4,000
Other debtors	910	-
Amounts due from subsidiary	19,947	15,530
Prepayments and accrued income	12,777	13,103
	<u>76,021</u>	<u>80,928</u>

12. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	3,345	6,930
PAYE/NI	1,688	-
Accruals	7,060	7,559
	<u>12,093</u>	<u>14,489</u>

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13. FUNDS

	Unrestricted			Total Funds £
	General Fund £	Designated Fund £	Restricted Funds £	
Funds at 1 April 2016	134,649	98,095	299,553	532,297
Incoming resources for the period	237,329	-	91,755	329,084
Outgoing resources for the period	(230,132)	(5,821)	(42,131)	(278,084)
Transfers	12,639	(13,181)	542	-
Funds at 31 March 2017	154,485	79,093	349,719	583,297
Represented by				
Fixed assets (note 9)	-	39,915	-	39,915
Net current assets	154,485	39,178	349,719	543,382
	154,485	79,093	349,719	583,297

14. DESIGNATED FUNDS

	Movement on funds				Balance at 31 March 2017 £
	Balance at 1 April 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	
Fixed asset fund (note 9)	53,095	-	-	(13,181)	39,914
Future projects fund	45,000	-	(5,821)	-	39,179
	98,095	-	(5,821)	(13,181)	79,093

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.

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15. RESTRICTED FUNDS

Purpose	Movement on funds				Balance at 31 March 2017 £
	Balance at 1 April 2016 £	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	35,096	5,000	(13,390)	-	26,706
Fencing at Tunnel House	1,719	-	-	-	1,719
Brewery Bridge Mural	381	-	(718)	337	-
Phase 1B - membership appeal	161,552	49,445	(22,371)	-	188,626
Mud barges	1,107	-	(739)	-	368
New trip boat	-	27,250	(56)	-	27,194
Sculptor in residence	-	1,760	(2,009)	249	-
Summit working party	-	200	(200)	-	-
Footpath signage	-	3,500	(280)	-	3,220
Augustus exhibition	-	600	(556)	(44)	-
Landing stages	-	4,000	(1,812)	-	2,188
	299,553	91,755	(42,131)	542	349,719

All restricted funds represent money donated or raised for restoration work in specific areas of the canals or other specific projects. Transfers represent excess costs on projects where the balance is made up from the general fund.

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.

Operating lease commitments at 31 March 2017 were £50,217 (2016 - £62,772).

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 £20,000, 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. CONTINGENT ASSETS

The Trust has been notified of their entitlement to two residual legacies. However the solicitors dealing with the estate are not able to quantify the amounts due to the Trust. Since the year end the Trust has received £10,000 from the estate of Mr Richard Canning and this amount is included as income in the current year. It is anticipated a further amount will be due from the estate of Mr Richard Canning and there will also be a legacy from the estate of Mr Mervyn Fromm.

19. 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.

20. 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.