

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

Company Registration Number: 2679756



KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

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FOR THE YEAR ENDED 31ST DECEMBER 1996

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KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

COMPANY DETAILS

FOR THE YEAR ENDED 31ST DECEMBER 1996

Registered Office: Wharf Centre  
Couch Lane  
Devizes  
Wiltshire  
SN10 1EB

Directors: J. Sankey  
P Power (Resigned 10.09.96)  
H. Maitland-Jones (Resigned 23.05.96)  
D.E. Read (Resigned 20.02.96)  
D.L. Lamb (Appointed 23.05.96)  
D.J. Saady (Appointed 23.05.96)  
Mrs J Poulton (Appointed 23.05.96)  
M.E.D. Davis (Appointed 05.07.96)

Secretary: Miss F. de Rhe-Philipe

Auditors: David Owen & Co  
17 Market Place  
Devizes  
Wiltshire  
SN10 1BA

Bankers: Lloyds Bank Plc  
38 Market Place  
Devizes  
Wiltshire

Company Number: 2679756

**KENNET & AVON CANAL TRUST (ENTERPRISE) LTD**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1996**

The directors present their report to the members, together with the annual accounts of the company for the year ended 31st December 1996.

**PRINCIPAL ACTIVITY**

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

**DIRECTORS**

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

	Ordinary shares of £1 each	
	As at 31st December 1996	As at 31st December 1995
D.E. Read (resigned 20.02.96)	-	-
J. Sankey	-	-
P. Power (resigned 10.09.96)	-	-
H. Maitland-Jones (resigned 23.05.96)	-	-
D.L. Lamb (Appointed 23.05.96)	-	-
D.J. Saady (Appointed 23.05.96)	-	-
Mrs J. Poulton (Appointed 23.05.96)	-	-
M.E.D. Davis (Appointed 05.07.96)	-	-

**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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

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

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

**DONATIONS**

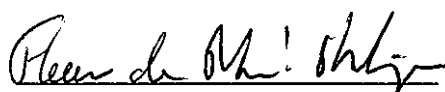
During the year a charitable covenanted donation of £11,038 (1995 £8,682) was made to the holding company, The Kennet & Avon Canal Trust.

**AUDITORS**

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

The directors have taken advantage, in preparation of their report, of the special exemptions applicable to small companies.

Approved by the board of directors on 22nd April 1997 and signed on their behalf by:



Miss F. de Rhe-Philippe  
**SECRETARY**

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

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



DAVID OWEN & CO

**CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITOR**

17 Market Place  
Devizes  
Wiltshire  
SN10 1BA

**22nd April 1997**

**KENNET & AVON CANAL TRUST (ENTERPRISE) LTD****PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST DECEMBER 1996**

	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
TURNOVER			145,363		133,725
COST OF SALES			72,730		65,370
GROSS PROFIT			72,633		68,355
ADMINISTRATION COSTS			66,797		61,696
Other operating income			5,836 85		6,659 485
OPERATING PROFIT	2		5,921		7,144
Interest receivable		430		403	
Interest payable		(2,748)		(3,018)	
			(2,318)		(2,615)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			3,603		4,529
Tax on profit on ordinary activities	3		1,171		930
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after taxation					
transferred to reserves	9		2,432		3,599

In each of the years ended 31st December 1996 and 31st December 1995 the only gain recognised by the company was the profit for the year, all activities undertaken by the company were continuing activities, and the reported profit was found under the historical cost convention.

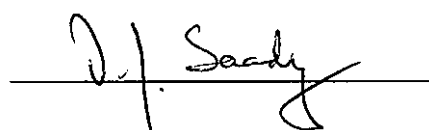
The notes on pages 6 to 9 form an integral part of these accounts.

**KENNET & AVON CANAL TRUST (ENTERPRISE) LTD**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER 1996**

	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
<b>FIXED ASSETS</b>					
Tangible assets	4		17,116		21,145
<b>CURRENT ASSETS</b>					
Stocks		21,035		23,683	
Debtors	5	5,318		10,983	
Cash at bank and in hand		40,299		26,724	
		<u>66,652</u>		<u>61,390</u>	
<b>CREDITORS - amounts falling due within one year</b>	6	<u>(8,824)</u>		<u>(10,023)</u>	
<b>NET CURRENT ASSETS</b>			<u>57,828</u>		<u>51,367</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			74,944		72,512
<b>CREDITORS - amounts falling due after more than one year</b>	7		<u>(45,000)</u>		<u>(45,000)</u>
			<u>29,944</u>		<u>27,512</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1,000		1,000
Profit and loss account			<u>28,944</u>		<u>26,512</u>
<b>SHAREHOLDERS' FUNDS</b>	10		<u>29,944</u>		<u>27,512</u>

The directors have taken advantage, in the preparation of the accounts, of the special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board of directors on 22nd April 1997 and signed on their behalf by:

 D.J. Saady (Director)

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

**KENNET & AVON CANAL TRUST (ENTERPRISE) LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1996**

**1. ACCOUNTING POLICIES**

**a. Cash Flow Statement**

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement.

**b. Turnover**

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

**c. Depreciation of tangible assets**

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

A full period's depreciation being charged on items purchased during the period.

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

**d. Stocks**

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

**e. Deferred taxation**

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.

**f. Leased assets**

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

**2. OPERATING PROFIT**

	<u>1996</u>	<u>1995</u>
	£	£
This is stated after charging (crediting):		
Auditors' remuneration	1,510	1,440
Depreciation	4,122	3,727
	<u>          </u>	<u>          </u>



KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 1996

3.	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1996</u>	<u>1995</u>
		£	£
	Corporation tax at 25%	<u>1,171</u>	<u>930</u>

4. TANGIBLE FIXED ASSETS

	<u>Boats</u>	<u>Equipment</u>	<u>Total</u>
	£	£	£
Cost:			
At 1st January 1996	32,900	3,680	36,580
Additions	-	1,370	1,370
Disposals	(3,000)	-	(3,000)
	<u>29,900</u>	<u>5,050</u>	<u>34,950</u>
At 31st December 1996			
Depreciation:			
At 1st January 1996	14,065	1,370	15,435
Charge for period	3,113	1,009	4,122
Disposals	(1,723)	-	(1,723)
	<u>15,455</u>	<u>2,379</u>	<u>17,834</u>
At 31st December 1996			
Net book value at			
31st December 1996	<u>14,445</u>	<u>2,671</u>	<u>17,116</u>
31st December 1995	<u>18,835</u>	<u>2,310</u>	<u>21,145</u>

In the opinion of the directors the net book value of the assets represents the open market value.

5.	DEBTORS	<u>1996</u>	<u>1995</u>
		£	£
	Trade debtors	4	-
	Amounts owed by group companies	857	7,482
	Other debtors	<u>4,457</u>	<u>3,501</u>
		<u>5,318</u>	<u>10,983</u>

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 1996

6.	<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<u>1996</u> £	<u>1995</u> £
	Corporation tax	1,171	930
	Other creditors	7,653	9,093
		<u>8,824</u>	<u>10,023</u>
7.	<b>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<u>1996</u> £	<u>1995</u> £
	Loan from group company	45,000	45,000
8.	<b>CALLED UP SHARE CAPITAL</b>	<u>1996</u> £	<u>1995</u> £
	<u>Authorised</u>		
	1000 Ordinary shares of £1 each	1,000	1,000
	<u>Allotted, called up and fully paid</u>		
	1,000 Ordinary shares of £1 each	1,000	1,000
9.	<b>RESERVES</b>		Profit and loss account
			£
	At 1st January 1996		26,512
	Retained profit for the year		2,432
	At 31st December 1996		<u>28,944</u>
10.	<b>SHAREHOLDERS FUNDS</b>		
	A separate movement of shareholders funds statement is not provided as there are no changes for the current or previous year other than the retained profit in the profit and loss account.		

KENNET & AVON CANAL TRUST (ENTERPRISE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 1996

11. ULTIMATE HOLDING COMPANY

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