

THE COTSWOLD CANALS TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

Company number: 01207787

Charity number: 269721



THE COTSWOLD CANALS TRUST

YEAR ENDED 31st MARCH 2018

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THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018

Cotswold Canals Trust (CCT) Council submits its 43rd Annual Report to members of the Trust for the year ending 31st March 2018 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 2017.

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.
- The Trust is a partner in the Cotswold Canals Partnership (CCP).
- Principal activity: the promotion and restoration of the Stroudwater Navigation and the Thames & Severn Canal.

2 AIMS AND OBJECTIVES

The current objects of the Cotswold Canals Trust as set out in our Memorandum and Articles of Association are:

- The preservation, maintenance in good order and improvement of canals, navigable rivers and inland waterways (herein called "navigations") for the use of the public.

The aims of the Cotswold Canal's Trust (CCT) 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.

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.

Of special note towards achieving those aims is the success of the CCT and Stroud District Council (SDC) co-led bid to the Heritage Lottery Fund (HLF) to connect Stroud and Stonehouse to the inland waterway network (Stroudwater Navigation Connected, SNC). This bid was submitted in November 2017.

SDC announced the successful award of development stage funding in April 2018. This will be completed towards the end of 2019, at which stage the final application for delivery stage funding will be submitted. This followed the success of the completion of Phase 1A and the official opening by HRH The Prince of Wales on the 2nd February 2018.

Full restoration of the Cotswold Canals will be phased dependent upon major funding. CCT will be seeking to seize every opportunity to raise funds to restore sections of the canals not within designated schemes.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

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 2018:

- Chair: Jim White
- Vice-Chairs: John Newton & Alan Jones (appointed February 2018)
- Treasurer: Chris Lambert
- Company Secretary: Shelley Anderson
- John Allan (responsibility for Eastern Section Strategic)
- Bob Ambury (responsibility for Western Division Construction)
- Leonie Asquith (responsibility for Fundraising) (co-opted February 2018)
- Peter Best (responsibility for SVCC liaison)
- Laurence Bryant (responsibility for Health and Safety) (co-opted February 2018)
- Lois Francis (responsibility for Education and Communities)
- Robin Payne
- Steve Pickover (responsibility for Procurement)
- Pat Swift (resigned December 2017)

In addition to the member roles described above, Jim White has responsibility for Mechanical Engineering, John Newton for Operations, Alan Jones for Western Division Construction and Shelley Anderson for Environmental Matters. Laurence Bryant has recently taken lead of the Project Commissioning Group.

The Chief Executive of CCT is Ken Burgin who reports to Trust Council.

3.1 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 13 members on Trust Council (the maximum allowed by the Articles of Association is 15) and hence two vacancies (at the time of writing this report there are no vacancies).

3.2 Appointments to Other Bodies

Jim White and Chris Lambert are Directors of Cotswold Canals Trust (Trading) Limited. Peter Best is the Chair of Stroud Valleys Canal Company (SVCC).

Lois Francis has been reappointed to the new Regional Advisory Board for Wales and the South West, Canal & River Trust (CRT) and is Vice-Chair of the Stroudwater Navigation Archive Charity (SNAC).

CCT's Chief Executive (not a member of Trust Council), Ken Burgin, is a Director of Stroud Valleys Canal Company and Director of the Company of Proprietors of the Stroudwater Navigation (CoPSN).

Jim White and Shelley Anderson were appointed to the SNC Project Board (with other SNC major partners: Gloucestershire County Council, Canal & River Trust and SVCC), which reports to SDC and held its first meeting in June 2018.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

4 MEETINGS

Council, which manages the business of the Trust, normally meets monthly except in January and August. However, during 2017/18 Council did meet in January 2018. The primary purpose for this meeting was to discuss Construction (Design & Management) Regulations and application to CCT's restoration projects.

Council has appointed an Executive Committee 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 and boat trips.

The Cotswold Canals Partnership Board meets quarterly (see Section 11).

The HLF bid convened by Dr Val Kirby (former Trustee) and Core Partners and Theme Leads meetings were held up until submission at the end of November 2017. These meetings have transitioned to Partnership Panel Meetings for this development stage (after March 2018). Theme leads also attended meetings with their stakeholders throughout this period (e.g. regulatory agencies, community groups, other charities).

The organisation of working groups at the western end (i.e. Phase 1A) has matured this past year (and continues to progress) under the leadership of CCT Directors. These groups include project management, fundraising, dredging and more recently, project commissioning (after March 2018). East end meetings, which includes the Inglesham boat team, are held monthly in Lechlade.

Individual Trust members have organised public talks including:

- Talks and presentations by Jill and Clive Field, Andy Berry and Charles Denny
- Stroudwater Sessions at Fromebridge Mill by David Bowker-Praed
- Wednesday Wildlife Walks along the canals by Martin Wright

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 7,563 (7,490). The Visitor Centres at Saul Junction and Wallbridge Lock (with a small contribution from The Gatehouse at Bonds Mill) were managed by Jill and Clive Field and lead CCT's membership drive.

6 DAY TO DAY MANAGEMENT AND ADMINISTRATION

In April 2017, CCT employed one full-time Administrator (Judith Lindley – 37.5 hrs/week) and two part-time Administrators (Justine Hopkins – 15 hrs/week and Diana Edwards – average of 14 hrs per week).

Justine Hopkins resigned and her last day of work was 31st October 2017. Lisa Mant was appointed in December 2017 (to work 20 hrs/week). At 31st March 2018, the part-time administrators worked 10 to 14 hrs/week.

Ken Burgin is Chief Executive and employed on a part-time basis (20 hours per week). Chris Lambert is Honorary Treasurer and Shelley Anderson Honorary Company Secretary.

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

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

7 STATEMENT OF DIRECTORS' RESPONSIBILITIES

7.1 Financial statements

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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.

7.2 Identification of major risks

All work of the Cotswold Canals Trust, except for 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.

Our major corporate risks are financial loss, programme delay and environmental damage.

8 VICE PRESIDENTS

Sir Geoffrey Clifton-Brown MP, Mr. Neil Carmichael, Mr. Chris Coburn MBE, Mr. David Drew MP, 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.

9 MAJOR GRANTS AND DONATIONS

CCT wishes to record thanks to the following for their generous grants and donations this past year:

- Legacies from Mervyn Fromm, Joan Newman & John Pugh totalling £33,400.
- Donations from CCT members to the Phase 1B Restoration Appeal during the year amounting to £40,331.
- An anonymous donor for a gift of £25,000.
- The Barnwood Trust, Hunt, NCIT, local Parish Councils and others amounting to £19,500 towards the proposed new trip boat.
- The Notgrove Trust for their grant of £18,000.
- The Brooks Trust for their grant of £1,000.
- Tarmac Ltd (Eysey Manor Quarry) for their annual grant of £5,000.
- Molson of Avonmouth for their continued long-term loan of an excavator, the latest being a new Kobelco SK17 SR delivered in December 2017.
- Precast Concrete Solutions for their donation of £1,700.
- The Stroud Raft Race for fundraising of £1,665.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

9 MAJOR GRANTS AND DONATIONS (Continued)

A special thanks goes to all those organisations and individuals that have provided grants, funding, donations or pledges in support of CCT's fourth Trip Boat Project, under the management of Jill and Clive Field including (individuals not named):

Stroud District Council, Newland Homes, Stroud Vintage Engine Club, English Holiday Cruises, CCT Trip Boat Appeal via Trow Magazine, Saul Junction Boat Owners Club, Stonehouse Parish Council, Cainscross Parish Council, Brimscombe & Thrupp Parish Council, Amberley Beavers, Crafty Ladies, Stroud Vintage Engine Club, Barnwood Trust, National Council on Inland Transport, The Garfield Weston Foundation, Stroud Brewery Bingo Fundraising evening, Charles Irving Charitable Trust, Jackie Peet Sponsored Swimathon, The Rowlands Trust, Stroud Town Council, Beta Marine, Bruce Wake Trust, Wilfred & Constance Cave Foundation, Gloucestershire Disability Trust, The Langtree Trust, Proceeds from Mike Hynd's painting, Waitrose Stroud, Tesco Bag Fund.

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

In addition, 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 Balance Sheet of CCT on 31st March 2018 shows Total Funds of £570,348 (£583,297) of which £304,249 (£349,719) is Restricted.

The Trust's Reserves are thus £266,099 (£233,578) which comprises:
General Funds £189,976 (£154,485)
Designated Funds £76,123 (£79,093)

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 contingency 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's Contingency Fund Policy is currently £40,000. The objectives of this fund are to cover the risk of unforeseen emergency or other unexpected need for funds in connection with its maintenance and construction activities and to cover the risk of unforeseen administrative and operational costs and fund short-term deficits in the annual budget.

Any General Fund more than the £40,000 contingency may, from time to time, be designated to take account of unforeseen opportunities.

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

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

11 THE TRUST'S ROLE WITHIN THE RESTORATION PARTNERSHIP

11.1 The Cotswold Canals Partnership Board – CCPB

The Cotswold Canals Partnership comprises 17 organisations including CCT, Gloucestershire County Council (GCC), Stroud District Council (SDC), Stroud Town Council (STC), Cotswold District Council (CDC), 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), Cotswold Water Park, Wiltshire County Council and CoPSN.

CCT continued to play a key role in the Partnership by providing updates on restoration progress across all phases and opportunities of interest to the stakeholders. The Chair, Chief Executive and SNC Convenor attended the main Cotswold Canals Project Board meetings which were chaired by Jason Leach of the Canal & River Trust.

11.2 Stroud District Council – SDC

The Phase 1A restoration programme was led by Stroud District Council (SDC). CCT's Chief Executive (Ken Burgin), Chair and Engineering Director (Jim White), and Vice-Chair and Operations Director (John Newton) were the primary contacts between CCT and the SDC Canal Project Management Team led by Dave Marshall.

Meetings between SDC Canal Project Team and CCT's key personnel were and continue to be held as required to provide the level of communications necessary to coordinate the projects and plan forward strategy.

Key CCT volunteers also manage ongoing Phase 1A projects, in liaison with Jon Pontefract, SDC Volunteer Co-ordinator (supported by Ian Moody), as well as preparing for future restoration projects. SDC also manage other weekly volunteer groups sharing plant and equipment with CCT. These groups are continuing widening and improving their skills and abilities.

11.3 Inland Waterways Association – IWA

CCT continue to be the Lead Partner in Phases 2 and 3 of the restoration (Brimscombe to Inglesham) and work closely with the IWA and their Waterway Recovery Group (WRG), particularly at the Inglesham Lock rebuild.

CCT host IWA/WRG weekend and summer, week-long restoration camps across all phases of the restoration.

11.4 Stroud Valleys Canal Company – SVCC

The working relationship between CCT and SVCC continued to strengthen this past year as volunteers from the Western Depot, landing stages team and dredging team led the final construction projects of Phase 1A and implemented maintenance programmes for the fully restored sections.

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 a wide range of plant and equipment and work vessels. Increasingly SVCC purchases and owns major items of plant & equipment which are made available to the CCT volunteer force.

An account of some of the volunteer restoration projects is given in para 15.

12 PHASE 1B (STROUDWATER NAVIGATION CONNECTED) BID TO THE HERITAGE LOTTERY FUND (HLF) by Dr Val Kirby

The 2017-18 financial year was notable for the extraordinary and outstanding amount of work that dozens of people put into creating the 2017 Heritage Lottery Fund bid. Of course now we know that we were successful, but the decision to give the project a Stage 1 pass was not taken until late April 2018, so strictly should not be reported now - but it is hard to avoid mentioning here such a resounding success.

A major influence on the shape and content of the 2017 bid was the HLF's rejection letter that we received in 2016. We were asked to raise more money up front: more than £5 million was secured as a result of financial commitments from 3 Core Partners as well as from our established programme of fund raising. We were also asked to reduce uncertainty, which we did in a number of ways, for example by doing all the preparatory work for a planning application to reinstate the Missing Mile. We were told that both the biodiversity proposals and activity planning in the previous bid were not convincing, so we showed how both were an integral part of the project.

THE COTSWOLD CANALS TRUST (CCT)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

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

In early January 2018 we heard that our visit from the HLF, a critical part of the assessment process, would be on 5 March. The team focused on creating a day that would convince the HLF that they must support our project. The day was part site visit (rehearsed) and part Question and Answer session in the pavilion at Stroud's Museum in the Park. The weather was good and our timing worked. At every stopping point on the tour, as well as show-casing the canal and the work of our volunteers, we arranged for different community groups to be present - paddle boarders and people recovering from strokes at Capel's Mill, school children having a history lesson at Fromebridge Mill, a couple in World War 2 Home Guard Uniform at Bonds Mill and so on.

It worked. In late April the Heritage Lottery Fund's Trustees awarded a Stage 1 Pass to Stroudwater Navigation Connected. Our project is one of only four major projects (that is, projects asking for more than £5 million) in England and Wales to receive HLF backing this year. It means that the project is now in its Development Stage, which will last until Spring 2020 and towards which the HLF is contributing £842,800. CCT are joint Co-lead with SDC, who are the accountable body.

In the late autumn of 2019 the project team aims to make a further application to the HLF for permission to start the Delivery Stage. This hopefully will release the remaining £9 million of HLF funds. By the summer of 2023 the link to the country's navigable waterways network should be complete, making 16 km (10 miles) of canal from Saul Junction almost as far as Brimscombe Port, open to navigation.

The Trust's 2018-19 Annual Report will contain more about the Development Stage, and our plans for asking the HLF to release the remaining £9 million so that the project can move into the Delivery Stage. For now, it is important for this brief report to close with my heartfelt thanks to all the many people and organisations who made the bid possible, and who are still working hard to bring the project to a successful conclusion.

13 PROMOTING THE CANALS AND FUNDRAISING

13.1 Trading Company Activities

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

Trip Boats East

The trip boat 'Inglesham' operates on the River Thames from the Riverside Park, Lechlade. Inglesham offered charters throughout the 2017 season (from April to end of September) with Alan Driver as the Boat Manager. This operation has a total of 16 trained volunteers in addition to Alan.

The Inglesham and her crew carried 450 (402) passengers on charters with an income of £3,447 (£3,105), including donations. In addition, she carried 136 passengers on public trips with an income of £583.

Trip Boats West

The two trip boats 'Endeavour' and 'Perseverance' are managed by Rob Burgon with support from an active and qualified volunteer crew of approximately 30 people for the year 2017/18.

'*Endeavour*' was in her 2nd season of trading at Saul Junction, on the Gloucester & Sharpness Canal (having been transferred from the Stroudwater Navigation). She carried a total of 1,931 (1,441) passengers on 253 (173) public trips and 34 (41) charter trips yielding a total income of £12,148 (£8,495). This includes Santa Cruises held in December 2017 which attracted 620 passengers (Santa Cruises in 2016 operated from Ebley).

'*Perseverance*' operated from Ebley on the Stroudwater Navigation. She carried a total of 1,053 (1,977) passengers on 130 (208) public trips and 46 (46) charters yielding an income for the year of £7,397 (£9,908). This includes the income from wedding charters operated in partnership with Stonehouse Court Hotel.

The combined western boat income amounted to £19,545 (£18,403).

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

Saul and Wallbridge Visitor Centres

Both Saul and Wallbridge Centres were jointly and voluntarily managed by Clive and Jill Field with the assistance of paid administrators. The Centres attracted a combined total of 17,337 (16,838) visitors during the year and generated an income of £37,612 (£33,433). In addition, 231 (232) membership applications were processed with the Wallbridge Centre accounting for 176 (193) of these.

13.2 Other CCT Promotional & Fundraising Activities

CCT Talks

CCT Presentations & Promotions Teams, Jill and Clive Field and Charles Denny and Andrew Berry compiled and presented 44 talks to a variety of groups including U3A, Probus, W.I. History Societies and other Waterway Trusts.

These talks took place in Gloucestershire and surrounding Counties. In addition, Jill and Clive delivered six 'Walks & Talks' from Wallbridge Visitor Centre.

Exhibition at Bell House, Wallbridge Lock

The photography exhibition 'Reflections on our Heritage' by CCT Members David McGovern and Alison Lusty has run throughout the year at Bell House.

The photos were also presented as greeting cards, rulers and bookmarks sold in the Visitor Centre shops.

Canalside Benches

This enterprise was co-ordinated by Clive & Jill Field. The benches are manufactured and installed by volunteers at the Trust's Eastern and Western Depots using reclaimed greenheart. 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 59 have been installed along the length of the Cotswold Canals. 10 (4) benches were installed during 2017/18 yielding an income of £7,500 (£3,000).

Concerts

The Cotswold Canals singers performed one concert in the year 2017-18 but had two goes at doing so! The first date in early December was in the middle of the snow, so the concert was rescheduled for late January. The highlight of the concert was Benjamin Britten's 'Ceremony of Carols', accompanied by harpist Jemima Philips. The singers also performed other seasonal songs and carols, including a new setting of 'Adam lay y bounden' by conductor Hugh Barton. Major Pipework Recorder Consort also performed. The concert made a profit of £900 which was donated to CCT funds.

Log Sales

1. Western Depot

Following the demise of the delivery service in November 2016, a somewhat different log sales enterprise arose from the ashes in September 2017. Still orchestrated by David Pagett, it is based on customers visiting Western Depot to collect their logs. Although dealing in much smaller volumes it soon proved to be popular with £4,000 raised by the end of the financial year.

The venture is expected to continue well into the future. At the time of the preparation of this report, stock levels of well-seasoned logs are excellent with a noticeable recent upturn in sales evident.

2. Eastern Depot

The Eastern Depot showed progress in developing a logging enterprise. Following some local advertising, log deliveries increased to produce an income totalling £4,600. This interest has resulted in the Eastern end logging operation being expanded in anticipation of a further significant increase in orders in the coming season.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

New Trip Boat Fund

CCT Council 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.

Jill and Clive Field continued to build funds for the new trip boat through donations, grants and fundraising events. CCT sincerely thanks Jill and Clive for their successful management of this project since its inception in June 2016. To date (October 2018) more than £100,000 has been raised and CCT sincerely thanks all those donors listed in Section 9: Major grants and donors.

Pratt Naval Architects has subsequently been commissioned to prepare the vessel design according to CCT's specifications for consideration and further business case development prior to commissioning the build.

The Book Shop at Brimscombe Port

Cotswold Canals Trust volunteers operate a second-hand book shop at Brimscombe Port. It was established by Alan and Anna Watts within former office premises built on the site of the long since demolished Thames & Severn Canal Headquarters (thanks to SVCC for allowing the use of Unit 1).

The shop carries a wide range of books, DVDs, jigsaws, maps and vinyl records. It reached almost two years of trading by end of March 2018 (commenced on the 23rd April 2016). Monthly takings increased from an average of £1427 in their first year to £2144 in the second year and continues to grow (£2239 so far in the third year). Proceeds donated to CCT for this year was a record £26,100 (£15,500 in 2016-17).

The bookshop made appearances in the past year at the Slice through Time Event at Saul Junction (20 – 21st May 2017), Tall Ships Festival at Gloucester Docks (27th to 29th May 2017), and the Stroud Raft Race (Wallbridge Upper Lock, 1st October 2017).

The success of the book shop is testament to the commitment of the organisers and their dedicated team of volunteers, including those volunteers who apply their knowledge of the record trade and rare books. This year (2018), they are experimenting with two pop-up bookshop activities at the New Inn Lechlade.

The Stroud Raft Race 2017

The Stroud Raft and Duck Race was held on Sunday 1st October 2017. This was the second raft race held on the Cotswolds Canals since the 1987 race organised by Luciano Magalotti (landlord of the then Bell PH, Wallbridge Upper Lock).

The 2017 race was organised by a Committee led by Luciano and Sarah Magalotti, with eleven teams competing over the pound from Wallbridge Upper Lock to Capel's Mill. As for 2016, the event provided a colourful display and range of rafts and fancy-dress themes and attracted an enthusiastic crowd. Funds raised were donated to The Door and CCT. The Door is a Christian-based youth project, established in 1991 for the benefit of all young people aged 11 to 25 and their families. They are a needs-led organisation, working closely with their clients to offer the right support.

Race results were:

1. Access Bike Aaarrc 1hr 20 minutes 2. Boatmobility 31 mins 4 sec **THIRD** 3. A Raft of Good Ideas 36 mins 1 sec 4. The Brunch Bunch 1 hr 11 mins 5. HMS Rafterthought 36 mins 6. Taylor Made 31mins 3 sec **SECOND** (Also winner of most creative raft) 7. Hawaii four oh! 39 mins 8. Captain Pugwash 51 mins 9. Nautilus - unfortunately did not make it back to Wallbridge. 10. Spaced Out 24 mins **FIRST** 11. Restoration Rowers 37 mins.

Thanks are due to all those involved in organisation of the race. This includes Luciano and Sarah Magalotti, Stroud and Stonehouse Rotary, all race day volunteers and vendors. Special thanks are given to the Stroud Valley Canoe Club for providing on water safety crews and advice and training leading up to the event.

CCT and The Door also thank the race's main sponsor Keystone Law and all sponsors (including 1st Call Auto Rentals, The Clothiers Arms, Upper Lock Café, The IT Girl, Autocraft Services Ltd, Warwick Cars, MGM Motor Components Ltd, Stroud Space Centre Self Storage, Carpet Hotline, The Retreat, Personal Best Health and Fitness, Majuba, The Prince Albert, The Little George, Curio Lounge, Stroud Tourist Information Centre, Stroud Subscription Rooms, Stroud Sign Centre, Travis Perkins, WWT Slimbridge and the Bowbridge Arms).

The event made a profit of £3,330 which was divided between The Door and CCT.

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300 Club

The 300 Club is managed by our Administration Assistant, 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 370 (385). The first prize each quarter averaged £720 (£700). £4,800 (£4,664) was distributed in prizes and the contribution to CCT was £6,227 (£6,378)

Volunteer Get Togethers

A record number of 17 teams entered the fourth annual Cotswold Canals Trust Quiz night at Fromebridge Mill, Whitminster on Tuesday 16th January. The evening was well supported by the community with teams coming from as far afield as Bristol. Questions were researched and set by Jan Thomas while Charles Denny was the (most eloquent) presenter. ‘The Downton Upstarts’ (team captain David McGovern) were the winners, for the second year in a row...

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.

Communications

Connect

Connect, the Cotswold Canals Trust's Database of Volunteers and Volunteer Activities, is managed by Dennis Clarke, the CCT Connect Webmaster. Connect is an interactive database system which enables a) CCT Activity Leaders to publicise events to all registered Volunteers and b) for Roster Managers to monitor their particular Rosters, and c) for Volunteers to record their own areas of interest, browse current and planned activities and become actively involved.

The Database enables the establishment and management of Rosters for any activity/event and by displaying the Rosters online enables all Connect registered Volunteers to keep up to date with the overall staffing position for any activity/event and to offer their services onto the given Roster.

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 feedback any problems encountered to the Webmaster.

The Trow

The main means of communication from CCT to its membership continues to be ‘The Trow’, which takes its name from the historic River Severn sailing vessels. It is the magazine for members and friends working to restore the Cotswold Canals.

The production of the magazine is led by David Jowett (compilation and layout) with thanks due to many others including Sharon Dainton of The Design Cooperative, Zeta Printing Services and Peter Perry for advertising. It is mailed to all members and over 300 complimentary copies were sent to local councillors, businesses and landowners.

Website

The Website www.cotswoldcanals.com is an 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 Webmaster, Mike Gallagher makes a significant contribution to photographic content and Mark Strange provides the technical services in conjunction with Chris Lambert. The website includes links to CCT's Facebook, Instagram, Twitter, YouTube and Flickr pages as well as the Restoration Blog Site.

The Restoration Blog is run by the CCT fundraising Team and hopes to inspire its viewers to help us connect the Stroudwater and Thames & Severn Canals back to the national network.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

14 RESTORATION BY VOLUNTEERS

14.1 The Role of Volunteers

The Cotswold Canals Trusts operates primarily through the time, labour and resources input by volunteers (except for its Chief Executive and administrators, see Section 6). It is this level of engagement from volunteers (from Saul to Inglesham) that makes our Charity a little different from many others.

This volunteer input ranges from strategic planning, project management and engineering design to construction, restoration, dredging, vessel refurbishment, operation of mechanical plant and maintenance activities. There is also a large volunteer force engaged in promotion of the canals, membership recruitment, fundraising, boat trips and customer services (see our overview of the past year's trading activities in Section 13).

The volunteer skill base continues to grow and produce key deliverables as evidenced by our (SDC and CCT's) successful bid to the Heritage Lottery Fund for Stroudwater Navigation Connected (SNC) (led by another volunteer, Convenor Dr Val Kirby). Most of the project management team across all the themes required to successfully complete the Development Phase of SNC are volunteers with specialist expertise.

14.2 CCT Trust Council (TC)

The year 2017/18 was a time of consolidation for the new Trust Council structure implemented the previous year to form a strong governing body and manage an increasing workload. The primary aims remained the same:

To ensure that all aspects of CCT's activities are represented at TC

To ensure good communication, teamwork and project planning

To strive for satisfaction among volunteers in their various roles

Directors and Trustees have a responsibility for sound governance. To assist in this overall responsibility individual Directors champion specific topics and/or functional aspects of business, namely: engineering, operations, construction, environment, development (Eastern Thames & Severn), fundraising, health & safety, education & communities and procurement.

Key areas have since developed functional project management and working teams. New policies and procedures developed in the past year included data protection to meet the General Data Protection Regulations (GDPR).

Trust Council has also strengthened its partnerships over the past year with Stroud Valleys Canal Company (SVCC) and Stroud District Council (SDC).

14.3 CCT Operational Divisions

The operations divisions are (a) Western (including the depot at Chipmans Platt, Eastington) and (b) Eastern + Summit (including the depot at Alex Farm, Down Ampney). Both divisions reported to John Newton (Operations Director), with oversight of the eastern operations also provided by John Allan (Development Director, Eastern Thames & Severn).

Project management has evolved also, with new arrangements being developed to meet the needs of Stroudwater Navigation Connected (e.g. the creation of a Project Commissioning Group (PCG) in the latter half of this year). This group aims to steer and support projects through approval gates to make sure projects meet regulatory, health and safety and financial requirements.

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
- Dudbridge grill manufactured and installed
- Manufacture of control gear to change Lodgemore Bridge from manual hydraulic to electrical hydraulic
- Refuelling excavators and boats
- Logging enterprise

THE COTSWOLD CANALS TRUST (CCT)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

The Eastern Depot at Alex Farm Activities during the year included:

- Manufacture of jack posts for Phase 1 lock paddle gear
- Manufacture of commemorative benches
- 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
- Thursday evening work party operating near Alex Farm, led by Jon Pontefract (SDC Canal Project – Volunteer Manager).

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 four locks and the clearance of vegetation from the pounds and subsequent dredging to navigable depth.

Ham Mill Lock

The lock chamber was restored, and new gates fitted in 2015. Work has started to address the problems of the landslip below the lock and a replacement for the badly damaged bypass weir culvert.

Bowbridge Lock

With the bridge crossing complete, boats were able to gain access into the restored and re-gated Bowbridge Lock which was used again for the first time in about 85 years.

Bowbridge Bridge

This GCC project was completed in the summer of 2017 and provides access for boats and pedestrians under the road using the restored brick arch bridge. Improved pedestrian access at Bowbridge was constructed by SDC canal restoration volunteers with a new set of stairs leading up from the towpath and railings along the canal edge. Work on a nearby wheelchair access ramp was completed by August 2018.

Dredging

Extensive dredging on the pound between Bowbridge Lock and Griffins Mill Lock has been undertaken by volunteers using a combination of land based and floating kit. This comprised two diggers, one of them long reach, owned by SVCC and purchased with a grant from SDC, CCT's dredger, purchased by the Trust in the early days and refurbished several times since, Annette II and the two mud boats, Warp and Weft, sponsored by Stroud Town Council.

A big thanks to the wet and dry dredging teams for returning more lengths of canal to navigation. Also, a special thank you to the owners of the neighbouring land for allowing us to undertake this work.

Ocean Bridge to Bowbridge

Landing stages

The Landing Stages & Piling team, led by Alan Jones and Mike Hewett, constructed further boat landing stages at Ryeford bridge (west) (a canal materials load/offload stage), Lodgemore Lane lift bridge and Wallbridge lower lock. Four final Phase 1A stages are in planning east of Stroud, at Bowbridge lock (west), Griffins Mill lock (west) and Ham Mill lock (west and east). Also, the team built two recycled plastics residential mooring stages at Ryeford – west of the road bridge, far bank.

THE COTSWOLD CANALS TRUST (CCT)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

Ryeford causeway & Ford's Wharf

Ford's wharf renovation and widening was completed by the Landing Stages team, with help from SDC-led volunteers. This included heavy piling of a new bank, set around 400mm out from the original wharf wall to form a safer, wider towpath, pumping 36m³ of concrete behind the piles, resetting the coping stones onto the piles/new concrete wall and bringing in many new ones, re-laying the wharf path using new brick pavers (old, good brick pavers were reused at the swing bridge), fixing further, new mooring rings in the wharf edge, cleaning and re-pointing the tall brick wall by the swing bridge and setting a large stone, reclaimed from the canal. A plaque will be fitted to this stone in commemoration of the late Bill Evill, who was an enthusiastic volunteer and canal promoter for the Trust. In addition, whilst at Ryeford, the team reset and tied back the old piles east of the swing bridge on the far side and rebuilt a short section of canal edge between the bridge and those piles, so that the whole area was in a tidy condition.

Wallbridge Lower Lock

This SDC led project, which has used contractors and volunteers including WRG, was completed during the year and was formally reopened by HRH The Prince of Wales on 2nd February 2018. It also enabled a boat trip from The Ocean to Bowbridge carrying representatives from the Heritage Lottery Fund to demonstrate that navigation was now possible and that the final part of their grant should be released.

15.2 PHASES 2 & 3 (BRIMSCOMBE PORT TO INGLESHAM)

Inglesham Lock Restoration

Inglesham Lock and 300 metres 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 continued to make progress in restoring the main lock chamber with one side almost complete and the other expected to be completed over the course of six weeks of summer camps in 2018.

Kings Reach

The Grade II listed wall, near the entrance to the Coates end of Sapperton Tunnel, has collapsed. A report has been commissioned and ways and means of remedying the situation are being discussed with Cotswold District Council and the relevant landowners.

Weymoor Bridge

The technical issues reported last year were found to be relatively minor and were remedied. A further independent consultant engineering report was procured to provide necessary reassurance to the landowner prior to work continuing.

The Cotswold Water Park Area

The Trust is active in seeking co-operation with various aggregate quarrying companies in the eastern section of the canal where it passes through the Cotswold Water Park. The route of the canal is protected but there are infilled sections that could be reinstated, and sites are needed where the resultant holes can be lined with clay and used as future reservoirs for the canal.

A well supported planning application for the reinstatement of the currently infilled canal across Roundhouse Farm is awaiting determination and we hope that this will pave the way for a minerals planning condition to reinstate the canal over that site to be met.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

16. GOUGH'S ORCHARD WATER FEED

A new water feed was installed during the year to provide a water supply for the canal from Brimscombe to Wallbridge. This is located at Goughs Orchard and is in the form of a siphon to avoid very expensive and deep excavations across third party land. The pipe is 300 mm in diameter and the flow is instigated by sucking the air out of the pipe so that water flows from a mill pond about 70 m into the slightly lower canal into the tail of Goughs Orchard Lock.

The amount of water that SVCC can take is controlled by an Environment Agency licence and depends on there being sufficient flow in the River Frome. Environmental monitoring must be undertaken to ensure that there is no untoward environmental damage. The siphon is still in the process of being finished ready for continuous operation but has been run successfully for short periods.

17. SEVERN TO THAMES WATER TRANSFER

Thames Water released its draft Water Resource Management Plan (WRMP) 2019 for public comment early in 2018. CCT supporters were encouraged to participate in this important consultation and briefing materials were produced to assist them in doing so.

The draft Plan did not have a Severn–Thames transfer as one of its preferred solutions for supplying London and the South East with the water it needs. The cost arguments and the rationale for not including the Cotswold Canals Severn–Thames Transfer scheme have been challenged. There will be a revised WRMP plan issued and DEFRA will decide whether to accept it, insist on changes or hold a Public Inquiry. Final decisions are unlikely before 2019 and even then, these plans come up for revision every five years.

18. AUDITORS

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

19. SUMMARY

This report illustrates that CCT, working in partnership with volunteers, has been successful during the year to 31st March 2018 in meeting the four principal aims of our canal restoration. It also shows that CCT have been able to attract the necessary funds to deliver the restoration challenges. That strong partnership with others, our financial and technical strengths, and lasting engagement with the local community, gave the Heritage Lottery Fund Trustees confidence to award a stage 1 development phase grant in April 2018, to continue the restoration work.

This has been a threshold year that has now opened the door to the very strong possibility of re-connecting the Cotswold Canals to the national waterways network within the next five years or less. Unsurprisingly much of the year was taken up in revising and presenting the grant application to HLF, working closely with SDC as the accountable body for the Stroudwater Navigation Connected (SNC) project.

The year has also been used to restructure our internal management procedures and project programme control systems, in readiness for SNC. A new suite of functional meetings has now superseded the monthly Project and Construction management meetings. They cover Project Commissioning, using a gated approval system from inception to delivery, Project Management on a reporting by exception basis, and a Dredging Planning meeting. The Treasurer has revamped the accounting system, creating an accessible internal CCT intranet system, available to all project managers, to monitor the financial status of their projects, and an on-line banking system to give prompt payment to our many suppliers. In preparation for the SNC project, a document storage and retrieval IT system is under development together with a project planning process. New to the Trust is a dedicated fundraising team which has been immediately successful in opening new sponsorship routes and an income stream from grant making bodies. These improvements have allowed us to 'hit the ground running' when HLF announced the good news.

THE COTSWOLD CANALS TRUST (CCT)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st March 2018 (continued)

An increasing number of volunteers from all walks of life have continued to be attracted to the Trust, allowing us to expand our reach and capabilities. At the western depot it has been necessary to expand our accommodation on the site. The volunteer activities include manning our Visitor Centres and Book Shop, promoting the Trust by illustrated talks and walks, undertaking professional tasks on environment control, engineering design, project and programme management, taking and preparing meeting minutes, as well as the physical restoration work of lock and towpath restoration and maintenance, building landing stages, dredging and silt management and many construction tasks. All our activities are monitored to ensure they are safe, legal, technically sound and affordable. The delivery also has to be enjoyable and fun!

Two notable events this year have drawn the attention of the people of Stroud.

On 10th November 2017 our HLF monitors for the completed restoration project from Stonehouse to Bowbridge made an inspection visit to navigate that section on-board the workboat 'Wookey Hole', and on 2nd February 2018, HRH The Prince of Wales opened Wallbridge Lower Lock from on-board the passenger boat 'Perseverance'. The Lord- Lieutenant of Gloucestershire, the Chair of the HLF, the Chair of HLF-South West, the Deputy Chair of the Canal and Rivers Trust and many other important guests, attended this popular event in the life of the canal in Stroud.

The continued support of our members, the public and our Partners is essential for future progress. The contribution they make is detailed within this report and CCT are indebted to them for their generosity in time, advice and financial support. CCT, with our partners, are now well positioned to maintain the existing restoration of the canals and deliver the next phase to the benefit and enjoyment of the community.

This Report was approved by Trust Council on 3 October 2018

Jim White
Chair

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF THE COTSWOLD CANALS TRUST

Opinion

We have audited the financial statements of the Cotswold Canals Trust for the year ended 31st March 2018, 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, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31st March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matter 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the note 7 of the director's report on page 4, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

9 October 2018

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

FOR THE YEAR ENDED 31st MARCH 2018

	Notes	Unrestricted			2018	2017
		General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
Income from:						
Grants, donations and legacies	2	112,152	25,000	92,552	229,704	178,347
Other trading activities						
Commercial trading operations	3	58,363	-	-	58,363	54,941
Membership subscriptions		52,717	-	-	52,717	56,196
Income from log sales		8,685	-	-	8,685	14,165
Income from sale of donated books		26,097	-	-	26,097	15,470
Income from engraved bricks		5,010	-	-	5,010	-
Advertising income		5,717	-	-	5,717	8,499
Investment income		831	-	8	839	1,466
Total income		269,572	25,000	92,560	387,132	329,084
Expenditure on:						
Raising funds						
Commercial trading operations	3	52,488	-	-	52,488	50,749
Other trading expenditure		3,561	-	-	3,561	-
Publications and promotional	4	33,902	-	40,939	74,841	26,816
Charitable activities	5	147,456	24,644	97,091	269,191	200,519
Total expenditure		237,407	24,644	138,030	400,081	278,084
Net income/(expenditure) for the year before transfers		32,165	356	(45,470)	(12,949)	51,000
Transfers		3,326	(3,326)	-	-	-
Net movement in funds for the year		35,491	(2,970)	(45,470)	(12,949)	51,000
Reconciliation of funds						
Funds brought forward		154,485	79,093	349,719	583,297	532,297
Funds carried forward	13	189,976	76,123	304,249	570,348	583,297

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 31st MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	9	36,588	39,914
Investments	10	1	1
		<hr/>	<hr/>
		36,589	39,915
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks		6,220	5,070
Debtors	11	78,241	76,021
Cash at bank and in hand		511,713	474,384
		<hr/>	<hr/>
		596,174	555,475
CREDITORS: Amounts falling due within one year			
	12	(62,415)	(12,093)
		<hr/>	<hr/>
NET CURRENT ASSETS		533,759	543,382
		<hr/>	<hr/>
TOTAL NET ASSETS		570,348	583,297
		<hr/> <hr/>	<hr/> <hr/>
THE FUNDS OF THE CHARITY			
	13		
Unrestricted funds:			
General funds		189,976	154,485
Designated funds	14	76,123	79,093
		<hr/>	<hr/>
		266,099	233,578
Restricted funds	15	304,249	349,719
		<hr/>	<hr/>
Total charity funds		570,348	583,297
		<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 21 to 30 form part of these accounts.

Approved by the Directors/Trustees on 3 October 2018; and signed on their behalf by:

Jim White
Chair

THE COTSWOLD CANALS TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2018

	2018	2017
	£	£
Cash flows from operating activities		
Net cash generated from operating activities	<u>38,800</u>	<u>66,993</u>
Cash flows from investing activities		
Bank interest received	839	1,466
Purchases of tangible fixed assets	<u>(2,310)</u>	<u>(2,464)</u>
Net cash (used in) investing activities	<u>(1,471)</u>	<u>(998)</u>
Net cash from financing activities	-	-
Change in cash and cash equivalents during the year	37,329	65,995
Cash and cash equivalents at 1 April 2017	<u>474,384</u>	<u>408,389</u>
Cash and cash equivalents at 31 March 2018	<u><u>511,713</u></u>	<u><u>474,384</u></u>

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

	2018	2017
	£	£
Net movement in funds for the year	(12,949)	51,000
Adjustments for:		
Depreciation charges (note 9)	5,636	15,644
Bank interest received	(839)	(1,466)
(Increase) in stock	(1,150)	(696)
(Increase)/decrease in debtors	(2,220)	4,907
Increase/(decrease) in creditors	<u>50,322</u>	<u>(2,396)</u>
Net cash generated from operating activities	<u><u>38,800</u></u>	<u><u>66,993</u></u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

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, 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 31st MARCH 2018

(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 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 31st MARCH 2018

2. GRANTS GIFTS AND LEGACIES

Donor	Purpose	Unrestricted Funds		Restricted	Total
		General	Designated	Funds	Funds
		£	£	£	£
Membership appeal	Restoration fund (Phase 1B)	-	-	40,331	40,331
New trip boat appeal	New trip boat	-	-	19,805	19,805
Tarmac Ltd - S106	Eisey restoration	-	-	5,000	5,000
Molson	Plant hire	4,000	-	-	4,000
Notgrove Trust	Various	-	-	18,000	18,000
Anonymous	Engineers' Fund	-	25,000	-	25,000
Legacy from Joan Newman	General donations	3,000	-	-	3,000
Legacy from Mervyn Fromm	General donations	29,400	-	-	29,400
Legacy from John Pugh	General donations	1,000	-	-	1,000
Companies, Clubs and individuals	General donations	54,822	-	-	54,822
Gift aid		19,930	-	9,416	29,346
		112,152	25,000	92,552	229,704

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 31st March 2018

	2018	2017
	£	£
Turnover	58,363	54,941
Cost of sales	(32,453)	(31,473)
Gross profit	25,910	23,468
Overheads	(20,035)	(19,276)
	5,875	4,192
Amount covenanted to Cotswold Canals Trust	(5,875)	(4,192)
Retained in subsidiary	-	-
Total net assets at year end	1	1

THE COTSWOLD CANALS TRUST
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FOR THE YEAR ENDED 31st MARCH 2018

4. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted			2018	2017
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Publications and promotional					
Trow magazine costs	24,561	-	-	24,561	18,466
Promotional expenses	240	-	-	240	886
Raffle prizes and costs	4,815	-	-	4,815	4,684
Signage	1,338	-	-	1,338	-
Phase 1B bid cost			40,939	40,939	-
Events	1,959	-	-	1,959	504
Membership leaflet	989	-	-	989	2,276
	<u>33,902</u>	<u>-</u>	<u>40,939</u>	<u>74,841</u>	<u>26,816</u>

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted			2018	2017
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Restoration costs					
Phase 1B	-	-	55,306	55,306	2,371
Ham Mill lock	-	24,644	-	24,644	1,132
Weymoor Bridge	-	-	5,148	5,148	13,390
Eisey	-	-	3,120	3,120	-
Landing stages	-	-	320	320	1,812
Donations to Stroud Valleys Canal Company	23,579	-	3,000	26,579	-
Mud barges	-	-	-	-	739
Ryeford Causeway	-	-	-	-	12,000
Other projects	17,904	-	593	18,497	32,161
Plant hire and maintenance	4,000	-	-	4,000	4,710
Depreciation (note 9)	5,010	-	-	5,010	15,538
	<u>50,493</u>	<u>24,644</u>	<u>67,487</u>	<u>142,624</u>	<u>83,853</u>
Governance and support costs (note 6)	96,963	-	29,604	126,567	116,666
	<u>147,456</u>	<u>24,644</u>	<u>97,091</u>	<u>269,191</u>	<u>200,519</u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

6. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	Unrestricted			2018	2017
	General	Designated	Restricted	Total	Total
	£	£	£	£	£
Wages and salaries (note 7)	30,207	-	29,604	59,811	52,011
Vehicle expenses	10,174	-	-	10,174	12,693
Light and heat	3,528	-	-	3,528	3,509
Training, health and safety	5,752	-	-	5,752	3,056
Office rent and rates	11,860	-	-	11,860	11,172
Building maintenance	3,954	-	-	3,954	970
Telephone	1,627	-	-	1,627	1,555
Insurance	7,438	-	-	7,438	6,938
Travelling expenses	1,435	-	-	1,435	1,778
Office stationery, postage & miscellaneous	13,992	-	-	13,992	13,959
Depreciation of office equipment (note 9)	626	-	-	626	106
Auditors remuneration	5,460	-	-	5,460	5,136
Legal and professional fees	910	-	-	910	3,783
	<u>96,963</u>	<u>-</u>	<u>29,604</u>	<u>126,567</u>	<u>116,666</u>

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

	2018	2017
	£	£
Salaries and wages	57,476	50,146
Social security costs	2,141	1,831
Pension costs	194	34
	<u>59,811</u>	<u>52,011</u>

No employee had employee benefits in excess of £60,000 (2017 - nil).

The average number of employees of the Trust during the year was 4 comprising 1 full time and 3 part time (2017 – 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 (2017 - £nil). No charity trustee received payment for professional or other services supplied to the charity (2017- £nil) other than disclosed in note 8.

During the year the trust reimbursed none of its directors any expenses (2017 – 1 director totalling £33) in respect of mileage allowances, postage, stationery and telephone.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

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 cost totalling £1,380 (2017 - £6,558) 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 £28,425 (2017 - £3,393) for restoration work carried out by SVCC.
- Wholly-owned subsidiary – Cotswold Canals Trust (Trading) Ltd
 - The Trust recharged wages and other costs to the trading company totalling £14,900 (2017 - £14,900).
 - The trading company transferred to the Trust donations during the year of £4,291 (2017 - £6,554).
 - The transfer under deed of covenant of the profits of Cotswold Canals Trust (Trading) Ltd to the Trust of £5,875 (2017 - £4,296).
 - The total balance due to the Trust from Cotswold Canals Trust (Trading) Ltd in respect of the above at 31 March 2018 was £32,224 (2017 -£19,947) as shown in note 11.

9. TANGIBLE FIXED ASSETS

	Freehold Land £	Plant & Equipment £	Office Equipment £	Total £
Cost or valuation				
At 1 April 2017	32,586	213,525	17,451	263,562
Additions	-	750	1,560	2,310
Disposals	-	-	-	-
At 31 March 2018	32,586	214,275	19,011	265,872
Depreciation				
At 1 April 2017	230	206,181	17,237	223,648
Charge for the year	-	5,010	626	5,636
On Disposals	-	-	-	-
At 31 March 2018	230	211,191	17,863	229,284
Net Book Value				
At 31 March 2018	32,356	3,084	1,148	36,588
At 31 March 2017	32,356	7,344	214	39,914

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 31st MARCH 2018

10. FIXED ASSETS INVESTMENTS

Investment in subsidiaries at cost

At 31 March 2018	2018	2017
	£	£
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 2018 show:

Net outgoing funds for the year	<u>£ (78,026)</u>
Net assets at 31 March 2018	<u>£ 1,608,306</u>

11. DEBTORS

	2018	2017
	£	£
Trade debtors	3,009	285
Gift aid due	29,288	23,102
Grants due	-	19,000
Other debtors	320	910
Amounts due from subsidiary	32,224	19,947
Prepayments and accrued income	13,400	12,777
	<u>78,241</u>	<u>76,021</u>

12. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	5,113	3,345
PAYE/NI	-	1,688
Accruals	57,302	7,060
	<u>62,415</u>	<u>12,093</u>

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

13. FUNDS

	Unrestricted			Total Funds £
	General Fund £	Designated Fund £	Restricted Funds £	
Funds at 1 April 2017	154,485	79,093	349,719	583,297
Incoming resources for the period	269,572	25,000	92,560	387,132
Outgoing resources for the period	(237,407)	(24,644)	(138,030)	(400,081)
Transfers	3,326	(3,326)	-	-
Funds at 31 March 2018	189,976	76,123	304,249	570,348
Represented by				
Fixed assets (notes 9 and 10)	-	36,589	-	36,589
Net current assets	189,976	39,534	304,249	533,759
	189,976	76,123	304,249	570,348

14. DESIGNATED FUNDS

	Movement on funds				Balance at 31 March 2018 £
	Balance at 1 April 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	
Fixed asset fund (note 9)	39,914	-	-	(3,326)	36,588
Future projects fund	39,179	-	(24,644)	-	14,535
Engineers' fund	-	25,000	-	-	25,000
	79,093	25,000	(24,644)	(3,326)	76,123

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 Engineer's Fund was established with an anonymous donation and is for future canal restoration.

THE COTSWOLD CANALS TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

15. RESTRICTED FUNDS

Purpose	Movement on funds				Balance at 31 March 2018
	Balance at 1 April 2017	Incoming Resources	Outgoing Resources	Transfers	
	£	£	£	£	£
Whitminster Lock	71,888	-	-	-	71,888
Section 106 funding - Bonds Mill	25,000	-	-	-	25,000
Inglesham lock	2,810	-	-	-	2,810
Weymoor Bridge	26,706	-	(5,148)	-	21,558
Eisey Restoration	-	5,000	(4,812)	-	188
Fencing at Tunnel House	1,719	-	-	-	1,719
Phase 1B - restoration fund	188,626	50,020	(124,157)	-	114,489
Mud barges	368	-	-	-	368
New trip boat	27,194	19,540	(593)	-	46,141
Footpath signage	3,220	-	-	-	3,220
Notgrove Trust - various projects	-	18,000	(3,000)	-	15,000
Landing stages	2,188	-	(320)	-	1,868
	349,719	92,560	(138,030)	-	304,249

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.

The Trust, as co-lead for the Stroudwater Navigation Connected (SNC) project is committed to fund £302,700 over the next two years as part of the development phase income of the HLF first-round pass award.

Operating lease commitments at 31 March 2018 were £39,058 (2017 - £50,217).

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.

The slippage at Ham Mill was largely remedied during the current year. Most repair costs have now been incurred and there is approximately £3,100 of further expenditure to be incurred in the current year.

18. CONTINGENT ASSETS

The Trust is aware of its entitlement to two residual legacies. During the year the Trust received £10,000 from the estate of Richard Canning which was included as income in 2017. It is anticipated that a further amount will be due from this estate. There was also a legacy of £29,400 received in the year from the Estate of Mervyn Fromm and it is anticipated that there will be a final small distribution.

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.