



**Canal &  
River Trust**

Making life better by water

# Annual Report & Accounts 2018/19



Canal &  
River Trust

Making  
Life  
Better  
by  
Water

[canalrivertrust.org.uk](http://canalrivertrust.org.uk)



**We are the charity that cares for and brings to life 2,000 miles of canals and rivers across England and Wales. Belonging to and shared by us all, millions of people use and enjoy these waterways every day. We believe they have the power to make a positive difference to our lives, making us healthier and happier. By bringing communities together to value and help us care for their local waterway, we are creating places and routes that can be used and enjoyed by everyone.**

Many different people and organisations make this work possible – our grant from Government, fees from boat owners and businesses, our investment and commercial income, lottery funds, corporate and local authority partnerships, thousands of donations from members of the public, and our dedicated volunteers who gave us over 670,000 hours of their time – we are grateful to them all. Together we are creating living waterways that transform places and enrich lives, delivering greater wellbeing to millions.

# Annual Report of the Trustees of Canal & River Trust 2018/19

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# Introduction from Chair & Chief Executive

We know that our waterways offer many different things to different people – a route to work, school or college; somewhere to exercise or spend our leisure time, whether on a boat or by the water; somewhere to live.

They are an important feature of numerous communities, rural and urban, that connects us with our history; a place nearby to take the family to see the wildlife or to escape for a few moments away from the stresses and strains of modern life. Over recent years, our research has revealed to us just how great an impact this 'blue/green infrastructure' has on millions of lives. People who spend time on or by our canals and rivers regularly are happier, more satisfied with life and feel healthier than those who don't.

We've discovered that our waterways can be part of the solution to key problems facing society – from obesity to loneliness; improving mental health to developing new skills; and bringing communities together to create a sense of purpose and belonging. In May 2018, recognising this emerging truth, we took the strategic decision to reposition the Trust, to raise awareness of the benefits that our canals, river navigations and towpaths offer and to encourage more people to spend time by our waterways as part of their daily lives. We remain



Richard Parry

Allan Leighton

committed, of course, to our core role as custodian of the infrastructure and its heritage, and to the core navigation role we carry out for the 35,000 boats licensed on our waters, but promotion of this wider role opens up a greater opportunity for the Canal & River Trust to be truly a national asset for the 21st Century – a 'natural health service', supporting communities across England and Wales to realise the benefits that time spent by water can have.

This past year has seen us reminded of the scale of our core responsibility however,

# People who spend time on or by our canals and rivers regularly are happier, more satisfied with life and feel healthier than those who don't.

with some extreme weather contributing to infrastructure damage and to severe water shortages in many areas in the peak summer months. We've also seen more accidents and injuries within our workforce and our partners, a sobering reminder of the constant need for vigilance given the innumerable risks we have to manage effectively. With good financial performance as our investment returns continue to beat market benchmarks, we're spending more on our assets than ever before, and are driving for greater efficiency so that our funds can go further.

Positioning the Trust as a charity dedicated to the wellbeing of those who use the waterways as well as caring for the waterways themselves, has also increased

the range of organisations with whom we can partner and the stakeholders that we can connect with. Our broader appeal resonates with all those who have seen or experienced for themselves the positive difference that spending time on the towpath can have. With over 8 million people living within a few minutes' walk of their local canal towpath, our impact can be huge. By evidencing the scale of the wider social and economic outcomes we deliver, we can promote the relevance of these historic waterways to these local communities and build the support, and funding, that will ensure their long-term future. Research conducted in 2018 by economics consultancy Simetrica found that the Trust contributed approximately £3.8bn of value to the nation from wellbeing alone.



Right: Leeds & Liverpool Canal, Leeds



The re-branding of the Trust that accompanied our re-positioning immediately enhanced our appeal to new audiences – to younger people, and a more diverse range than had previously understood what the waterways can offer. Public awareness of the Trust has risen to around 40% since last May’s launch, with the focus of our future campaigns being to increase appreciation of the Trust amongst local people in particular.

In 2018, we also celebrated the 50th anniversary of the passing of the British Transport Act which arguably saved Britain’s canals from dereliction and established the future role of the waterways as places for leisure and recreation. Since then, the renaissance of the canals has gone from

strength to strength, restoring and renewing waterways across the country, so that the 2,000-mile network we manage today is in better health than ever, with thousands of volunteers now helping us to care for the navigations we operate, and many more working in active local societies to restore more. Belief in the ongoing value of our canal and river navigations is no longer controversial – and the millions already spending their time by our waterways proves their enduring popularity.

As we approach the end of our seventh year as a charity much that was new to us in 2012 has become established and familiar; the role of volunteers is integral to what we do, and we celebrated the first of our dedicated volunteers to reach 10,000 hours of time

Above: Leeds & Liverpool Canal, Bootle



given, and we now have over 400,000 supporters, across all channels.

Our capability to deliver on our broader strategic agenda has been strengthened this year through a major re-structure that has seen six Regional Directors appointed, with stronger accountability devolved into the regional teams. The context for our waterways varies significantly across the regions, and indeed within them. Creating stronger local empowerment means that our priorities will reflect the needs and aspirations of each locality, and help to make the Trust a more agile and responsive organisation.

As we look towards the 2020s, we know that the foundation we have laid in this first phase of the Trust's life will give us a strong

platform from which to build a powerful case for ongoing funding, and a compelling appeal to a broader audience to enjoy what we offer on their doorsteps, to make their lives better by water.

**Allan Leighton**  
18 July 2019

**Richard Parry**  
18 July 2019

# Life's better by water



“I walk to work every day along the canal, it’s so much nicer than getting in the car and sitting in traffic. And the scenery is much better than walking along the main road – it’s just like being in the countryside.”

Victoria, Birmingham & Fazeley Canal

Above: Regent’s Canal, Little Venice

Below: Angel Festival, Islington







Left: Leeds & Liverpool Canal, Leeds Above: Grand Union Canal, Watford

**“It doesn’t seem to matter if it’s sunny or snowing, we use the canals whatever the weather...there’s all the wildlife and it’s just beautiful.”**

**Lorraine, Kennet & Avon Canal**



Left: Grand Union Canal, Birmingham Above: Regent’s Canal, London

**“I turn out every Thursday to join the Towpath Taskforce, trimming the towpath hedges and picking up litter. I use a motorised wheelchair, so I clip away at the lower bits... It’s important for my wellbeing to get into the fresh air and be physically working.”**

**Brian, Bridgwater & Taunton Canal**

# Delivering good service – for users and visitors

Over 4 million people regularly use our canals and river navigations – in addition to the millions more visitors from the UK and overseas – and we want them all to have a great experience, whether on or by the water.

This means ensuring that our waterways are well-managed and maintained, with all the features and facilities that people expect to enjoy.

Boating customers in particular, need locks and bridges to work, moorings that are safe to use, and a depth of water to enable movement around the network. Whilst the bulk of our resource continues to serve the users of the waterways, since our launch as a Trust seven years ago, we have widened our focus, so we ensure the experience of using our towpaths is also given a high priority in order to unlock the potential they offer to local people.

## **Beauty on the doorstep**

Our waterways are valuable green/blue spaces particularly for people in urban areas. We want more people to use them as part of their daily life but know the presence of litter, graffiti and general dereliction can significantly affect the perception of how clean and safe our waterways are. Ensuring our canals and rivers offer a clean, well-managed and attractive environment is a critical factor in encouraging local people

to use the towpaths as part of their route to work or school, or for their morning run.

During the year we pushed forward with our ambition to create 'beauty on the doorstep':

- Keep Britain Tidy's Green Flag award provides assurance as to the standard of cleanliness of open public spaces and we now have over 250 miles of canals with Green Flag status, with new additions this year including the Bridgwater & Taunton, Chesterfield, Lancaster, Pocklington and Ripon canals. Further applications have been submitted in 2019 including for a considerable stretch of the Leeds & Liverpool and the Erewash Canal, and we anticipate these will bring our total to over 300 miles.
- We've made removing litter from our waterways a priority and across the country local groups are helping us to tackle it – from paddle-boarders to roller-skate clubs and every variety of local community group.



Above: Towpath Taskforce

**“We’ve made removing litter from our waterways a priority and across the country local groups are helping us to tackle it.”**



Above: Volunteers helping to clear litter and debris from the Grand Union Canal

- We commissioned Coventry University to investigate the levels of litter and plastic pollution on and alongside our canals and rivers to provide a baseline against which to measure our future progress and help shape how we manage and care for our waterways in the future.
- During 2018/19 we spent £9.1m on vegetation and environmental management, cutting over 4,500 miles of grass, and a further £1m managing vegetation along 300km of 'off-side' canal.
- We regularly emptied over 900 public litter/dog waste bins more than 86,000 times at a cost in excess of £204,000.
- In the face of a huge increase in fly-tipping, which has seen the costs of dealing with this soar from £54,000 per annum to over £215,000 a year, we are reviewing our sites to make them more secure.
- Work to improve the service and facilities as well as reduce the cost of waste disposal is underway, this will include increased security on some sites and consideration of policies such as "take your waste home" to discourage our handling of other people's waste.

- During this period the Trust managed to reuse or recycle 80% of the 5,000 tonnes of waste we produced.

These efforts are having a direct impact on our customer satisfaction scores which have exceeded our target at 92%. We are delighted that, with our volunteers, partners and contractors, we are making a difference to how people feel when visiting their local canal.

#### Community Safety

We have worked hard to improve safety along our waterways, but our open, easily accessible towpaths, used by over four million people regularly, means that, sadly, incidents will almost inevitably occur somewhere across the 2,000-mile network. However, it is vital that we address the perception of safety and security on the towpath so that local people feel confident to use them.

- During 2018/19 we recorded 317 reported incidents to members of the public on our network compared with 313 during the previous year. 34 of these incidents were attributable to an infrastructure fault or failure, an increase of five from 2017/18.

- Sadly, the year brought 40 fatalities on the network, including another young person in central Manchester, intoxicated late at night.
- We have continued to work closely with the Manchester Water Safety Partnership to improve safety along our waterways in the city. Activities included offering free lifesaving training to bars and restaurants in the city and running summer and winter 'water safety' campaigns, with strong support from the Mayor of Greater Manchester. The Partnership commissioned RoSPA to undertake a detailed safety review and we are now working with our partners to implement its findings.
- We met with South Yorkshire Police to investigate ways to tackle anti-social behaviour on the Sheffield & Tinsley Canal.
- Our Canal Watch scheme in central Birmingham, working with local police to respond to (and deter) incidents is being expanded across other parts of the West Midlands.

### Responding to our customers

We work hard to provide a responsive and efficient service to our customers. During the year we received over 117,500 calls to our customer service centre (against a forecast of 115,093). The main reasons for the increase in calls were to do with summer restrictions due to drought and prolonged stoppages at key sites over winter.

- 97% of calls were resolved at first contact and 97% of emails were responded to within our target of two working days.
- 93% of customers were satisfied with how their query was dealt with and 90% of enquirers rated the service as either good or excellent.

### Supporting boaters

Boats and boaters are integral to our canals, a reminder that the original purpose of our waterways was for navigation. Boats also provide colour and interest encouraging

people to visit and spend time by our canals and rivers. We also know they offer boaters a different way of living or holidaying, a slower pace of life, more connected with the environment around them. We are committed to ensuring boaters know what is happening on the waterways and look at new ways to hear from them.

- In April 2019 we published our first Boater Report (covering 2017/18) explaining how we generate our income, including the contribution from boaters, and how this money is invested in improving the waterway environment – from dredging to maintenance to managing trees and weeds.
- We held a number of meetings around the country with disabled boaters and carers to hear their experience of boating on the Trust's waterways, to help us plan improvements and ensure people that our canals and rivers are accessible for everyone to enjoy.
- We updated our online mooring strategy to reflect the current waterway environment, and to ensure we have a clear and robust policy to help us manage the waterways for the benefit of boaters.
- The dry spring and summer resulted in the closure of many canals for a period, notably in the north of England where the resilience of our water supplies is weakest. The Leeds & Liverpool Canal suffered the longest period of closure – 12 weeks from July to October 2018. Whilst this was a disappointment, and despite our best efforts to manage water resources optimally, we were able to use the closures to undertake vital repair work and minimise the disruption to boaters later in the year.
- The disruption due to summer water shortages, recent changes to licence fees, concerns about maintenance of the network and residual concerns about the Trust's repositioning have impacted on our overall boater satisfaction scores, which in 2019 declined to 61%.

# Caring for our waterways

Many of our historic canals are over 200 years old and yet are still in active use today. Caring for these waterways, which are visited and used by millions of people each year, is at the heart of what we do.

As well as fulfilling our responsibility as guardian of this remarkable historic waterways network, we want to ensure these canals and rivers are open and accessible, so everyone can enjoy and benefit from them and the many activities that they support. This underlying stewardship of the waterway infrastructure is where we spend the bulk of our funds. In 2018/19 our core spending rose to £134.7m and our overall measure of asset condition remained unchanged with 87% of assets categorised as A-C on our asset condition assessment, slightly ahead of target.

During 2018/19 we completed 130 major projects and our Direct Services team undertook 800 planned repairs. Through our 224 planned stoppage projects we repaired over 1,000 defects and replaced 137 lock gates. Significant repair and improvement schemes include:

- Napton Lock, Oxford Canal – rebuilding the lock wall after movement over a number of years which led to boats becoming caught or stuck.
- Harris Lock, Kennet & Avon Canal – rebuilding the approach walls and invert after movement lead to partial failure of the approach invert.
- Marsh Lock, Weaver Navigation – Emergency repairs on the riverside and at a neighbouring freight yard following impact damage. Work involved using innovative solutions to lift the lock gate and undertake the repair.
- Aston Lock – following customer feedback we improved the lock operation by installing new gates and quoins to improve operation and resolve significant heritage issues.



Above: Replacing lock gates

**“We want to ensure these canals and rivers are open and accessible, so everyone can enjoy and benefit from them.”**

### Keeping our canals open

During 2018/19, we experienced a range of asset failures that tested our responsiveness. These problems meant that we experienced 649 days of unplanned closures, against a target of 450. Key projects include:

- £2.8m reconstruction of Stanthorpe Embankment, Middlewich following its breach in March 2018 as a result of vandalism. Work was completed by December and the canal was open again in time for Christmas.
- Failure of a culvert on the Leeds & Liverpool Canal in June 2018. Repairs cost over £500,000 and the canal remained closed until the end of August.
- At the end of May 2018, shortly after completing restoration of Lock 15, the walls of Lock 11 on the Marple Flight were found to have moved resulting in a number of boats becoming stuck. Working in a very constrained area, the lock was carefully dismantled and rebuilt at a cost of £1.65m. The lock flight was fully re-opened in May 2019.

The total cost for emergency works during the year was £6.2m which impacted on our planned projects programme.

To enable boats to travel around our waterways we undertook 24 dredging

schemes, costing £7.2m and removing 100,000m<sup>3</sup> of sediment. We managed to reuse and recycle 98% of this, underlying our commitment to becoming a more sustainable and environmentally-responsible organisation.

We continued our efforts to prevent deterioration of our waterways through proactive asset checks. During 2018/19 we delivered 96.25% of our Planned Preventative Maintenance on our Mechanical & Electrical Assets (typically swing and lift bridges, and lock mechanisms) on schedule.

We also continued our work to create a welcoming and usable environment along our waterways and invested £7.7m improving towpaths across England and Wales in 2018/19 including:

- A £700,000 project to revamp more than two miles of towpath on the Gloucester & Sharpness Canal.
- Upgrading of a stretch of towpath along the Huddersfield Narrow Canal as part of a £2.9 million improvement scheme.
- Gaining permission for a £2m project to transform Craven Canal towpath.
- Starting work on a £1 million scheme to redevelop almost five miles of the Manchester, Bolton & Bury Canal towpath.

**During 2018/19 we invested £7.7m in improving towpaths across England and Wales.**





Above: Chester Northgate Locks, Shropshire Union Canal

# Investment & income

We are committed to developing a strong and diverse financial base to ensure we can continue to care for our waterways, keeping them open and accessible for everyone to enjoy every day of the year.

Left: Opening of new pontoons in Northwich



Our investment portfolio, comprising both property and non-property investments, increased in value by 3% on 2017/18, which is well ahead of benchmarks in subdued market conditions. Following our decision in 2017/18 to raise £150m from a private placement, we made good progress in investing the proceeds, generating a net income return of 2.9% over the cost of the funds.

#### **Creating high-quality waterside spaces**

During the year, we continued to push forward our ambitions to create high-quality places next to our waterways to encourage more people to use and enjoy these spaces with significant achievements on several major development schemes:

- Completion of Phase 2 of the Brentford residential scheme in West London, part of our Waterside Places joint venture with Muse Developments
- Completion of our residential scheme at Bow Wharf, in East London, and new industrial units at Tyseley, Birmingham, part of our H2O Urban joint venture with bloc
- Start of work on a residential scheme at Hale Wharf, East London, by Waterside Places
- H2O Urban commenced work on a hotel/industrial development at Rickmansworth, Hertfordshire

- Delivery of the first houses as part of our joint venture with Birmingham City Council, Urban Splash and Places for People to transform Icknield Port Loop, a rundown former industrial site
- Start of the restoration of the Roundhouse in Birmingham, in partnership with the National Trust

We were also pleased to receive a number of planning permissions to continue our transformation work including at Brentford (Phase 3), Bulbourne Yard and at Finsley Gate Wharf in Burnley which will deliver a leisure, education and community attraction, largely funded by the National Lottery Heritage Fund.

#### **Growing our income**

Utilities and water sales income delivered some £1.9m (6.5%) more than budgeted, primarily as a result of one off payments for rights to use our waterways for pipes and cabling. Importantly, underlying ongoing income continued to rise at more than inflation. During the year, consents were also achieved for a number of new hydro-generation plants on several of our weirs, and good progress was made in respect of opportunities to use our waterways for environmentally-friendly heating and cooling schemes.

Spending time afloat is proving to be more popular than ever, the number of licensed

**“We continued to push forward our ambitions to create high-quality places next to our waterways to encourage more people to use and enjoy these spaces.”**

boats on our waterways at the end of March 2019 increased by 0.5% to 34,367. We have also seen an increase in non-powered crafts including canoes and paddleboards as more people use and enjoy our waterways. 96.5% of boaters hold a current licence, which is on par with 2017/18, and financial contributions from our boating customers and boating businesses, which are a valuable source of support, totalled £46.4m, around 22% of our overall income.

We completed the sale of BWML (British Waterways Marinas Limited) in December 2018 for approximately 10% more than our original estimate whilst also retaining network access income from the sites which were sold. The proceeds were invested in our non-property portfolio to deliver regular income streams to ensure the continued care of our waterways.

The increasing popularity of boating continues to put pressure on moorings. To help address this we commenced delivery of new moorings at Millwall Inner Dock in London, where demand is particularly high, and will continue to consider further opportunities to increase moorings where private sector provision is limited. We also welcomed the opening of Barons Quay leisure development in Northwich, delivered with support from Cheshire West and Chester Council, which provided a new mooring pontoon at this popular visitor location.

The number of Friends has continued to increase, and at 31 March 2019 28,600 people support our work through this donations scheme. Income from monthly gifts from our Friends, one-off donations, in memoriam giving, sponsorship and towpath fundraising totalled over £1.8m in 2018/19.

#### **Diversifying funding**

Repositioning the Trust as a charity dedicated to waterways and wellbeing has opened up new partnerships and funding opportunities. This support has enabled the Trust to develop new healthy-living projects and continue improving towpaths so more people can use these routes as part of their daily life. Our activities continued to benefit from the support of players of the National Lottery and players of People's Postcode Lottery. Donations, legacies and income for third-party funded projects totalled £18.5m during 2018/19. Examples include:

- A private donation of £30,000 for Regent's Canal
- £191,000 from Sport England for our 'Active Aging Cheshire' project to encourage older people to get active on and alongside our waterways
- £170,000 from the Welsh Government Rural Community Development Fund for work around Pontcysyllte Aqueduct and Trevor Basin

**Repositioning the Trust as a charity dedicated to waterways and wellbeing has opened up new partnerships and funding opportunities.**

- £2.8m for Titford Pools at Oldbury to enhance the environment around the pools, improve biodiversity and prevent future damage from motorway traffic. This funding includes £1m from the European Regional Development Fund and £1.8m from Highways Agency
- £767,000 for the Trent & Mersey Canal as part of the £3m National Lottery Heritage funded 'Transforming the Trent Valley' scheme
- £239,000 from the Local Economic Partnership to improve the towpath alongside the Erewash Canal in Ilkeston
- £100,000 in principle support from Sport England to refurbish Liverpool Watersports Centre
- Over £100,000 from corporate partners to support corporate volunteering events to improve and enhance our waterways
- £1.9m from the players of People's Postcode Lottery which has supported a variety of projects during the year including our Community Roots projects, environmental improvement work as part of the restoration of Montgomery Canal and the repair of historic cast iron canal bridges in Birmingham



Top: New moorings in Northwich

Middle: Bow Wharf development, London

Bottom: Roundhouse, Birmingham

# Delivering wider outcomes and public benefits



Just as our waterways pass through a myriad of communities as they weave through town and country, so our impact is wide-ranging and extensive, encompassing health, happiness and wellbeing, for individuals, communities and – in aggregation – for the nation as a whole.

Our waterways and the activities they support bring people together, provide a connection to strengthen communities, help people develop new skills, and improve where we live and work. Over recent years the extent of the impact that the Trust has on the millions of people around us has become more apparent. In addition to our established role to conserve and protect the natural and historic environment we are the guardians of, we are keen to realise these benefits so more people can enjoy more connected and fulfilled lives.

#### **Creating connections**

More than 3,000 volunteers willingly gave over 671,000 hours of their time to support the Trust during 2018/19. Our 1,130 volunteer lock keepers (an increase of 27% on the previous year) provided a valuable service helping boaters, talking to visitors and, critically, helping to manage water supplies efficiently by encouraging lock-sharing where possible. And 420 local groups – canal adoption groups, corporate volunteers and community groups – helped to care for our canals. These groups, along with our individual volunteers are making ‘their’ local waterway a central part of life in their community in new and creative ways.

#### **Improving wellbeing**

Building on our new position, we launched a number of new initiatives to help people improve their health and mental wellbeing. These include:

- Piloting a health and wellbeing programme for patients at an inner-city GP’s surgery in Sheffield.
- Working with Sheffield Social Services to engage families in healthy living and canal-based activities.
- A partnership with Care Manchester with a programme of regular walks along the canal for patients prescribed walking activities by their GP.
- Setting up a hub in partnership with Ramblers and NHS Blackburn to enable local people to get involved with canal activities such as volunteering and wellbeing walks.
- Creating the first in a series of walking leaflets for Liverpool Riverside Walkway, which will be promoted via GP surgeries, libraries etc.

Left: Explorers, Leeds & Liverpool Canal

- Piloting Nordic Walking groups on the Grand Union Canal in Southall, west London, and Hemel Hempstead in Hertfordshire.
- Holding a two-day 'men's mental health' event in the north-west to promote social prescribing to the local NHS, Community CVS and Lancashire County Council
- As a 'dementia friendly' venue, a number of staff at the National Waterways Museum Ellesmere Port are trained 'dementia friends' and in May the museum partnered with the Alzheimer's Society to open up a 'Safe Harbour Memory Café' where people affected by dementia and their carers can meet other people, share experiences and enjoy time away from their usual routines.
- We are working with VisitWiltshire to create the first touring route in the world, the Great West Way Touring Route, a 125-mile multi-mode route between Bristol and London which incorporates the Kennet & Avon Canal.
- To connect with the range of diverse communities on and around our waterways, our Community Roots programme has expanded from central Birmingham to Coventry and other high-potential urban areas, funded by the players of People's Postcode Lottery.
- In Yorkshire pupils at Grewelthorpe CE Primary School near Ripon, who won our national Corridor for Nature competition, welcomed the opening of their nature garden which will be used by teachers as part of lessons to help children learn about and engage with nature.
- £10,000 funding from the Co-op Youth Loneliness Fund to support children with increased risk of loneliness to develop an unused area of canal in Sheffield into a space for socialising.
- In the East Midlands, 8,000 young people were involved in a plastic waste education programme which included social action to remove plastics and other waste from alongside the canal.
- Through our pioneering Desmond Family Canoe Trail, England's first coast-to-coast canoe trail, we worked with more than 600 young people during 2018/19. Activities included students with English as a second language from Leeds City College developing games to teach young people about waterway wildlife, and partnering with Burnley Football Club to help young people gain skills and experience. 94% of participants over the year said they were likely to visit the canal again and 98% said that after taking part in activities they felt happier and that their wellbeing had improved. 97% also said that they felt more confident after taking part in our activities.

### **Connections: Education & Youth**

Ensuring the next generation grow up understanding and valuing our waterways is crucial. During the year we expanded our education and youth engagement programmes, helping these harder to reach groups develop a connection with their local waterspaces:

- Over 92,000 children enjoyed face-to-face sessions with our Explorers team in schools, out on the waterside or in our museums, surpassing our target of 85,000.
- A partnership with Sheffield youth project Endeavor to provide opportunities for young people to develop life skills. The first group of participants were from the Romana Gypsy community.





Above: Let's Fish

### Connecting with nature, arts & culture

We aim to create thriving waterside spaces across England and Wales, full of life and are working hard to improve the quality of our water and waterside space. Our waterways also provide a unique opportunity for people, especially in urban areas, to connect with nature, arts and culture and we continued to look for new ways to engage people with these spaces:

- With our volunteers, we undertook major canal clean ups across the country – on the Regent's Canal in London, local volunteers tackled persistent graffiti, supported a 'Roller Derby' litter pick on the Leeds & Liverpool Canal and held a two-day clean-up in Milton Keynes in partnership with the Inland Waterways Association, which saw seven tonnes of rubbish collected.
- We teamed up with floating cyclist, Dhruv Boruah and with Plastic Patrol's Lizzie Carr to raise awareness of the problems caused by plastic pollution in our waterways.
- With funding from Arts Council England, we extended our Arts on the Waterways programme – Hinterlands involved artists working with communities in Enfield and Sheffield; and The Ring was a celebration of the 21-mile circle of natural and historic waterways in Worcestershire through art, which included an artist in residence on Diglis Island, a sculpture (comprising various salt varieties) travelling by heritage boat to Droitwich, and a leading street artist creating a new mural on the River Severn.
- Nearly 4,000 children and adults took part in 147 'Let's Fish' taster-sessions and our inaugural Junior Canal Championships attracted 49 participants, in partnership with the Angling Trust – with further funding committed for the year ahead to encourage more young people to take up fishing along our canals.



# Canal & River Trust

Making life better by water

Life's better  
by water

go on

go on



# Growing our support & influence

To secure a future for our waterways we need to connect with a much larger and broader constituency than we do today.

There are around eight million people living within 1km of our waterways (20 million within five miles), many of whom do not know who the Trust is, or how they can benefit from using their local waterway – especially the younger, more diverse, and more digitally active audiences. We have been gathering evidence which shows that spending time on or by our waterways can make you happier and healthier and in May 2018, we rebranded the Trust to reflect our position of being both a wellbeing and waterways charity.

As part of the rebrand we updated our corporate identity and ran a targeted advertising campaign during June 2018. In the three months that followed, we saw a rise in awareness levels of 8% in areas within 1 km of our waterways, though overall national awareness of the Trust increased by only 2% over the year and remains below our target of 42%. A more positive development is that, by the end of the year 75% of those who know at least a little about the Trust claim that the organisation ‘helps to make the wellbeing and happiness of people in this country better’.

Internally, to help spread the message about the change, we undertook a ‘bank side’ tour for our people and volunteers to 31 key locations across England and Wales. 96% of our people and volunteers attending these

sessions said that they understood the reason for moving to become a ‘waterways and wellbeing’ charity.

## **Visitor experience and satisfaction**

The number of unique adult visitors to our waterways over an average two-week period across the year was 4.1 million. Of which 90% were motivated at least in part by a health or wellbeing factor.

Visit experience ratings increased slightly in 2018/19 with 92% of visitors now satisfied with their visit compared with 91% in 2017/18. Those rating towpath upkeep as excellent or good has also increased from 83% to 84%, as have ratings for personal security (up from 80% to 81%).

## **Broadening our support**

With waterways that are freely accessible for everyone to enjoy, our challenge is how we encourage our millions of visitors to become supporters and advocates.

Utilising digital media, press, events and activities on the towpath we are connecting with and engaging increasing numbers of people. We have seen growth in the amount of press coverage that we receive and have nearly a quarter of a million followers across our three main social media channels. We also receive regular donations from nearly 30,000 Friends, an increase of 18% on the

Left: Crick Boat Show

previous year. Looking ahead, we have restructured our marketing and fundraising teams, to create a new marketing and supporter development team and are reviewing our supporter offer and channels, to enable a much broader audience to support us.

The growth in our volunteer numbers since 2012 has been one of the achievements that we are most proud of, local people are actively putting waterways at the heart of their lives and communities. During 2018/19 we achieved another record high of over 671,000 volunteer hours – more people than ever before are becoming actively involved in caring for these amazing spaces, and 96% of volunteers stated that they recommend volunteering with the Trust.

We are keen that we reflect the communities around us and at the start of 2019 we launched a new volunteer recruitment campaign, 'Join the Daves', to encourage more women and ethnic minorities to get involved, to help increase diversity amongst our volunteers.

### **Bringing life to our canals**

To celebrate and promote the waterways, the Trust has a presence at hundreds of local events, canal festivals and other celebrations during the year.

Events included Crick Boat Show in May – the first large-scale promotion of the Trust's new look – which saw over 26,000 visitors, and for the first time the Trust took a leading role in the organisation of the Angel Festival on Regent's Canal.

In November 2018 as part of Leicestershire's Diwali Day celebrations, we transformed Limekiln Lock on the River Soar with lights and illuminated floating sculptures. While a cascade of 100,000 poppy petals was released from the top of Anderton Boat Lift to commemorate the 'forgotten' waterway men of WWI. The event saw hundreds of people gathered at the Boat Lift to pay their respects and to mark the centenary of the end of WWI.

In February 2019 we held a number of events along the Sheffield & Tinsley Canal including a huge party at Victoria Quays in Sheffield, which was enjoyed by around 3,000 people, to celebrate the bicentenary of the canal.

Our annual winter works programme presents many opportunities to open up our

sites to show what is involved in keeping this 200-year old network of canals and rivers in good working order. Over 1,000 people visited Northgate Lock on the Shropshire Union Canal in Chester and visitors to Lock 92 on the Rochdale Canal in Manchester city centre enjoyed canoeing, angling sessions and interactive games. Over 8,500 people took the opportunity to go 'behind the scenes' at our Open Days during 2018/19, gaining a greater understanding into how we care for their waterways.

### **Increasing our influence**

Ensuring national and local government is aware of the potential that our canals and rivers hold to meet regional and national priorities around health, wellbeing, transport and the environment is one of our key priorities. Our reception at the Palace of Westminster in November 2018, hosted by Kevin Hollinrake MP, was attended by a broad cross-section of MPs and Lords from all parties. In February 2019 we welcomed Boris Johnson MP to Cowley Lock on the Grand Union Canal. Rt Hon Andrew Mitchell MP and local councillors joined our staff and volunteers to remove graffiti from Minworth canal bridge. Robin Walker MP, Exiting the European Union Minister, visited Diglis Island as part of our 'Unlocking the Severn' arts project and Jeremy Wright MP joined a Towpath Taskforce group on the Grand Union Canal in his constituency.

Andy Street CBE, elected Mayor for West Midlands gave the main address at our West Midlands public meeting which was hosted by Birmingham City Council, which reiterated its support for the canal network to play a key role in the city's future.

We were pleased to secure an agreement with High Speed 2 to significantly reduce the impact of the rail line on the Trent & Mersey Canal at Fradley Junction, and actively engage in ensuring that we limit the impact of Phase 2A (towards Crewe and the North West) on the region's waterways.

We also participated in several key conferences during the year including the International Heritage Conference where we provided best practice examples, and at the World Canals Conference we presented our work on the opportunities to use canals to improve personal and community wellbeing, which stimulated much discussion.



Top: Angel Canal Festival, Regent's Canal

Bottom: Fundraising on our towpaths, Trent & Mersey Canal



# Caring for our heritage and the environment

The Canal & River Trust is the custodian of a rich and diverse waterways heritage in England and Wales and the third largest collection of listed buildings and structures including a World Heritage Site, at Pontcysyllte Aqueduct, 46 scheduled monuments, 350 conservation areas and 63 Sites of Special Scientific Interest.

Along with many hundreds of buried archaeological sites, that lie untouched, scattered across the waterways, Our waterways also adjoin or pass through 42 historic parks and gardens, nine battlefields and five World Heritage Sites.

Managing and conserving this historic and unique natural environment is a never-ending task. Originally built to serve industry, the canals and river navigations cared for by the Trust fulfil a very different purpose today, providing easily accessible green/blue spaces that add to the quality of life of the millions of people who visit and use them, and to the volunteers who help care for them. They run through towns and cities and across rural areas, enabling a range of leisure activities and enjoyment of nature and heritage in a way that few other attractions do. The Trust's historic waterways deserve to be cherished and passed on to future generations, so that they too may benefit from and enjoy them.

## **Enhancing the environment**

Our waterways provide a unique environment for wildlife and plant-life, which is of immense value and importance to us and to the people who spend time on

or by our canals. Canals and rivers bring nature into the heart of our towns and cities and provide some of the most biodiverse spaces in the country. It is essential that we protect this very special environment. During 2018/19 we worked on a number of important environmental projects including:

- In May 2018 we completed work on the River Trent to enable the passage of the endangered eel along the waterway
- With funding from the players of People's Postcode Lottery and Thames Water, we improved the water quality on the Kennet & Avon Canal in West Berkshire and introduced new wildlife habitats.
- In April 2018 we launched a nationwide scheme to improve habitats for bats along our canals and rivers, the biggest initiative of its kind ever seen on the country's waterways.
- In July 2018, with the Environment Agency and Severn Rivers Trust, we launched 'Unlocking the Severn', a £22m scheme funded by the National Lottery Heritage Fund and the EU 'Life' fund to install fish passes at four weirs to enable

Left: Wild in Birmingham

the protected thwaite shad to return to the upper reaches.

- Our Wild in Birmingham volunteer group, supported by HSBC, has created a 'living corridor' in the heart of the city with fruit trees, flower beds, herb gardens bird and bat boxes and reeds along the canal to broaden the diversity of habitats for wildlife.
- In January 2019 we joined 25 environment and youth-sector organisations to support the Defra 'Year of Green Action' campaign to encourage people to get involved in projects that support nature and improve the natural world and help improve our environment. As part of this we recruited a Youth Panel to share and shape our programme of activities throughout the year.

### **Tackling pollution and climate change**

In our effort to tackle the excess energy use and carbon emissions caused by pumping water around our canals and rivers, colleagues from our MEICA/SCADA team have joined with other water management organisations and experts from Belgium, France, Ireland and the Netherlands to use high-tech laboratories to test greener pumping ideas and carry out hydrological modelling. The findings will help us to persuade other waterway management organisations to use the processes developed and to adopt greener technologies.

In December 2018 and January 2019, we undertook our first major research project into the occurrence and impact of litter and plastic on our waterways. The results will be published in summer 2019, which will mark the start of a new campaign to raise awareness of this issue.

To raise awareness of the problems caused by pollution, we joined with the Climate Coalition in February 2019 to support their annual #Showthelove campaign. The campaign seeks to encourage more people to join the conversation about the special places they would like to protect from climate change.

When investigating the impact of boat emissions on air quality our research shows that while levels are minimal in comparison with pollution from road traffic, the people most at risk from engine fumes are boaters themselves. Working with London Borough of Islington and with funding from Defra, in October 2018 we started work to create a

new 'eco-mooring zone' on Regent's Canal for visiting boats. The zone will include electric charging points to provide boaters with an alternative to running boat engines to generate energy.

We also installed innovative solar lighting along popular stretches of the Trent & Mersey and Caldon canals. Hundreds of solar lights along five miles of the two canals now automatically switch on when darkness falls enabling the towpath to be used safely after dark.

### **Securing water for our canals**

Water is the lifeblood of the waterways and delivering a secure long-term water supply is crucial to ensuring our canals are open for everyone to enjoy and benefit from.

The summer of 2018 was classified by the Met Office as the warmest on record in England and one of the five driest summers since 1910. The record high temperatures resulted in higher than average evaporation and small watercourses dried up more quickly. Our technical and operational teams closely monitored the developing drought, reviewed reservoir levels and the operational demands of each canal in balance with the needs of the environment. The experiences of this challenging period will help inform our management of future drought events.

We have continued to work closely with water companies, for example, feeding into their Water Resource Management Plans (WRMP) where we interact with their water supply network to ensure the Trust's interests are safeguarded and to identify possible commercial water development opportunities. During the year we reviewed the draft WRMPs of 22 water companies and four of our canal transfer schemes have been incorporated into the draft WRMPs for two water companies.

Changes to water resources legislation, which saw our exemption for surface water transfers into canals being removed have meant that the Trust needs to apply for licences to abstract water to supply our waterways. During the year work began on 171 licence applications and the first applications were submitted by March 2019.

### **Conserving our waterway heritage**

Since the Trust's formation, we have prioritised work to designated buildings and structures in our care. At the end of 2018/19, 87% of the Trust's listed structures were



assessed to be in 'Fair' condition or better, an improvement of 1% on the previous year. As three structures remain on English Heritage's 'Heritage at Risk' register, we were delighted to start restoration work on one of these buildings, the Roundhouse in Birmingham, in March 2019.

This £2.5m joint venture project with the National Trust, funded by the National Lottery Heritage Fund with Historic England, will create an exciting community space in the centre of Birmingham, giving this historic canal-side building a new lease of life.

We also completed work on the following heritage structures:

- Beeston Iron Lock footbridge, a Grade II\* and Scheduled Ancient Monument, to make it safe for use by boaters
- Walbut Lock on the Pocklington Canal, thereby helping to reopen an additional two miles of the Pocklington Canal to boats
- Hayhurst Bridge in Northwich, the world's first electrically-operated swing bridge
- three historic cast iron bridges on the Birmingham Canal Navigations, funded by the players of People's Postcode Lottery
- Lock 15 Grantham Canal Restoration, in partnership with Grantham Canal Society. This work was primarily undertaken by our apprentices and volunteers who have started restoring Lock 14



Above: Restoration of Lock 15, Grantham Canal

- Parbold Dry Dock – volunteers from the local community, students from West Lancashire College and young people involved in the Desmond Family Canoe Trail worked together to restore this local heritage asset

In addition, work commenced on the restoration of the Grade II listed Stainton Aqueduct on the Lancaster Canal after securing £1.3m in funding from the National Lottery Heritage Fund and the Rural Payments Agency in partnership with Lancaster Canal Restoration Partnership.

Volunteers at the National Waterways Museum Ellesmere Port also built a full-size replica of the front end of a slipway carriage that would have been used to haul out and launch vessels on the River Mersey and Manchester Ship Canal.

**“We were delighted to start restoration work on the Roundhouse in Birmingham, in March 2019.”**

# Wales

We are committed to ensuring our canals in Wales are living waterways, full of activity, helping to enrich lives and improve the health and wellbeing of people living and working along their lengths.



During the year, there was significant activity along the Montgomery Canal. The waterway benefited from a £320,000 dredging and vegetation management programme, and volunteers were trained in hedge-laying techniques (funded by the players of People's Postcode Lottery). We also received £100,000 from Powys Council's Active Travel fund to improve the towpath alongside the canal. And in June 2018 local communities were invited to take a closer look at our £4m project to create a series of ponds and habitats alongside the canal as part of the restoration of this historic waterway.

In October 2018 we launched a new touring photographic exhibition focused on the Montgomery Canal and funded by the National Lottery Heritage Fund, Shropshire Wildlife Trust's Freshwater First ERDF Programme and Montgomery Canal Partnership. We produced a short film, *'Life on the Monty'* to celebrate a year of restoration of the waterway and our restoration of Glan Hafren Bridge won a Constructing Excellence in Wales Award for Preservation & Rejuvenation.

In November 2018, Lord Elis-Thomas, the Minister for Culture, Tourism and Sport, joined us in Welshpool to discuss the role of the Montgomery Canal in generating rural tourism, as well as health and wellbeing.

With Swansea Canal Society, we were pleased to secure £320,000 Rural Community Development Funding from the Rural Development programme teams in Neath Port Talbot and Swansea councils. The funding is the first part of a 10 year vision to establish the canal as a premier heritage, visitor and leisure destination in south Wales.

Left: Llangollen Canal

2019 marks 10 years of World Heritage Status for the Pontcysyllte Aqueduct and Llangollen Canal World Heritage Site. In April 2018 the site celebrated World Heritage Day a series of family events near its Trevor Basin Visitor Centre. Thanks to funding from the European Union and Welsh Government, we were able to create additional car parking at this popular tourist destination, and re-fashion access to the site. We also introduced new signage and launched a safety campaign to deter stand-up paddle boarders and cyclists from crossing the aqueduct given the risks they present.

As part of our winter repair programme, we invested over half a million pounds on repairing our waterways in Wales notably in a major overhaul of our lock flight on the Monmouthshire & Brecon Canal at Llangynidr. Also, on the Monmouthshire & Brecon Canal, we were delighted that two of our apprentices were shortlisted for the prestigious Welsh Heritage Angels Awards this year in recognition for their work to repair the historic stone-masonry Brynich Aqueduct in 2017.

Pontymoile canal basin will also receive a new visitor activity centre as part of a £4m joint project between Caerphilly CBC, Torfaen CBC and Glandŵr Cymru – the Canal & River Trust in Wales. The project to transform the Monmouthshire & Brecon Canal into an adventure hub will celebrate the best of the Valleys' natural resources and heritage, and is part of the wider Welsh Government EU funded Tourism Attractor Destination programme.

As part of the rebranding of Canal & River Trust we reaffirmed our commitment to having a separate identity for Wales, Glandŵr Cymru – the Canal & River Trust in Wales.

**“As part of our winter repair programme, we invested over half a million pounds on repairing our waterways in Wales.”**

# Developing the Trust

To create the capacity and capability to realise our ambition for the Trust over the next 5-10 years, it is essential that we develop the organisation to be fit for the future.

During the year we have continued with the reorganisation of our operational teams into a new regional model with greater accountability devolved to our new regional directors. These changes will put the right knowledge and resources in the right place, making the Trust a more effective, agile and responsive organisation.

## **New regional structure**

We have re-drawn our regional boundaries creating six new regions that better mirror existing economic and political regions so we can interface more easily with key external partners. Our six new regional directors were appointed during the spring 2018 and all were in post by September. The new directors are a combination of existing employees and new recruits, bringing a rich and diverse range of experience to the Trust. To populate the new regional teams with the right blend of skills and experience we have undertaken a wholesale restructure of the teams within the regions and we re-fashioned our fundraising team to integrate more effectively with our broader strategy and engagement activity to optimise our supporter growth.

We also welcomed six new chairs to our new Regional Advisory Boards, to help guide the Trust on how to deliver regional priorities and to help our regional teams to connect with the wider networks that will enable our impact to be much greater.

## **An inclusive organisation**

We are committed to become an organisation that promotes equality and inclusion, and better reflects the communities we serve. We have successfully promoted gender equality across all aspects of employment and our pay report, published in February 2019, again demonstrates close alignment in male and female pay with our female employees paid on average 2.6% more than male counterparts. The Trust also surpassed its equality targets with 34% of senior management roles now fulfilled by women, and the proportion of black and minority ethnic employees increased to 5.6%.

## **Developing the skills that we need**

We have continued to invest in our apprenticeship programme, taking on 10 heritage construction apprentices in September 2018. The popularity of this scheme means we attract more than 40



Above: Team at London Docklands

**“We are committed to become an organisation that promotes equality and inclusion.”**

applications for every post. By working with the Building Craft College in Stratford, east London, we are able to offer all our apprentices a Level 2 or 3 qualification in Bricklaying or Stone-masonry, with real-work experience and placements alongside vastly-experienced colleagues in our Construction teams, many of whom are close to the end of long careers on the waterways so we can address our critical need to transfer their knowledge to future generations. We also continue to invest in Higher Level Engineering apprentices working with Leeds Building College.

To ensure we also have the operational skills and knowledge we need to continue to manage the day-to-day operation of our waterways and our wider social and environmental responsibilities, we launched a new waterway-based apprenticeship in practical conservation towards the end of 2018. This programme will involve young people in inner cities and towns developing skills to support and maintain the natural environment, with our first cohort of six waterway apprentices recruited. We are looking to broaden our apprenticeship opportunities further during 2019.

The Trust is also pleased to confirm that we are now members of the Apprenticeship Diversity Champions Network which will enable the Trust to work with and learn from other employers to attract diverse talent.

### **Supporting our colleagues**

Living in an increasingly pressurised world, the mental health and wellbeing of our staff is important to us and we are pleased that, following our launch of the Mental Health First Aid scheme, we now have 48 trained Mental Health First Aiders able to provide support and advice to colleagues across the organisation experiencing stress at work, or any other mental health issue or emotional distress.

We encourage all our colleagues to take an active interest in their own development, to

support this we provide multi-dimensional learning opportunities, open to everyone through our 'Trust-Ed' programme. We have also continued to invest in our leadership and management skills to enhance the capability of our people and to strengthen our 'pipeline' for succession planning so we are equipped with the skills we need to lead the organisation in the future. 310 line managers have completed at least one of our management essentials programmes.

### **Keeping people safe**

We are committed to ensuring our staff, volunteers and contractors are safe at work. However, after a successful reduction in the number of workplace accidents in 2017/18, during 2018/19 we saw an increase in our accident frequency rate, with the number of RIDDOR reportable incidents increasing to 16 from our record low of 5 in 2017/18 (up from 0.09 to 0.29 per 100,000 hours). We implemented a series of targeted campaigns, including a national Safety Conference attended by 120 members of staff from across the Trust and our Safety Stand Down Days which reached over 1,000 colleagues, to reinforce the health and safety message. These initiatives will continue into 2019 and we will commission an external safety culture audit to understand better the underlying issues we need to address. We have also restructured the Trust's health and safety team with a new National Safety Advisor role to help develop a cultural shift around risk management utilising the Health & Safety Executive's approach, 'Plan Do Check Act'.

We have also strengthened the Trust's core safeguarding team to provide additional expertise and held face-to-face safeguarding training sessions for operational colleagues. Our Designated Safeguarding Officer is now a legally-qualified employment expert, and safeguarding responsibilities are incorporated into all new role descriptions, with safeguarding questions asked at interview and all new starters required to undertake our safeguarding training programme.



Above: Manchester Pride 2018





# Our performance

We have continued to measure our performance against our 10 year strategy which incorporates Defra Waterway targets with our own engagement and satisfaction measures. Key measures are outlined below:

Defra Waterway targets – improving our waterways / assets (Defra targets are explained in more detail on pages 59 and 60)	2017/18 Actual	2018/19 Actual	2018/19 Target
Towpath condition Grade C or better*	79.7%	80.8%	>60%
Principal assets grade C or better*	86.8%	86.8%	>77%
Condition of flood management assets grade C or better*	99.0%	99.0%	>96%

Waterway measures	2017/18 Actual	2018/19 Actual	2018/19 Target
Boating customer satisfaction	70%	61%	72%
Visitor satisfaction	91%	92%	90%
Regular visitor numbers to reach each fortnight (from our monthly surveys)	4.3m	4.1m	4.5m
Public safety measure – number of reported incidents on our network	29	34	25
Internal safety measure – accident frequency rate expressed as number of accidents per 100,000 hours worked	0.09	0.29	0.10
Number of days of unplanned navigation closures within our control (individual instances over 48hrs)	490	649	450

Employee and engagement measures	2017/18 Actual	2018/19 Actual	2018/19 Target
Employee engagement (those answering positively to six key engagement measures)	68%	65%	69%
Volunteer satisfaction	96%	96%	95%
Volunteer hours	616,300	671,800	670,000
People aware of the Trust	36%	38%	42%
Friends actively donating to the Trust each month	24,100	28,600	30,000
Number of children reached through our education programme	81,700	92,200	85,000
Community adoptions	225	254	260
Diversity – % employees Black, Asian and minority ethnic	5.1%	5.6%	5.5%
Diversity – % senior management female	22%	34%	25%

\* A structure in condition A is in a good state of repair and one in condition E is in a bad condition.

# Delivering our strategy for the future

**Our Purpose** as a Trust both for the waterways and the wellbeing of those who use them is summarised in the diagram below. Our long term vision – for living waterways that transform places and enrich lives – has two complementary elements. Our first duty is to address the long term condition of the canals and river navigations in our care, and secondly, we believe it is as important that we also maximise the impact that they have on people and communities, delivering a wide range of outcomes, so that we grow appreciation of and support for the Trust. This creates the 'virtuous circle' shown with rising support giving us greater capability to achieve a secure and sustainable future.

## Our Purpose Waterways and Wellbeing Trust



## Strategic Goals & Measures

As part of our re-positioning as a Trust for the waterways and wellbeing, we have set six strategic goals, as shown below.

Strategic goals	
<b>Delivering the service</b>	Satisfied users and visitors – on water and by the water
<b>Caring for our waterways</b>	Our network is safe, available & resilient, conserving its heritage and environment
<b>Investment &amp; income</b>	Growing income and achieving higher return needed for long-term financial sustainability
<b>Wellbeing</b>	Local people are aware of, value, use, & benefit from their local waterway
<b>Brand &amp; support</b>	The Trust is a well-supported household brand and waterways are widely seen as a cherished national treasure
<b>Organisation</b>	An effective and efficient organisation, with engaged colleagues and a shared purpose

To gauge our progress, we have developed a suite of eight broad measures.

Our Measures of Success	We Will Track...
1. <b>Growing the number &amp; satisfaction of users &amp; visitors</b>	Number and satisfaction of users and visitors
2. <b>Improving public safety and the health &amp; safety of our colleagues and partners</b>	Number of reported public incidents due to our infrastructure; the combined total employee, volunteer and contractor RIDDOR accident frequency rating
3. <b>Good overall waterway condition</b>	Asset Health Index, a new measure combining our asset condition measure with the consequence of failure for all our assets
4. <b>Being inclusive, relevant &amp; valued locally</b>	Percentage of local people, and specifically from local BAME communities, using our waterways; Percentage of local people who recognise the value of waterways to them and their local area; personal security ratings of our waterways by local people
5. <b>Growing our brand awareness, particularly amongst local people</b>	Percentage of prompted awareness of the Trust among total population & local people
6. <b>Building a strong, broad supporter base</b>	Number of supporters including friends and other regular individual donors recruited and retained
7. <b>Improving colleague diversity &amp; engagement of those working &amp; volunteering for the Trust</b>	Percentage of colleagues from BAME background; colleague engagement score (across employees & volunteers)
8. <b>Expanding our active volunteer base and offer</b>	Number of volunteer hours & number of active volunteers

The table above sets out the full range of measures of success that the Trust will apply this year, and the range of specific indicators that we plan to use to gauge our progress during 2019/20. As many of these measures are being applied for the first time, and as we are re-basing our large Engagement Monitoring Survey from which some of the measures are derived, targets have not been set out for the year ahead. We will however report on our performance against these measures of success in the 2019/20 year end accounts and plan to include targets for future years.

## Our strategic programmes for the next three years

During 2018/19 we have been developing our strategic programmes to deliver our goals. The suite of three-year strategic programmes from 2019/20 to 2021/22 comprises:

- Three Core Programmes (Delivering More, Safely & Better)
- Five Transformation Programmes (Repositioning – What We Need to Change)
- Five Improvement Programmes (Delivering Service & Enhancing Wellbeing – Making A Difference)

We will continue to devote the vast majority of our resources and funding on delivering the core areas of work in our core programmes; increasingly, our strategic focus will be on the delivery of our transformation and improvement programmes where the impact of change will be most critical.

## Strategic Programmes



## Strategic Transformation Programmes

Our five Transformation programmes seek to underpin the changes we need to make to become an organisation that is equipped to deliver our priorities in becoming a waterways and wellbeing charity, continuing the move from being a relatively inward-looking, infrastructure organisation to a more outward facing, service focussed, outcomes driven Trust that is more agile and responsive to change.

The creation of our new regional structure will enable us to gain greater influence externally and direct resources to local teams, with stronger accountability, better serving our customers and communities. Reinvigorating our brand and raising our profile to grow greater awareness and build wider support is critical to achieving greater impact and influence.

## Strategic Improvement Programmes

Our Improvement programmes focus on enhancing the basic service experience, because the achievement of our wellbeing ambitions is highly dependent upon having safe, clean and attractive places as a platform to realise personal and community wellbeing. We know that to grow the number of visitors and supporters across the range of local communities we serve, we must tackle the two most significant barriers to non-users: the lack of perceived personal safety and security on canal towpaths; and the perception of canals as a dirty, unpleasant and unappealing environment. This is most acute with non-users living within metropolitan and urban areas – our main target area for growth and our target areas are those living in waterside communities, which include the most deprived and multi-cultural urban communities, where the potential impact is greatest.

## Outcomes Measurement & Reporting

We reported on the first phase of our outcomes measurement work in 2017. In May 2018, the Trust commissioned a research report 'Assessing the wellbeing impacts of waterways usage in England and Wales' by social impact consultancy group Simerica, which found that spending time by the waterways can make you happier and improve your life satisfaction, with an equivalent estimated social wellbeing value of £3.8bn per year. This independent report also found that the benefits of visiting a canal or river increase with the length of visit, with research showing higher levels of happiness and lower levels of anxiety for longer trips; and that the more often people visit the more satisfied they are with their lives. We expect to issue our second Outcomes report later in 2019.

# Finance Review

## Overview of financial performance

Financially the Trust has performed well this year. Turnover has risen and revenue from our commercial sources has remained the same proportion of our total income. This increase has allowed a higher spend on our charitable activities.

	2018/19 £m	2017/18 £m
Income	210.0	204.9
Expenditure on raising funds	(44.8)	(45.2)
<b>Net income available for charitable activities</b>	<b>165.2</b>	159.7
Charitable spend	(156.2)	(153.0)
<b>Net Income before gains and losses</b>	<b>9.0</b>	6.7
Gains on investments and disposals	29.2	42.1
<b>Net Income</b>	<b>38.2</b>	48.8
Pension actuarial gains	15.9	21.3
<b>Net Movement in Funds</b>	<b>54.1</b>	70.1

**Income:** Increased across all main income streams except donations where in 2017/18 we benefited from three People's Postcode Lottery draws compared to two in 2018/19. Income is reduced slightly by the disposal of BWML in December 2018 as we then only received income for the first eight and a half months of the year, but strong performance in other business areas has more than offset this.

**Expenditure on raising funds:** Decreased slightly due to lower costs following the disposal of BWML, partially offset by a rise in interest payable as a result of the private placement debt facility being fully drawn down during the year.

**Charitable spend:** Increased across all key areas with additional spend on emergency repairs for major breaches being partially offset by re-phasing of other major work.

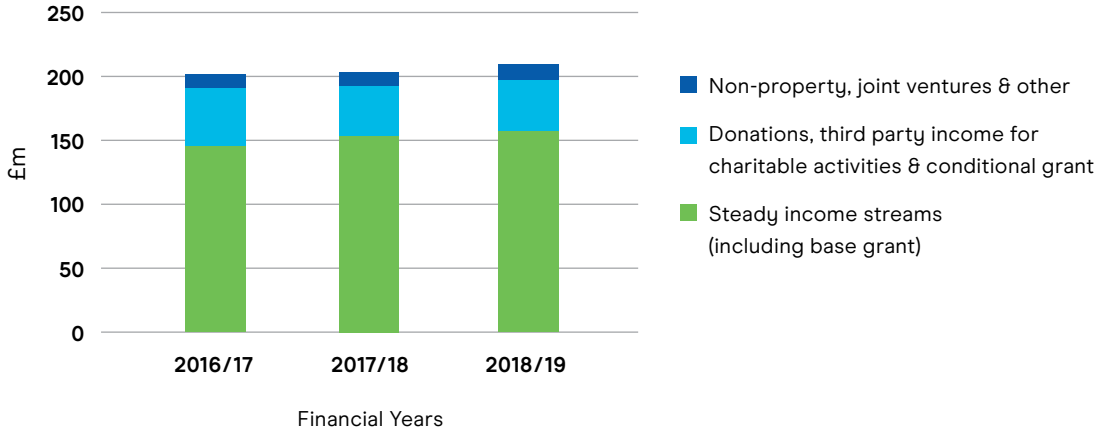
**Net income before gains and losses:** Increases primarily due to additional income from property, boating, utilities and professional services.

**Gains on investments:** Investments had another strong performance with property (76% of the portfolio) outperforming the benchmark again this year and over a 5 year period. Total gains were however lower than 2017/18 as overall market sentiment was less positive. Non-property investments performed ahead of the market but this was behind the Trust's CPI related target in the year. However, they have outperformed the market and this CPI related target since inception. Gains on disposals include £2.5m in relation to the disposal of BWML.

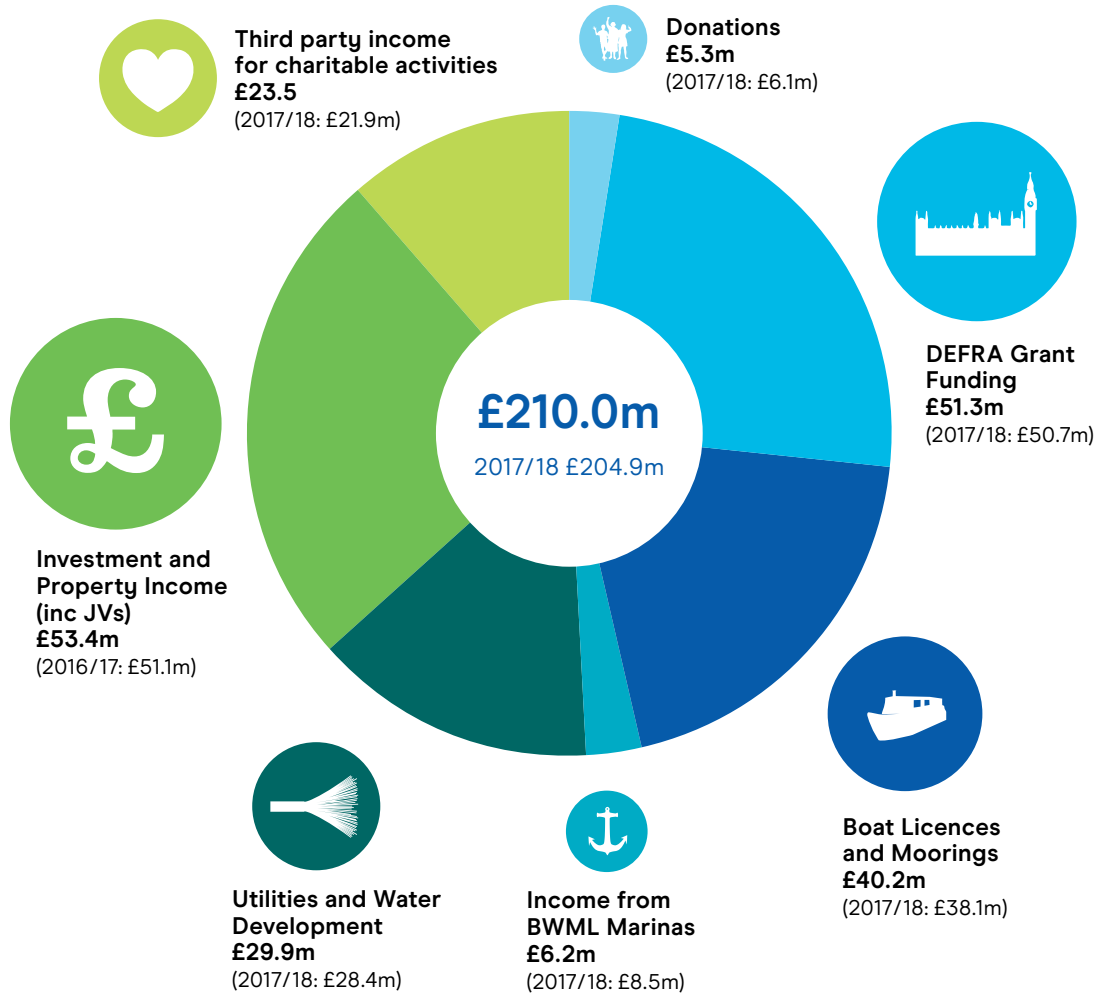
**Pension actuarial gains:** This gain was driven by a good performance of the pension scheme investments and increases in mortality factors which more than offset the adverse impact of inflation and salary increases on the Trust's pension liabilities.

# Income

The Trust is unusual in the charity sector as it generates over 60% of its income from commercial sources with just 2.5% from donations. During the year we received around 76% of our total income from low risk, steady income sources:



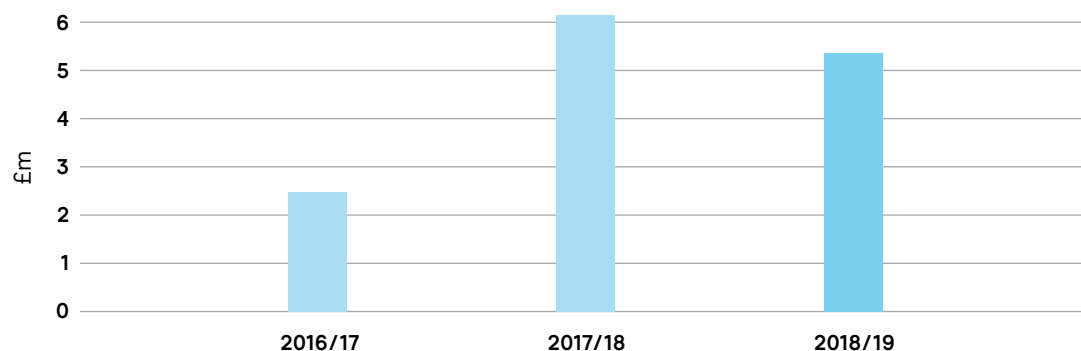
Income sources can be summarised as follows:



**Donations:** The Trust is a direct beneficiary of the People's Postcode Lottery, raising a net £1.9m from two draws (2017/18: £2.6m from three draws).

We have also increased the number of 'Friends' regularly supporting the Trust from 24,100 to 28,600, with income from friends rising in line with this growth.

The net effect of these has seen income decrease slightly to £5.3m, with the increase in Friends income being offset by lower donations in other areas. Despite the fall since 2017/18 donations remain considerably higher than in 2016/17:



**Defra grant funding** represents amounts due under the Defra grant agreement.

Part of this income is conditional based on performance criteria being met, described further on pages 59 to 60. The core amount received in 2018/19 was £41.3m, with an additional £10m received due to satisfactory performance against these performance conditions.

**Boating licences and moorings** The table below shows how the income in this category breaks down between our private boat licence income, income from our long term moorings activity, Business boating (income received from businesses undertaking trading activities on or in facilities connected to the waterways, or premises leased from the Trust) and BWML.

	2018/19	2017/18	% change
<b>Boat licences</b>			
Boat licence income	£21.1m	£20.4m	3.4%
Number of boats with a licence at 31 March*	34,367	34,207	0.5%
Income per private 12-month licence (annualised)	£646	£630	2.5%
<b>Income from mooring permits **</b>	£7.7m	£7.3m	5.5%
<b>Boating trade ***</b>	£9.7m	£9.0m	7.8%
<b>Other</b>	£1.7m	£1.4m	21.4%
<b>Boat licences &amp; Moorings</b>	£40.2m	£38.1m	5.5%
<b>Income from BWML</b>	£6.2m	£8.5m	-27.1%
<b>Total Boating and Moorings income</b>	£46.4m	£46.6m	-0.4%



\* excludes licences for 1 month or less

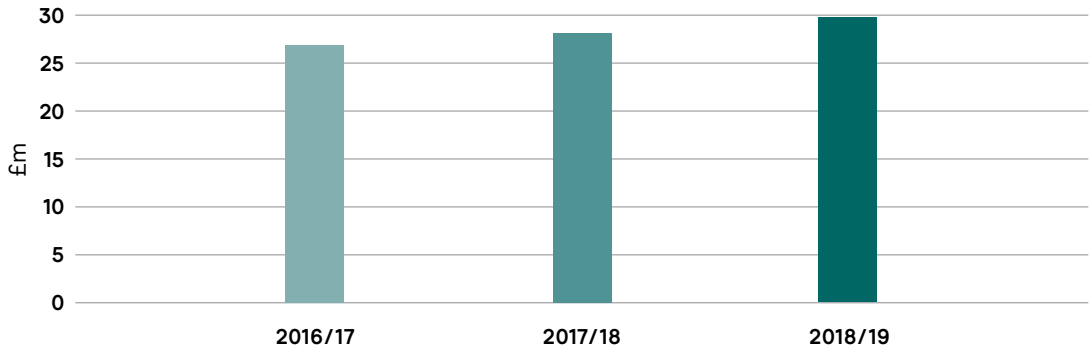
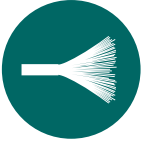
\*\* income from mooring permits has been restated to include garden permits

\*\*\* Boating trade income from BWML is shown separately for comparability



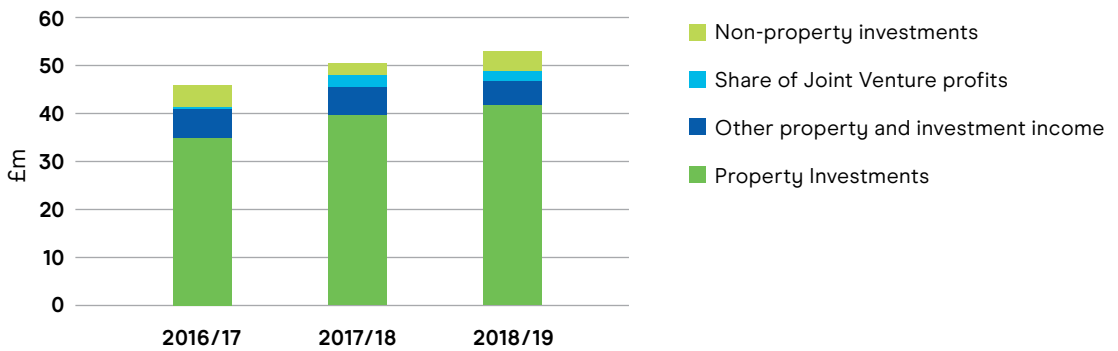
Income from mooring permits has increased due to 3.0% general inflationary price rises and 2.5% due to improved occupancy levels. Boating trade has increased due to new leases and increases in income from rent reviews. Income from BWML decreased in the year due to the disposal of the subsidiary on 14 December 2018.

**Utility and water development income.** Utility income is received from third parties who use the towpaths or bridges for their infrastructure cables for data, telecoms or electricity. Income from water development arises through extraction of water from the canal as well as discharges of excess water into the canal and the use of water for heating and cooling of buildings. Income in this area has increased by 5.3% in the year due to inflationary increases and additional utility agreements.



**Investment and Property income** including joint ventures is derived from the Trust's protected endowment fund.

Total income has grown by 4.5% to £53.4m, with each key area considered separately below.



**Non-property investments:** Dividend income from the non-property portfolio was higher than 2017/18 primarily due to an increase in the funds invested in non-property investments as the Trust continues to diversify away from property. Non-property investment performance is discussed in more detail on page 40.

**Share of Joint Venture profits:** The main joint venture interests of the group, Waterside Places LP and H2O Urban (No2) LLP, engage in waterside property developments from which a share of income is derived.

Within both ventures a number of significant schemes moved further through the development pipeline which will see sales volumes and profits in future periods.

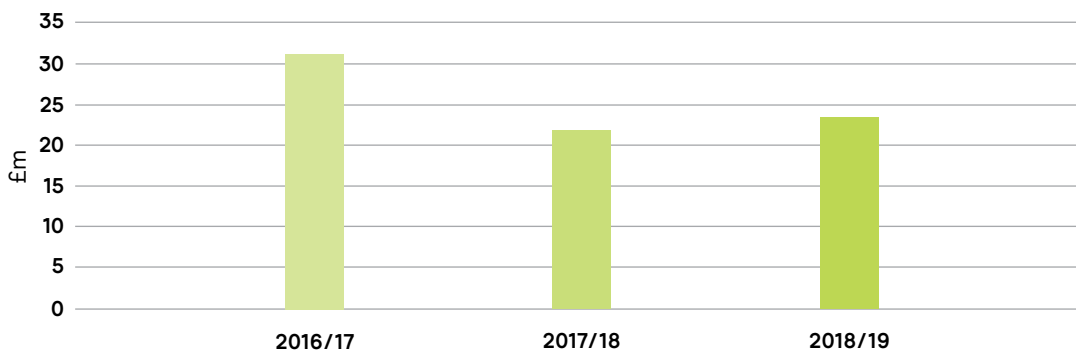
**Other property and investment income:** Includes wayleaves and interest receipts. The slight decrease in this category is owing to a fall in wayleave income, which reflects declining property market sentiment.

**Property investments:** Form the largest part of this income line – being rents and premiums from our large property portfolio which has performed consistently well over the past three years.

The increase in income against prior year is due primarily to additional capital employed early in the financial year from investment of the private placement funds and the investment of liquid funds held at the end of 2017/18. There is £25m of the £150m private placement funds remaining to be invested in suitable properties early in 2019/20.

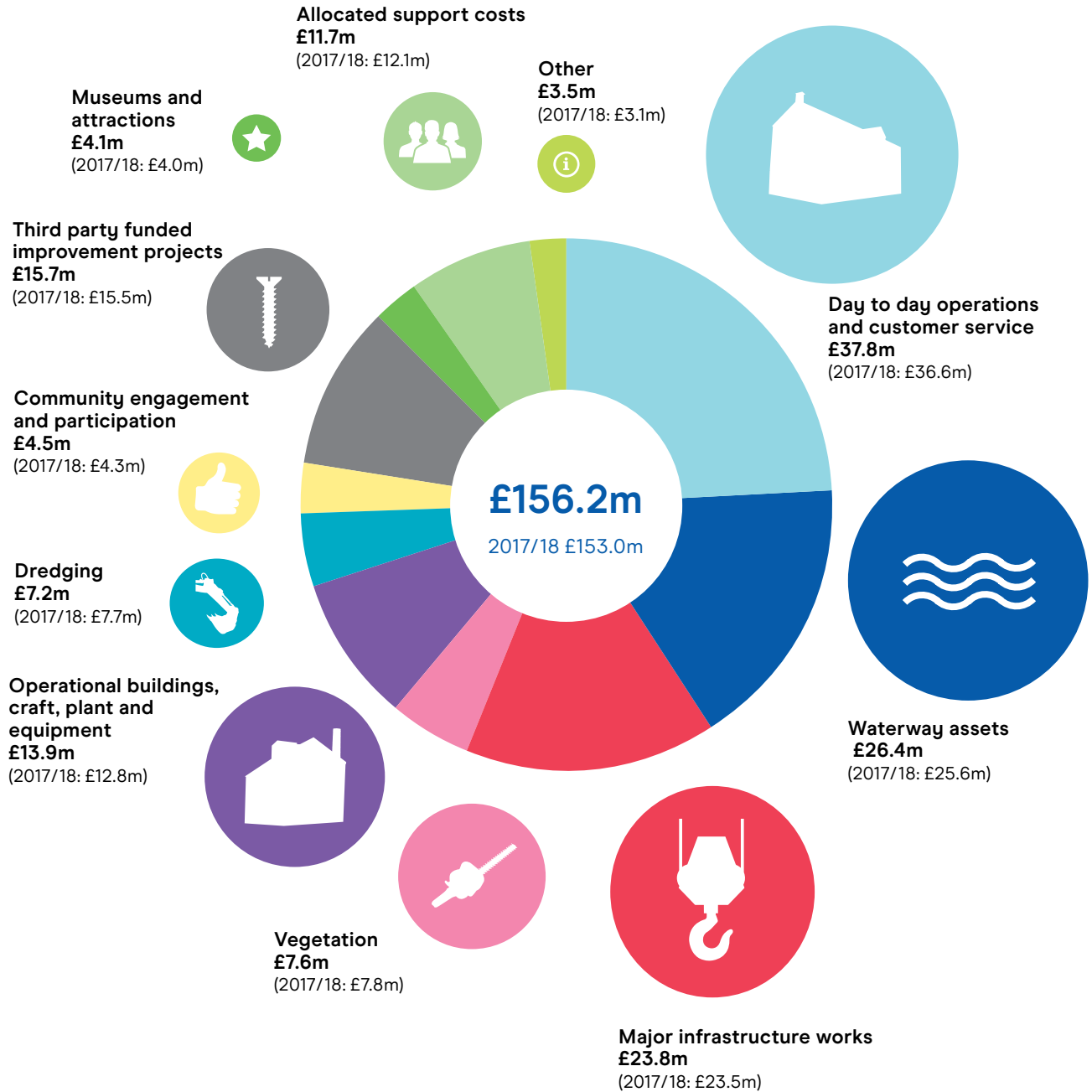
**Grants and other income for charitable activities** represents amounts received for third party funded improvement projects from local and national partners. Also included in this category is income from museums and visitor attractions run by the Trust.

The 2016/17 total was exceptionally high with considerable funds received from partners to fund major works following the 2015 winter floods. The income received in 2018/19 is up by 7.2% on 2017/18 due to increased cost and insurance recoveries across a number of areas.



# Resources

Spend on charitable activities increased from 2017/18 with underlying expenditure on core maintenance, repairs and infrastructure works continuing to grow. The projects undertaken are discussed in more detail in the achievements section of the report on pages 8 to 36.



The allocation of charitable expenditure has been reanalysed to more accurately reflect the activities of the Trust following the regional restructure and repositioning as a Waterway and Wellbeing Charity. A table setting out the key movements from the classifications applied in 2017/18 is shown below.

	Classifications in 2017/18 Annual Report	Reclassification from 2017/18 categories			Classifications in 2018/19 Annual Report
		Notes			
		1	2	3	
		Transfer community engagement and participation costs	Reclassify National teams and Supervision	Reclassify to Caring for the Waterway assets and Day to day operations and customer services	
Maintenance, Inspections, Repairs and Minor Works	27.6	-	-	(27.6)	-
Major Infrastructure Works	22.0	-	1.5	-	23.5
Vegetation	7.8	-	-	-	7.8
Operational Buildings, Craft, Plant and Equipment	12.2	-	0.6	-	12.8
Customer Service and Facilities	6.9	(0.7)	-	(6.2)	-
Dredging	7.7	-	-	-	7.7
Supervision, Volunteering Management, Training, Safety, Insurance, etc.	19.7	-	(0.8)	(18.9)	-
National Operational and Technical Teams	12.6	(1.0)	(3.0)	(8.6)	-
Third Party Funded Regeneration Projects (note 4)	14.4	-	1.1	-	15.5
Museums and Attractions	3.7	-	0.3	-	4.0
Allocated Support Costs	12.1	-	-	-	12.1
Other	6.3	(2.6)	0.3	(0.9)	3.1
<b>Total Resources Expended on Charitable Activities in 2017/18 categories</b>	<b>153.0</b>	<b>(4.3)</b>	<b>-</b>	<b>(62.2)</b>	<b>86.5</b>
Caring for the Waterway assets	-	-	-	25.6	25.6
Day to day operations and customer service	-	-	-	36.6	36.6
Community engagement and participation	-	4.3	-	-	4.3
<b>Total Resources Expended on Charitable Activities</b>	<b>153.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153.0</b>

1. A new category 'Community engagement and participation' has been created to more fairly reflect the activities of the Trust. This includes expenditure delivering and supporting community/youth/education/art projects alongside website and paper based literature to support community engagement

2. National teams and Supervision expenditure has been allocated to the business areas that the teams support

3. Other expenditure has been reclassified to two new core areas where these are not shown within separate

categories such as vegetation and dredging:

- Caring for the Waterway assets. This is our Asset Improvement team and is primarily direct service programmes with Trust colleagues maintaining and improving assets, often involving stoppages, rather than external contractors completing major infrastructure work. The costs include equipment and support of engineering and inspections teams

- Day to Day Operations and Customer Service. This is our operational team looking after users of the network,

primarily through reactive minor repairs and customer service activities

Note that the restructure means that we are unable to split historical costs for these two new organisational areas so the allocation between these categories is applied on the same pro-rata basis as in 2018/19. On the basis that activities were similar in each period we believe that this is a reasonable assumption.

4. Renamed 'Third party funded improvement projects' in 2018/19

## Gains on investments

The property portfolio produced valuation gains of £15.1m (2017/18: £33.1m) which, combined with £5.0m (2017/18: £4.9m) of realised gains on disposals, produced a 2.7% positive capital return for the year. This was comfortably ahead of the MSCI UK all commercial property quarterly benchmark which was almost flat at +0.1% capital return for the year. Good asset management and low exposure to out-of-favour high street retail property were the primary reasons for out-performance.

Our non-property portfolio of investments produced capital gains before fees of £4.2m (2017/18: £3.3m) with the increase due to slightly improved returns on a higher amount invested as the Trust continued with the policy of increasing the diversification of its investments.

## Pension actuarial gains/(losses)

The defined benefit Waterways Pension Fund (WPF) was closed to future benefit accrual on 30 September 2016. The pension deficit decreased by £18.5m to £69.1m due to improved asset performance and reductions in life expectancy partially offset by the adverse impact of expected higher inflation and salary increases.

The Trust has placed investment property within a pension funding partnership of sufficient value to meet the minimum collateral required for the WPF trustees to cover any funding shortfall on the WPF of up to £125m when the pension funding partnership matures on 8 July 2031. On consolidation, the WPF's interest in the partnership does not represent a plan asset for the purposes of the Group consolidated accounts as the underlying assets have been included in the Trust's investment properties.

The position of the pension scheme for funding purposes is calculated on a different basis. A formal valuation is undertaken once every three years and was last undertaken in 2016 when it showed a deficit, before the pension funding partnership (PFP) assets, of £99.0m. Including the PFP assets the 2016 deficit for funding purposes reduced to £4.7m. The Fund's Deficit Recovery Plan allowed for post March 2016 valuation market volatility and included the full potential payment from the PFP maturing in 2031 which is not fully valued in the Fund's assets.

## Summary Consolidated Balance Sheet

	General Fund £m	Restricted and Designated Funds £m	2018/19 £m	2017/18 £m	Variance £m
Tangible fixed assets	28.8	25.0	53.8	78.3	(24.5)
Fixed asset investments	-	993.5	993.5	867.2	126.3
Current assets	84.1	21.2	105.3	136.5	31.2
Current liabilities	(77.1)	(3.8)	(80.9)	(95.5)	14.6
Long term liabilities	(6.1)	(151.1)	(157.2)	(107.6)	(49.6)
Pension fund liability	(0.1)	(69.1)	(69.2)	(87.7)	18.5
<b>Net assets including pension fund liability</b>	29.6	815.7	<b>845.3</b>	791.2	<b>54.1</b>

### Overview

The Trust's group balance sheet position is strong with the majority of the net assets being held in the restricted Protected Endowment Fund. The general fund has a small balance of net current assets, complemented by operational fixed assets. The Trust holds cash and current asset investments in the general fund sufficient to support our current liabilities.

Within restricted funds is a long-term, fixed rate loan of £150m. £100m of the loan was drawn down in January 2018 and the final £50m in June 2018. This is explained in further detail in note 20. These funds have been invested in accordance with the Trust's investment strategy to achieve returns above the cost of debt.

The principal consolidated balance sheet movements during the year were as follows:

**Tangible fixed assets** have decreased primarily due to the disposal of BWML.

**Investments** increased significantly during the year. A large part of the £50m fixed rate loan drawn down in the year and funds held as short-term investments at 31 March 2018 were invested in long-term assets at 31 March 2019. Capital growth also contributed towards the increase.

**Current assets** have decreased primarily due to investment of short term funds held at 31 March 2018 into long term investments.

**Current liabilities** have decreased primarily due to repayment of the £12.9m Port of London Properties Ltd loan in January 2019.

**Creditors: amounts falling due after one year** have increased due to the drawdown of the final £50m tranche of loan notes. The loan notes are valued under IAS39 and there is no material difference in the market value of the liability and the amount originally advanced by lenders.

**Pension fund liability** has decreased for the reasons set out under 'Pension actuarial gains/ (losses)' on page 51.

## Investment policy, powers and performance

Currently all of our long-term investments, with the exception of £23.2m held for the Pension Accumulation Designated Fund (see note 16), are Protected Endowment Funds. The Protected Endowment is defined under the 2012 Defra Grant Agreement and comprises all the investment assets and liabilities of the Trust such as investment properties, investments in subsidiary companies, financial investments, cash available for investment, protected

operational buildings and is net of any liabilities that are effectively secured on, or due for payment from, the assets in the Protected Endowment as transferred to the Trust under the Statutory Transfer Scheme on 2 July 2012.

The Protected endowment funds are the corporate property of the charity and are not held on trust. As such, and subject to the specific terms of the grant agreement, it is up to the Trust to decide how much of the annual return is spent on charitable activities and how much is retained to increase the capital value of the fund. The investment policy carefully balances present needs with those of the future, consistent with the aims of the Grant agreement.

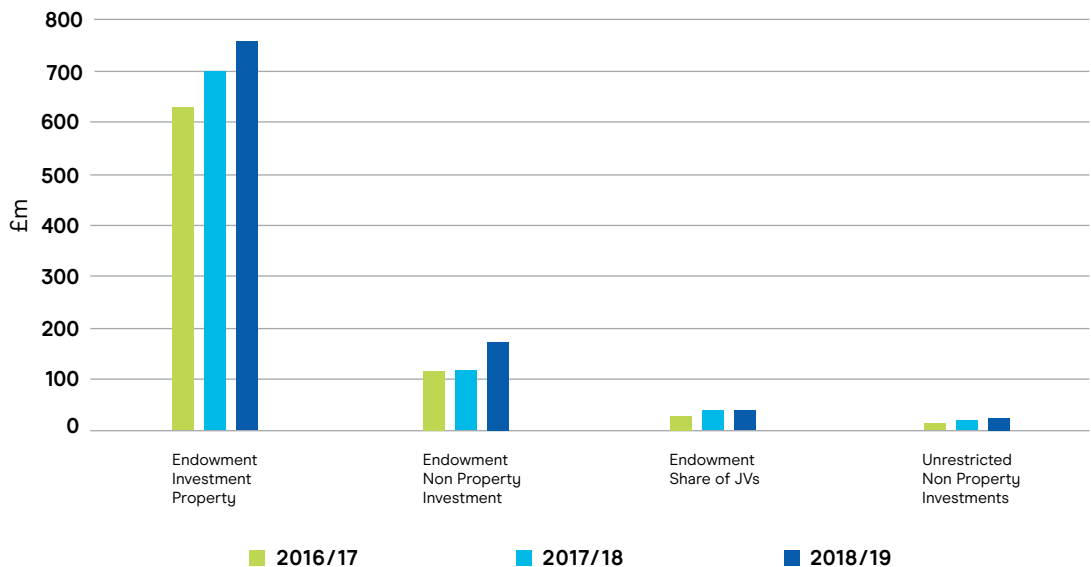
The Grant agreement covers the period to 2027 and states that the Trust should aim to grow the Protected Endowment Fund in real terms i.e. by more than inflation. Our investment policy specifies real estate property investments in the UK as the main asset class but allows up to 40% of the portfolio to be invested in a more diverse range of asset classes such as equities, absolute return funds, bonds and private equity. Whilst the Trust can tolerate modest short-term volatility, the main objective of the investment policy is to provide regular income while increasing investment value in the portfolio with a target of reaching £1bn of investment assets (net of debt) by 2025.

The protected endowment is an expendable endowment. The Trust's investment policy is to allow withdrawal of capital to fund expenditure provided the fund has first retained at least CPI+1% growth measured over the medium to long term (5 to 10 years).

For Property assets the Trust spends the net property rents received and accumulates the capital gains. For non-property assets a withdrawal target of up to 4% of the total return on the average capital balance in the year can be withdrawn for expenditure subject to the minimum retained growth of CPI+1% being achieved over the medium term.

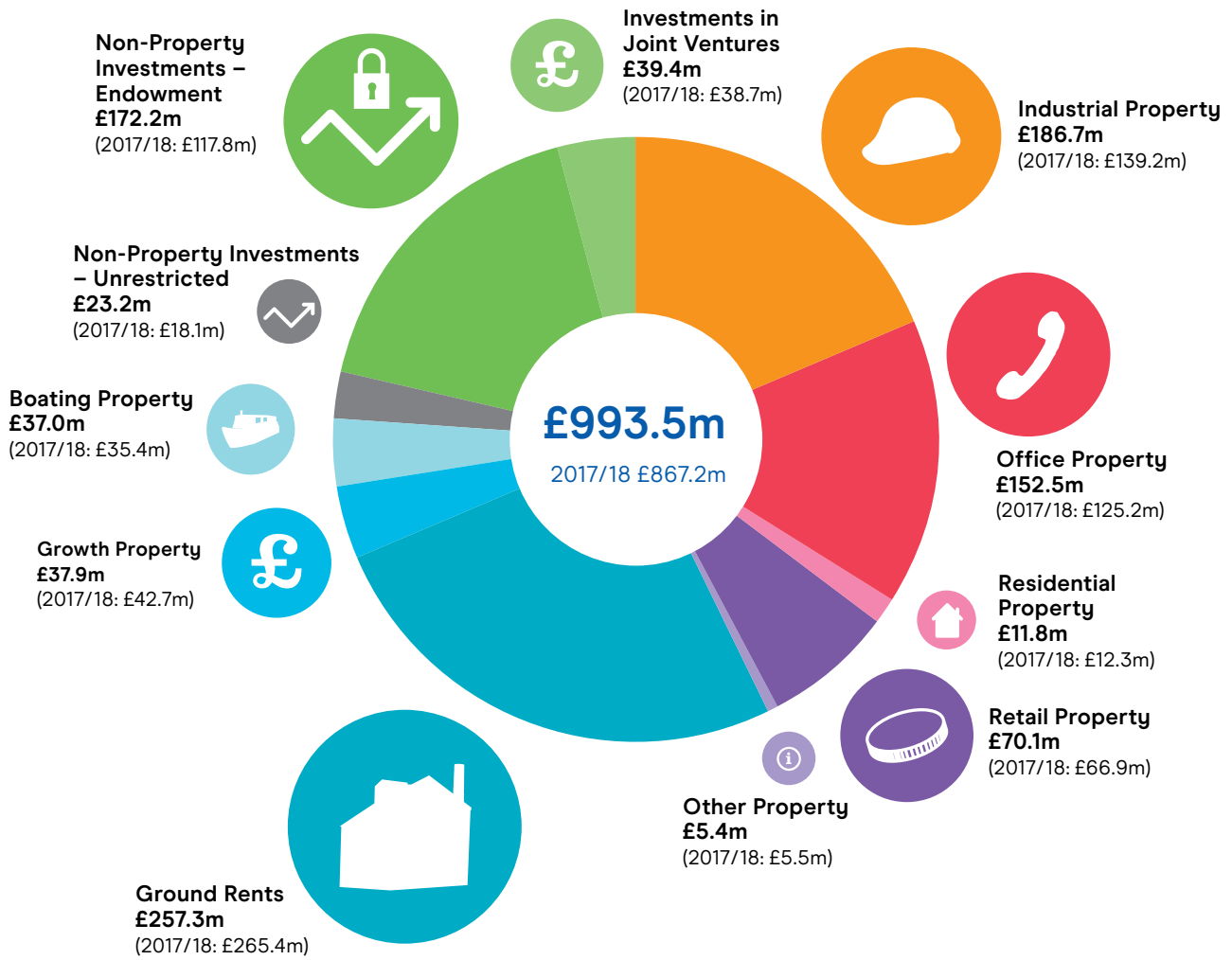
### Total Investments

The total investment portfolio is £126.3 m higher than the position at 31 March 2018 and stands at £993.5m This increase in value is due to investment of funds raised through borrowing and disposal of BWML as well as an increase in capital value:



These investments generated £53.4m of income to spend on charitable activities.

## Investment by Type



### Property investments

	Actual		Benchmark*		Variance	
	2018/19	5 year annualised	2018/19	5 year annualised	2018/19	5 year annualised
Total return	7.5%	12.0%	4.6%	9.5%	2.9%	2.5%
Income return	4.8%		4.5%		0.3%	

\* MSCI UK all commercial property quarterly benchmark

The Trust's investment property portfolio produced a total return of 7.5% for 2018/19 compared to 4.6% benchmark. The performance was boosted by the portfolio's bias towards industrial property which performed strongly and away from retail as demand shifts from the high street to on-line. The Trust's asset management team also completed a number of value enhancing lease events in the office portfolio.

The Trust's investment property performance is benchmarked against the UK commercial property market over the medium term. The portfolio has comfortably exceeded the benchmark with 5-year annualised average returns at 12.0% p.a. compared to 9.5% p.a. for the benchmark.



## Non-property investments

	Actual		Benchmark*		Variance	
	2018/19	5 year annualised	2018/19	5 year annualised	2018/19	5 year annualised
Total return (including foreign currency exchange effects)	5.9%	7.7%**	4.3%	5.8%*	+1.6%	+1.9%

\* based on the Strategic Asset Allocation which is a composite benchmark based on a range of external benchmarks comprising fixed income, credit, absolute return, hedged equities, global equities and private equity

\*\* since inception in May 2014

Our non-property investment manager's objective over the medium term has been achieved with annualised nominal returns since inception of 7.7% compared to our target of 5.8% over the same period. The 2018/19 return of 5.9% was 1.6% higher than the market benchmark for the year where the underlying drivers of global economic value point towards slower growth in future.

Investments related to the designated Pension Accumulation Fund are £23.4m (see note 24). These are all held in separate investment funds with our investment managers Partners Capital. The primary objective of this fund is to meet a potential payment to the waterways pension fund at the end of the pension funding partnership arrangement in 2031. There is no withdrawal objective in this fund which targets a 7% p.a. nominal return

For non-property investments the Trust decided not to withdraw any additional funds beyond the natural income yield of 2.5% but to retain all capital growth for the future to help protect against potential income volatility.

The Trust's Investment Policy supports the social, environmental and ethical objectives of the Trust, whereby individual investments may be excluded from the portfolio if they are perceived to conflict with the Trust's objects and purposes.

# Reserves

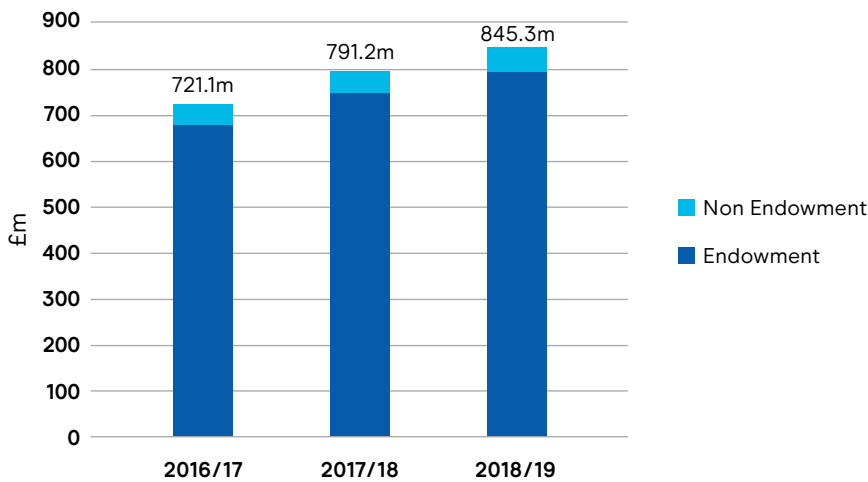
## Addressing our perpetual financial obligations

Our purpose is to be a trusted guardian of the historic inland waterway network of England and Wales, seeking to enrich places of historic interest or natural beauty permanently for the benefit of the nation. The waterways and the associated structures represent a substantial financial commitment of the Trust and have an annual maintenance and repair requirement that significantly exceeds the related income generated. Accordingly, the economic value of the waterways is estimated to be substantially negative.

The Protected Endowment Agreement and the Waterways Infrastructure Trust Deed provide for all income arising from the endowment and the Trust assets to be applied to the charitable purpose of maintaining the waterways for public benefit. The financial strategy for the Trust is to maximise net income from all sources and to increase the contribution to the Trust's activities through volunteering and local engagement.

## Funds Movement

The total funds of the Trust have increased from £791.2m to £845.3m, with both the general fund and the protected endowment funds increasing from their prior year total.



## Reserves policy

The financial strategy of the Trust is to provide secure and increasing income to fund the maintenance, repair and enhancement of the waterways and to maintain a strong and sufficiently liquid balance sheet. The net incoming resources are applied to the charitable purpose after providing for the costs of administering and managing the Trust's income generating activities.

As a charity that is just seven years old, it will take time to build sufficient unrestricted reserves to address all the risks held by the Trust. However, the Trust has a substantial exposure to major asset failures – particularly in relation to reservoirs and embankments. In light of this, and given that the Trust has free reserves for the first time since inception, we have started to build a designated fund to be available to meet any such needs in the future.

## Unrestricted Funds

*General Fund – £29.6m (2018: £26.7m)*

The Charity Commission defines free reserves to be the level of reserves held after making allowance for any restricted funds, and the amount of designations, commitments (not provided for as a liability in the accounts) or the carrying value of functional assets which the charity considers a commitment of the reserves they hold.

As a young charity the Trust has limited free reserves of £0.8m after deducting designated reserves of £24.1m (outlined below) and unrestricted fixed assets of £28.8m. This means that General Funds can only be realised by disposing of tangible fixed assets or programme related investments.

The trustees regularly undertake a review of the longer-term business strategy and the aspiration of the trustees is to achieve a level of unrestricted general funds that will provide sufficient resilience based on the need to:

- Provide short-term protection against downward fluctuations in annual revenues or capital receipts to ensure that we can maintain the desired level of investment in the waterways;
- Provide long-term strategic financial support to fund maintenance of our waterways;
- Finance unplanned expenditure where the need arises such as reaction to extreme flooding events;
- Provide protection against the financial impact from the operational risks of the Trust;
- Provide a financial cushion in the event of extreme circumstances affecting the charity's ability to operate; and
- Protect the Trust from investment market risk.

This will require challenging growth in our various income streams over the longer term coupled with the retention of premium receipts from our property investments. The trustees have designated funds totalling £24.1m for two specific purposes:

*Pension Accumulation Fund – £23.4m (2018: £18.2m)*

The Pension Accumulation Fund has increased during the year due to the £4m annual transfer alongside £1.2m of capital growth for the related investments.

The pension fund closed to future benefit accrual on 30 September 2016 and this fund is anticipated to cover any deficit existing in 2031 up to £125m thereby releasing the assets containing in the PFP referred to above.

*Major Asset Failure Fund – £0.7m (2018: £nil)*

The Trust has considerable exposure to major asset failures, notably in relation to reservoirs and embankments. This was aptly demonstrated during the year with the failure due to suspected vandalism at Stanthorne on the Middlewich arm of the Shropshire Union canal, which resulted in the canal being closed for around nine months and took £2.8m to repair. The Trust had to defer planned projects to be able to accommodate this within the original financial shape for this year. A fund such as this, once fully established, would allow for such additional expenditure without adversely impacting on our annual financial plans.

This designated fund will be built up over the coming years and 50% of the value of free reserves has been allocated to this fund this year.

## Restricted Funds

*Protected Endowment Fund – £790.9m (2018: £745.3m)*

The Protected Endowment has increased by £45.6m during the year, primarily as a result of property and non-property gains alongside decreases in the pension fund deficit due to actuarial gains and a £5m contribution from the general fund.

*Restricted Income Fund – £0.7m (2018: £1.0m)*

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied so that the trustees have limited discretion over their use. The purpose of each restricted fund is set out in note 1.

## Cash Flow

	2018/19 £m	2017/18 £m
Net cash used in operating activities	(59.6)	(57.0)
Net cash provided by investing activities	37.9	7.6
Cash flows from financing activities	37.1	50.0
<b>Change in cash and cash equivalents</b>	<b>15.4</b>	<b>0.6</b>
Cash and cash equivalents at 1 April	22.6	22.0
<b>Cash and cash equivalents at 31 March</b>	<b>38.0</b>	<b>22.6</b>

**Operating activities:** net cash used in operating activities is similar to prior year.

**Investing activities:** the property portfolio is a major source of income for the Trust and the net revenue generated from this activity is integral to spend on the waterway. Net cash generated from our investing activities has increased in the year, primarily due to proceeds from the sale of subsidiary BWML not being fully invested at year end and property purchases deferred due to Brexit uncertainty. In addition, the investment strategy led to a greater proportion of current assets being held in cash rather than short term investments due to the combination of relatively short investment periods available and the volatility in returns within the portfolio, meaning a greater risk of loss on investment. Therefore, a move towards fixed term deposit and notice accounts with high street banks has been adopted.

**Financing activities:** The Trust received the final £50m of loan note funding in June 2018 as part of its private placement. This has been utilised to fund investments in accordance with the Trust's investment strategy. The Trust also settled the Port of London Properties Ltd loan of £12.9m during the year.

## Publication Data – required under the Defra Grant Agreement

One of the obligations of the Grant Agreement is to publish annually the defined Publication Data which is set out in the table below.

The Network Stewardship Score is a combined measure of functionality of and the public benefit delivered by the waterway network. It is calculated annually based on a range of indicators. All Principal Waterway Assets are measured and categorised according to condition. A structure in condition A is in a good state of repair and one in condition E is in a bad condition. Embankments and culverts are included within the definition of Principal Assets but towpaths are dealt with as a separate category and are graded according to condition grades from A to E where A is described as very good and E is bad.

The heritage asset measure in the table below covers both the waterway assets categorised as Heritage Assets in the accounts policies as well as operational and investment properties that have heritage qualities.

### Publication Data

Measure	Description	Outcome Result
Network Stewardship Score	A combined measure of waterway functionality and public benefit as at 31 March 2019.	120 (2018: 120)
<b>Safety</b>		
Number of reported incidents involving customers relating to infrastructure failure	The numbers of injuries for the year ended 31 March 2019.	34 (2018: 29) customer incidents where an infrastructure defect was a significant contributory cause.
Number of reported incidents involving employees	The numbers of injuries for the year ended 31 March 2019.	53 (2018: 92) total employee recorded injuries of which 12 HSE Riddor reportable, of which 6 (2018: 4) were 'over 7 day' injuries.
Percentage of waterway assets in Classes D and E*	Based on Principal Asset condition grades. The Relevant Standard is for the aggregate of assets in classes D&E not to exceed 25% of the total.	Aggregate percentage of principal assets in condition classes D&E was 13.20% as at 31 March 2019 (2018: 13.22%).
<b>Towpaths</b>		
Number of towpath visitors (based on annual survey data)	Number of visits and visitors for the year ended 31 March 2019. This is based on a survey of members of the public, expressed in millions.	Total visits 349m (2018: 372m) Average visitors during a two week period 4.1m (2018: 4.3m)
Number and duration of unplanned towpath closures	Defined as unplanned closures that are caused by asset or infrastructure failure for the year ended 31 March 2019.	Number of closures 17 (2018: 31) Number of closure days 262 (2018: 452)
Percentage of towpaths in conditions A to C*	The Relevant Standard is no less than 60% aggregate in conditions A to C.	Aggregate percentage of towpaths in condition classes A, B and C was 80.84% as at 31 March 2019 (2018: 79.67%).

<b>Flood management*</b>		
Percentage of principal culverts and embankments in Class D and Class E	The Relevant Standard is for the aggregate of flood management assets in classes D&E not to exceed 4% of the total flood management assets.	Aggregate percentage of flood management assets in condition classes D&E was 0.96% as at 31 March 2019 (2018: 0.96%).
<b>Sites of Special Scientific Interest (SSSIs)</b>		
Percentage area of SSSIs under Trust management in favourable or unfavourable recovering condition	The data is available only for sites in England and is obtained from Natural England. It covers a total of 718 hectares of SSSI sites under the Trust's management.	Favourable 38.3% (2018: 38.8%) Unfavourable recovering 34.2% (2018: 28.5%)
<b>Heritage</b>		
Percentage of Heritage Assets assessed on completion of work as good or adequate with double weighting given to good assessments	This measure includes work on several assets that have heritage qualities and is not limited to waterway infrastructure assets only.	97.2% (2018: 97.6% (restated))
<b>Volunteer participation</b>		
Number of volunteer days contributed to the Trust	Number of volunteer days for the year ended 31 March 2019.	89,579 days (2018: 82,356 days)
Trust owned housing forecast figures	Based on the property development activity on the Trust's sites (including joint ventures) – actual for the year ended 31 March 2019 and forecast for the year ending 31 March 2020.  <i>(These figures also include development sites previously disposed of by the Trust. These are not formally monitored by the Trust and are reported on the basis agreed previously with the Homes and Communities Agency)</i>	2018/19: 513 residential units completed (497 forecast)  2019/20: Over 493 units under construction currently. Over 400 units anticipated to commence construction in 2019/20. Approximately 491 units forecast to be completed in 2019/20.

The Publication Data items denoted with an \* comprise the Relevant Standards for the purpose of the conditional element of the Defra Grant. The information in the table above demonstrates that the Relevant Standards have been met for the period to 31 March 2019 and accordingly the Trust will apply for payment of the conditional portion of the Defra Grant funding for the year ending 31 March 2019 which comprises £10m.

# Governance

The Canal & River Trust is a charity registered with the Charity Commission in England and Wales, No. 1146792. It is a company limited by guarantee, No. 7807276, and does not have share capital. The Trust's governing documents are its Memorandum and Articles of Association both of which can be accessed via our website ([www.canalrivertrust.org.uk](http://www.canalrivertrust.org.uk)).

The Trust applies and, with one exception in relation to its Audit & Risk Committee detailed below, follows the 2017 Charity Governance Code (for large charities) which sets out the principles and recommended practice for good governance. The Trust also voluntarily endeavours to follow the UK Corporate Governance Code, insofar as it is relevant to the Trust's governance structures.

The Trust had two principal wholly owned trading and investment subsidiaries during the year, British Waterways Marinas Limited (BWML) and Canal & River Trading CIC. BWML operated 18 marinas across England & Wales during the year offering customers a comprehensive range of boat services. The Trust concluded the sale of BWML to LDC (the UK's leading mid-market private equity investor and part of Lloyds banking group) on 14 December 2018 in a transaction that saw LDC invest in the business, supporting the existing management team in their focus to deliver improvements across BWML's marina sites and add new locations to further strengthen its brand and market position.

Canal & River Trading CIC is a community interest company that carries out trading and investment activities. The main activities are in property development and investing in joint ventures, as well as continuing to be a direct beneficiary of the People's Postcode Lottery. Profits arising in the subsidiaries, including the proceeds from the People's Postcode Lottery, are donated to the Trust. A summary of the Trust's subsidiaries and results appears in note 12 in these accounts.

In setting objectives and planning our activities our trustees have given due consideration to the Charity Commission's general guidance on public benefit. Further details on our strategy for the future, setting out what we want to achieve as we progress to 2025 can be found on pages 40 to 43.

The governance of the Trust is overseen by trustees, who are volunteers, all of which are unpaid roles, and all of whom share our passion for the waterways. The Trust reimburses reasonable expenses incurred by these volunteers in carrying out their duties.

## The Council

The Council comprises the company law members of the Trust. It is responsible for appointing, and may also dismiss, trustees.

The Council had 29 members at 31 March 2019 (with a full list on page 124) drawn from the different communities that use or benefit from the waterways, including boaters, canoeists, walkers, cyclists, heritage, local government, environmental and community groups. Eight members are elected and a further 13 nominated by specified organisations (including the Trust's own Bwrdd Glandŵr Cymru). Two Council members are co-opted on the recommendation of the Appointments Committee to provide the Council with the full complement of skills and expertise required. The six Regional Advisory Board Chairs sit on Council as ex-officio members.

The Council meets twice a year. At the September 2018 meeting, which also comprised the Trust's Annual General Meeting, Jennie Price CBE and Sarah Whitney were appointed as trustee Directors (following the retirement of Francis Done CBE and Manish Chande – who both received heartfelt thanks for their previous service particularly as they had all been with the Trust since its inauguration and had played major roles in steering the Trust during

its first few years). Council also resolved to amend the Trust's Articles to reduce the annual requirement for trustee Director rotation from 1/3 to 1/5. In addition, Council also received presentations on the Trust's approach to environmental and water resource challenges.

At the March 2019 Council meeting (which was convened as a General Meeting), Council agreed to ratify the appointment of the current trustee Directors (following the adoption of amended Articles at the September 2018 meeting). Council also resolved (following recommendations from the Appointments Committee) to increase future Council membership by amending the Trust's Rules to allow for an additional elected volunteer representative, a nominated member from a wellbeing constituency (to be identified by the Appointments Committee) and to specify Step Up To Serve as a youth engagement nominating body. Council members also received a presentation from the new appointed Chair of the Waterway Ombudsman Committee, Kevin Fitzgerald and Sarah Daniels, who has been appointed as the new Waterways Ombudsman (from July 2019). Council also debated the Trust's approach to sharing the towpath space, with particular contributions from Stella Ridgway (elected leisure boating member), David Kent (nominated Angling Trust member) and David Gibson (nominated Ramblers member).

An independent review of the Council concluded in July 2018, with the findings and the Trust's response presented to Council at the September 2018 Annual General Meeting, covering a number of issues such as improving the frequency and content of Trust communications and information provided to Council members, the production of a Council Members' Handbook to clarify the role of members in the wider context of the overall Trust governance framework and greater opportunity for Council to debate Trust policy – all of which have since been taken forward and put into practice.

## The Appointments Committee

The Appointments Committee comprises three trustees and three Council Members and has a specific role under the Articles of Association of the Trust to:

- Oversee Council membership
- Help the Council appoint trustees
- Appoint Regional Advisory Board Chairs
- Appoint the Members of the Bwrdd Glandŵr Cymru (Welsh Board).

The following trustees served on the Appointments Committee during the period:

- Dame Jenny Abramsky (Chair)
- Janet Hogben
- Allan Leighton

The following Council members served on the Appointments Committee during the period

- Ian McCarthy
- Andrew Phasey
- Phil Prettyman



## The Board of Trustees

The principal governing body of the Canal & River Trust is the Board of Trustees, whose names are listed on pages 121 and 122. The Board of Trustees is responsible for the strategic direction of the Trust and meets together with the Executive team 6 times a year to review progress and to ensure that the Trust is on track to meet its objectives. Reporting to the trustees is the Chief Executive who has direct responsibility for day to day management as well as the development and implementation of appropriate policies and strategies, assisted by his Executive team.

The Board of Trustees are appointed by the Council, which is supported in this process by the Appointments Committee. Where necessary, the Trust provides the appropriate resources for professional development and updating the capabilities of the trustees – and the Chief Executive ensures that any new trustees receive appropriate induction on appointment.

The Board of Trustees carried out an internal annual review of its own operations during the year, which was in line with the positive conclusions of the independent review of the Board carried out during the previous year – particularly in terms of continuing to operate well to discharge key responsibilities for setting strategic goals, having the right balance in terms of experience and expertise and sufficient oversight and monitoring of the Trust's key risks.

The Board has delegated specific decisions to Board Committees via its formal Scheme of Delegation. The Terms of Reference for all Board Committees are available on the Trust's website.

## Audit and Risk Committee

The main responsibilities of the Audit & Risk Committee are to provide assurance and recommendations to the Trust on the effectiveness of its governance, internal control and risk management framework. The Committee meets formally three times a year.

Part of the role of the Committee is to ensure that there is an effective internal audit. During the year the Internal Audit function was discharged by RSM Risk Assurance Services LLP. The Committee also receives and reviews reports on risks and risk management at every meeting.

In addition, the Committee:

- Approves the performance and annual plans of both the external and internal auditors and ensures that both sets of auditors are appropriately independent.
- Approves the Trust's accounting policies before the Annual Report and Accounts are prepared.
- Reviews the draft Annual Report and Accounts before submission to the Board.

The following trustees served on the Audit & Risk Committee during the year:

- Frances Done CBE (to September 2018)
- Dame Jenny Abramsky
- Nigel Annett CBE
- Jennie Price CBE (from September 2018)
- Sir Chris Kelly

Frances Done CBE held the role of Audit and Risk Committee Chair to September 2018. Sir Chris Kelly took over the role of Chair from September 2018.

Although the Charity Governance Code recommends that the Chair of the Audit & Risk Committee has recent and relevant financial experience, the Trust does not specifically require this. However, the Board of Trustees are satisfied that the current Chair and other Audit & Risk Committee members do have considerable relevant experience and, together, provide an informed and rigorous delegated control and assurance on the Trust's governance, internal controls and risk management framework within the Code principle on decision-making, risk and control.

## Investment Committee

The Investment Committee provides non-executive oversight and assurance for the Board of Trustees in respect of the investment and other commercial activities of the Trust, including the Group Investment Policy (GIP) for the Protected Endowment Portfolio, investments in subsidiaries and associates, the property business and utilities business. The Committee also oversees the execution of the agreed investment strategy and manages the ongoing relationship with the Protector who is jointly appointed by the Trust and Defra under the terms of the Grant Agreement.

The following served on the Investment Committee during the year:

- Manish Chande (Co-optee from September 2018)
- Sarah Whitney (from September 2018)
- Allan Leighton
- Tim Reeve
- Nick Ritblat (Co-optee)
- Tim Sketchley (Co-optee, from September 2018)
- John Bywater (Co-optee to October 2018)

Manish Chande held the role of Investment Committee Chair to March 2019. Sarah Whitney took over the role of Chair from March 2019.

## Remuneration Committee

The role of the Remuneration Committee is to oversee the remuneration policies for the Trust, with particular focus on the remuneration of the Executive team. The Committee determines the overall reward and remuneration strategy for the Trust, including any annual or periodic pay award. It approves the design of, and determines targets for, any performance related pay scheme operated by the Trust for any Executive Directors.

The Committee has taken independent advice as necessary to inform those judgements.

They also take account of affordability for the Trust, and the fact that the Trust operates in the third sector. The Committee continues to be satisfied that the level of Executive team pay is appropriate to the responsibilities of the posts concerned.

The following served on the Remuneration Committee during the year:

- Ben Gordon (Chair)
- Janet Hogben
- Susan Wilkinson

## Bwrdd Glandŵr Cymru

Bwrdd Glandŵr Cymru or Welsh Board has an advisory remit and takes a strategic perspective in developing the Trust's work in Wales. It works to ensure the Trust has a good understanding of the needs, issues and opportunities relevant to the waterways of Wales. The Welsh Board has an important role in working with the Welsh Government and the main all-Wales public institutions. It also works closely with the Trust's Regional Advisory Boards which border Wales.

The Chair of the Welsh Board is a Nigel Annett, a trustee. Nigel was appointed to the role by the Trustees and member appointments are made by the Appointments Committee.

## Regional Advisory Boards

The Trust now has 6 Regional Advisory Boards (to mirror the Trust's operational regional structure) to help the Trust use local knowledge, ideas and capacity to build relationships, reach the diverse local communities that we serve and translate national priorities into local initiatives.

All 6 Regional Advisory Board Chairs are newly appointed during the year:

- Sir William Atkinson (London & South East) – from May 2018
- Anil Majithia (East Midlands) – from May 2018
- Caroline Schwaller (Yorkshire & North East) – from July 2018
- John Hudson (West Midlands) – from October 2018
- David Hagg (South West) – from June 2018
- Professor Nigel Weatherill DL (North West) – from March 2019

David Hagg was formerly the Chair of the South Wales & Severn Regional Advisory Board.

Walter Menzies continued in his role as the Chair of the North West Regional Advisory Board until his sad death in December 2018.

## Risk Management

The trustees acknowledge their responsibility for defining the Trust's risk tolerance and maintaining a sound risk management system.

The Trust operates within a risk framework which recognises the inherent age and condition of our historic waterway infrastructure, as well as the early stages of our development as a relatively new charity. The Trust seeks to minimise all safety and compliance risks to as low a level as is practicable given the activities and responsibilities it fulfils. The Trust has a higher risk tolerance for its investment return objectives and a low tolerance for the loss, theft or deliberate misuse of its assets.

The system of risk management and internal control is designed to minimise rather than eliminate the risk of failure to achieve the Trust's objectives and cannot provide absolute assurance against the material risks that we face:

- *Safety* of customers, contractors, colleagues and volunteers on the waterways and the general public who can freely access our network. To reduce this risk, the Trust maintains a high standard of safety processes including training, work procedures, signage and communication, as well as the regular inspection and maintenance of assets. We continue to work with partners, especially in busy, urban areas to promote water safety campaigns and reduce risks.

- The *condition of our waterway assets*, many of which were constructed as far back as the eighteenth century, may deteriorate over time, resulting in damage to those assets and their surrounding environment. We manage this risk through inspection, assessment and regular maintenance and remedial works, including the prioritisation of those assets where failure would have the most significant consequences. Assessments in accordance with the Trust's environment and heritage codes of practice are applied to all works undertaken so that the Trust continues to meet its public environmental and heritage obligations. We have developed a more advanced asset condition health score/index, better prioritisation models, and asset specific investment strategies to allow more efficient and effective use of resources.
- *Climate change* continues to be a major long term concern and may increase the severity, frequency, duration and extent of extreme hydrological events and the resulting periods of drought and flood can adversely impact on our waterway assets, customers and users. We mitigate this by active water management to ensure appropriate levels of water are available to our waterway network so that the network is available for public use and the risk of flood is managed.

We also maintain emergency response plans, for example reservoir drawdown plans and water control manuals. The Trust is continuing to develop its Flood Risk Management Strategy which will help to further mitigate the risks around flooding and will sit alongside the Trust's Water Resources Strategy (published in 2015).

- *Changes to legislation* and regulation can create risks to our resources and operational requirements. The initiation of the water abstraction licencing requirements brought about by the commencement of the Water Act 2003 will most likely result in future costs and operational impacts. The quantum of which will become clearer throughout 2019 as we continue to make licence applications and liaise with regulators.
- The *financial sustainability of the Trust* is a risk, particularly with the continued uncertainty around the exit of the United Kingdom from the EU, the deficit on the Waterway Pension and uncertainty over the long term grant agreement. The financial position is generally managed by operating diverse income sources and by careful management of our investment assets, including the diversification of the Trust's investment portfolio away from pure property to provide some measure of risk protection. The Trust has taken advantage of exceptionally low interest rates to issue long dated bonds, the funds from which have been used to invest in commercial properties generating further net income for investment in the waterways. The Trust continues to work closely with the trustees of the defined benefit pension fund and their investment advisers to minimise the financial impact on the Trust. During the year the pension scheme changed its investment profile to reduce investment volatility whilst maintaining investment returns.
- *Changes to the organisational structure* of the Trust can create risks arising from loss of knowledge, consistency or failure to maximise the many and varied skills of our colleagues. The restructure of the Trust to create the new regional structure has made these risks ever more immediate. The Trust is managing these risks by continuing with its transition plans to help us move from the previous structure to the new structure. The Trust has continued with a clear process for succession planning, talent management, colleague development. Our employee engagement programme continues and has committed to promoting a positive culture in the Trust with emphasis on developing better internal communication, the removal of restrictive processes, and the promotion of better team working.
- Like all large organisations the Trust holds and processes large amounts of information, including *personal data*. The Trust has been reviewing its approach to information management and will continue to implement our action plan to better manage all its information as transparently as possible.

- The Trust operates a *large fleet of liveried vehicles*, the procurement, operation and maintenance of this fleet creates both safety and financial risks which are being addressed through a review of our fleet and its operation.

## Safeguarding

The safeguarding of children, young people and adults at risk is a legal and organisational priority for the Trust. We take seriously any report of suspected harm, abuse or neglect.

We are committed to identifying and minimising safeguarding risks across all of our activities through appropriate training, risk assessments, policies and processes. We operate safe and transparent recruitment practices, which incorporate appropriate DBS checks. We risk assess criminal records, and do not engage anyone who is deemed to present an unacceptable level of risk. We have a Safeguarding Policy, which sets out our mandatory standards and provides clear details of our reporting process.

The Trust has a Safeguarding Team, headed up by our Designated Safeguarding Officer and Deputy Safeguarding Officer. The team is responsible for: regularly reviewing and enhancing the Safeguarding Policy and associated practices in line with legal and organisational developments; effective management of safeguarding cases; providing advice and guidance; and reporting to the Trust's Safeguarding Steering Group, which is chaired by the Chief Executive and is responsible for key strategic decisions. The team is further supported by the Safeguarding Action Group, which assists with strategy implementation.

All employees and volunteers receive safeguarding training as part of their induction, followed by regular refresher training. Enhanced training is provided for certain roles.

In line with the Trust's commitment to continuous improvement in this area, we are enhancing safeguarding protections within our relationships with third parties.

## Fundraising

The Trust aims to put our supporters at the heart of everything that we do. As such we are committed to ensuring that our fundraising practices go above and beyond guidance and regulation. We are members of the Institute of Fundraising and actively follow the Fundraising Regulator's Code of Fundraising Practice.

The Trust does not pressure supporters to make gifts and respects decisions to stop giving. All our fundraisers follow our Fundraising & Adults in Vulnerable Circumstances policy. The Regulatory landscape for fundraising continues to evolve. As a consequence, we are currently carrying out an extensive external review of our fundraising activities to adopt best practice.

When we work with suppliers and agencies we ensure that they are registered with all the appropriate regulatory bodies, reviewing all their policies as part of our procurement process. We are actively involved with the training that agency fundraisers undertake, we investigate any complaints and take any necessary action. We continually monitor our agencies to ensure they adhere to the strict guidelines that we set.

We monitor and record any complaints resulting from our fundraising practices, and an annual report is sent to our Audit & Risk Committee. We also submit these complaints to the Fundraising Regulator. In the last year we have had 12 complaints across all our fundraising programmes (2017/18: 17).

## Diversity

The Canal & River Trust values the rich social and cultural diversity of the communities in which we operate and seeks to ensure that equality, diversity and inclusion is embedded in everything we do. We try to support access to our services and waterways by all sections of society whilst recognising the challenges our localities and environments present due to their age, heritage, and accessibility. We commit to providing accessible services at our main attractions, museums and many of our key offices. We also try to involve different users to help shape our services. Diversity and inclusion is imperative to the success and sustainability of the Trust as a diverse workforce gives us access to a wider talent base and so enhances our overall capability whilst also giving us a richer range of experiences and perspectives, improving the quality of our plans and decision-making. It also increases our ability to engage with the diverse communities in which we operate, promoting increased volunteering and other involvement from those communities.

The Board has affirmed its commitment by publishing a Diversity, Equality and Inclusion policy on our website and we have an Equality and Diversity Statement in all our properties. We have recently established four employee network groups relating to various aspects of diversity to give our employees the opportunity to shape a great place to work. The Trust is committed to supporting people with mental health issues and has embedded a team of Mental Health First Aiders from all areas of the Trust to support colleagues as needed. Our Equality and Diversity Statement sets out our commitment to promoting equality for all and guarding against discrimination on the grounds of disability or any other protected characteristic, including through our approach to recruitment, selection, training, development and promotion. Our commitment to equal opportunities is also supported by our Diversity, Equality and Inclusion Policy, published on our website, and our Equality and Diversity Statement, which is displayed in all our properties. As part of our commitment, where an applicant or employee may be disadvantaged because of a disability, we consider whether any adjustments may remove that disadvantage in order to provide equality of opportunity.

In March 2019 the Trust published its latest Gender Pay Gap Report which showed effectively no pay gap between male and female employees, with the main pay gap measure showing average female salaries at 2.6% higher than the average male salary at 31 March 2018. Our mean bonus pay gap is 6.4% in favour of men, meaning that of those who receive a bonus the average for a man is 6.4% more than the average bonus for a woman. Excluding the much smaller Thank You awards (for specific examples of good service or extra effort during the year) the mean bonus pay gap is 2.5% in favour of men.

The Trust firmly believes in gender equality across all aspects of our employment. Both key gender pay gap measures are low and the Trust aspires to maintain broadly equitable pay between men and women.

## Trustees' Responsibilities Statement

The trustees (who are also directors of Canal & River Trust for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Going concern

The Trust has a broad range of secure income streams that provide a reliable source of income to fund the Trust's charitable activities. This income is supplemented by around £50m grant income from Defra under a Grant Agreement dated 28 June 2012, which is for a fixed term of 15 years. A £10m portion of the Defra grant income is subject to performance conditions.

Having reviewed the operational financial projections, and associated cash flow forecasts, the trustees have concluded that the Trust has sufficient resources to continue funding the charitable activities at the current level of operation for the foreseeable future.

This report (including the Strategic Report) was approved by the Board of Trustees on 18 July 2019 and signed on their behalf by:



**Allan Leighton**  
Chair  
18 July 2019

# Independent auditor's report to the members of Canal & River Trust

## Opinion

We have audited the financial statements of Canal & River Trust ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31st March 2019 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated and charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31st March 2019 and of the Group's incoming resources and application of resources 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 Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 related 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent 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.

## Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Annual Report. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's Report.

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

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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 determines 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 trustees are responsible for assessing the Group's and the Parent 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 trustees either intend to liquidate the Group or the Parent Charitable Company or 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 the Companies Act 2006 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 at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

**Kyla Bellingall** (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
Birmingham

Date: 19 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated statement of financial activities

## for the year ended 31 March 2019

		2018/19					2017/18
		Unrestricted funds	Restricted income funds	Protected Endowment Funds	Discontinued operations	Funds Total	Total
Note		£m	£m	£m	£m	£m	£m
<b>Income and endowments from:</b>							
	3	-	3.4	1.9	-	5.3	6.1
	4	74.4	0.4	-	-	74.8	72.6
	5	70.1	-	-	6.2	76.3	75.0
	6	44.4	-	9.0	-	53.4	51.1
		0.2	-	-	-	0.2	0.1
<b>Total Income</b>		<b>189.1</b>	<b>3.8</b>	<b>10.9</b>	<b>6.2</b>	<b>210.0</b>	<b>204.9</b>
<b>Expenditure on:</b>							
	7	(31.8)	-	(7.8)	(5.2)	(44.8)	(45.2)
	8	(152.1)	(4.1)	-	-	(156.2)	(153.0)
<b>Total expenditure</b>		<b>(183.9)</b>	<b>(4.1)</b>	<b>(7.8)</b>	<b>(5.2)</b>	<b>(201.0)</b>	<b>(198.2)</b>
Net income/(expenditure) before gains on investments		5.2	(0.3)	3.1	1.0	9.0	6.7
	11	1.2	-	28.0	-	29.2	42.1
<b>Net income/(expenditure)</b>		<b>6.4</b>	<b>(0.3)</b>	<b>31.1</b>	<b>1.0</b>	<b>38.2</b>	<b>48.8</b>
<b>Transfers between funds</b>		<b>2.4</b>	<b>-</b>	<b>(0.4)</b>	<b>(2.0)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains</b>							
	27	-	-	15.9	-	15.9	21.3
<b>Net movement in funds</b>		<b>8.8</b>	<b>(0.3)</b>	<b>46.6</b>	<b>(1.0)</b>	<b>54.1</b>	<b>70.1</b>
Reconciliation of funds:							
Total funds brought forward		44.9	1.0	744.3	1.0	791.2	721.1
<b>Total funds carried forward</b>		<b>53.7</b>	<b>0.7</b>	<b>790.9</b>	<b>-</b>	<b>845.3</b>	<b>791.2</b>

The above amounts represent all gains and losses recognised during the year. The discontinued amounts relate to British Waterways Marinas Limited (BWML), a company which was wholly owned by Canal & River Trust within the Protected Endowment Fund until its disposal on 14 December 2018. All other activities are continuing activities.

The accompanying notes on pages 78 to 120 form part of these financial statements.

## Consolidated income and expenditure account for the year ended 31 March 2019

	2018/19	2017/18
	£m	£m
<b>Income</b>		
Donations and legacies	3.4	3.5
Defra grant funding	51.3	50.7
Boating, moorings and utilities	40.2	38.1
Utilities and water development	29.9	28.4
Investment and property income	44.4	38.5
Third party income for charitable activities	23.5	21.9
Other income	0.2	0.1
<b>Total income</b>	<b>192.9</b>	<b>181.2</b>
<b>Expenditure</b>		
On raising funds	(31.8)	(29.0)
On charitable activities	(156.2)	(153.0)
<b>Total expenditure</b>	<b>(188.0)</b>	<b>(182.0)</b>
<b>Net income before gains on investments</b>	<b>4.9</b>	<b>(0.8)</b>
Unrealised and capital gains	1.2	0.6
Transfer from the protected endowment fund	2.4	1.3
<b>Net income after movement in funds</b>	<b>8.5</b>	<b>1.1</b>

An Income and Expenditure Account is an alternative summary of the information contained in the Statement of Financial Activities and is included in the financial statements in order to comply with the Companies Act 2006. As required in the Charity SORP (FRS 102), this statement excludes any movements within the protected endowment funds. Amounts in the income and expenditure account represent equivalent amounts in the unrestricted funds and restricted income funds on the SoFA.

The Trust uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing an Income and Expenditure Account for the Trust as a separate entity.

All amounts relate to continuing activities.

The accompanying notes on pages 78 to 120 form part of these financial statements.

## Balance sheets as at 31 March 2019

	Note	Group		Canal & River Trust	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		£m	£m	£m	£m
<b>Fixed assets</b>					
Tangible assets	13	53.8	78.3	53.8	50.8
Heritage assets	14	-	-	-	-
Investments:					
Property	15	758.7	692.6	594.0	493.4
Diversified investment funds	16	195.4	135.9	195.4	135.9
Subsidiaries	17	-	-	91.5	158.7
Net assets in joint ventures	17	39.4	38.7	-	-
		<b>1,047.3</b>	945.5	<b>934.7</b>	838.8
<b>Current assets</b>					
Stock	18	1.3	1.3	1.3	1.1
Debtors	19	61.4	47.3	66.6	54.2
Investments	16	4.6	65.3	0.2	60.1
Cash at bank and in hand		38.0	22.6	31.6	14.5
		<b>105.3</b>	136.5	<b>99.7</b>	129.9
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	20	(80.9)	(95.5)	(76.1)	(86.6)
<b>Net current assets</b>		<b>24.4</b>	41.0	<b>23.6</b>	43.3
<b>Total assets less current liabilities</b>		<b>1,071.7</b>	986.5	<b>958.3</b>	882.1
Creditors: Amounts falling due after one year	20	(152.8)	(103.5)	(153.3)	(104.0)
Provisions for liabilities	22	(4.4)	(4.1)	(3.3)	(2.4)
<b>Net assets excluding pension fund (liability)/asset</b>		<b>914.5</b>	878.9	<b>801.7</b>	775.7
Pension fund (liability)/asset	27	(69.2)	(87.7)	21.1	12.0
<b>Net assets including pension fund (liability)/asset</b>		<b>845.3</b>	791.2	<b>822.8</b>	787.7
<b>Funds</b>					
Unrestricted funds:					
General fund	24	29.6	26.7	29.4	26.2
Designated funds	24	24.1	18.2	24.1	18.2
Restricted funds:					
Protected endowment funds	24	790.9	745.3	768.6	742.3
Restricted income funds	24	0.7	1.0	0.7	1.0
<b>Total funds</b>		<b>845.3</b>	791.2	<b>822.8</b>	787.7

Approved and authorised by the Board of Trustees on 18 July 2019 and signed on their behalf by:



**Allan Leighton**

Chair

18 July 2019

Company number 07807276

The accompanying notes on pages 78 to 120 form part of these financial statements.

## Consolidated statement of cash flows for the year ended 31 March 2019

	2018/19		2017/18	
	£m	£m	£m	£m
<b>Cash flows from operating activities</b>				
Net cash used in operating activities		(59.6)		(57.0)
<b>Cash flows from investing activities</b>				
Net interest paid	(4.5)		(1.5)	
Rental proceeds from property and utilities investments	56.1		56.9	
Purchase of tangible fixed assets	(6.5)		(5.2)	
Purchase of investment property	(75.6)		(49.8)	
Proceeds from sale of tangible fixed assets	0.4		0.6	
Proceeds from sale of investment property	27.1		27.4	
Net inflow of cash from disposal of subsidiaries*	29.4		-	
Net investment in diversified funds	(54.2)		(3.1)	
Receipts from diversified funds	3.8		2.7	
Repayments from/(loans to) joint ventures	0.5		(9.0)	
Dividends from joint ventures	0.7		1.7	
Receipts from/(payments into) short term deposits	60.7		(13.1)	
<b>Net cash provided by investing activities</b>		<b>37.9</b>		<b>7.6</b>
<b>Cash flows from financing activities</b>				
Receipt from loan notes	50.0		100.0	
Loan from Port of London Properties (repayment)	(12.9)		-	
Revolving credit facility repayment	-		(50.0)	
<b>Net cash provided by financing activities</b>		<b>37.1</b>		<b>50.0</b>
<b>Change in cash and cash equivalents in the year</b>		<b>15.4</b>		<b>0.6</b>
Cash and cash equivalents at 1 April		22.6		22.0
<b>Cash and cash equivalents at 31 March</b>		<b>38.0</b>		<b>22.6</b>

\* Net proceeds from disposal of subsidiaries is total proceeds less sales costs less cash transferred on disposal.

a) Reconciliation of net income to net cash outflow from operating activities

	2018/19		2017/18	
	£m	£m	£m	£m
Net income		38.2		48.8
Adjustments for:				
Realised gains on disposals of investment assets	(5.0)		(4.9)	
Net unrealised gains on revaluation of investment assets	(21.5)		(37.2)	
Net finance expense	4.5		1.5	
Rents from property and utilities investments	(56.8)		(55.4)	
Share of net income from joint ventures	(1.9)		(2.7)	
Depreciation	5.2		5.1	
Fair value adjustment on joint ventures	-		(0.4)	
Diversified funds investment return: dividend income	(3.8)		(2.7)	
Gain on sale of tangible fixed assets	(0.2)		-	
Difference between payments to defined benefit scheme and amount charged to expenditure	(2.6)		(7.2)	
		(82.1)		(103.9)
Increase in stock		(0.2)		-
Increase in debtors		(8.3)		(0.7)
Decrease in creditors		(7.5)		(1.0)
Increase/(decrease) in provisions		0.3		(0.2)
<b>Net cash used in operating activities</b>		<b>(59.6)</b>		<b>(57.0)</b>

b) Analysis of changes in net debt

	At 1 April 2018	Cash flows	Other non-cash changes	At 31 March 2019
	£m	£m	£m	£m
<b>Cash and cash equivalents</b>				
Cash	22.6	15.4	-	38.0
<b>Borrowings</b>				
Debt due within one year	(12.9)	12.9	-	-
Debt due after one year	(100.0)	(50.0)	-	(150.0)
	(112.9)	(37.1)	-	(150.0)
<b>Total</b>	<b>(90.3)</b>	<b>(21.7)</b>	<b>-</b>	<b>(112.0)</b>

# Notes relating to the accounts

## 1. Accounting policies

### Basis of preparation

The financial statements of the Canal & River Trust ('the Trust') have been prepared under the historical cost convention, except for the modification to a fair value basis for investment properties and certain financial instruments, as specified in the accounting policies below. The financial planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The trustees consider that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts. There are no material uncertainties about the Trust's abilities to continue as a going concern.

The financial statements have been prepared 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 (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. As permitted in the 2017 FRS102 triennial review, the Trust has adopted the policy in relation to the treatment of gift aid payments in advance of the mandatory timescale without early application of the rest of the triennial review 2017 amendments. In addition, the Trust has adopted IAS39 in relation to its financial assets and liabilities.

The Trust meets the definition of a public benefit entity under FRS 102. The Trust is a Charity registered with the Charity Commission in England and Wales, and a Company limited by Guarantee.

A separate Statement of Financial Activity (SoFA) for the parent company is not presented with the Group financial statements as permitted by section 408 of the Companies Act 2006. The net movement in funds of the parent company is disclosed in note 24 of the accounts.

### Significant judgements and key sources of estimation uncertainty

The Trust's significant accounting policies are stated below. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity and judgement involved in their application and their impact on the consolidated financial statements.

#### a) Revenue recognition

The Trust often receives payments for right of access to its water space and surrounding areas which are classed as either revenue receipts or lease premiums and accounted for in accordance with FRS 102, depending upon the circumstances of the particular agreement.

For example, a contract that does not place any obligation to provide services to the third party in respect of the income received would be accounted for as revenue on receipt, whereas a contract that is for a fixed period of time over which the Trust will provide services is a lease premium accounted for over the period of the lease.

#### b) Pension scheme

As described further within the pension's policy, a judgement is made regarding the pension scheme's investment in a subsidiary of the Trust, which is not recognised as a scheme asset within the consolidated accounts as this is considered to be a non-transferrable financial instrument issued by the Group. Judgements and estimates are also made, using actuarial guidance, regarding key assumptions in the valuing of scheme assets and liabilities, and in recognising a scheme asset at entity level. Page 116 sets out the sensitivities regarding the principle assumptions contained within the pension scheme.



**c) Joint ventures**

Significant judgement has been required in assessing the carrying values of the Trust's investments in joint ventures. Judgement is required in determining the fair value which has been evaluated based on recent accounts, access to joint venture board papers and discussions with our partners.

**d) Property investments**

Independent professionally qualified surveyors value the Trust's investment property in line with the 'Red Book' methodology of the Royal Institute of Chartered Surveyors. Every five years all properties are externally valued, and this exercise was last undertaken in March 2018. In between the five year full valuation cycle, in each year, external surveyors value the top 100 properties by value (covering more than 90% of the portfolio by value) plus 25% of the remainder such that all properties are valued externally at least once in the four-year window prior to full valuation exercises. Those properties that are not valued externally are valued internally by the Trust's in-house surveying team who are all members of the Royal Institute of Chartered Surveyors.

**e) Loan notes**

The Trust issued £150m loan notes by way of a private placement in 2018. These loan notes are repayable in sterling, but some contain an embedded derivative that would be realised should the loan notes be repaid before their due date. The Trust has chosen to adopt IAS39 to value these loan notes which values the considerably smaller derivative element rather than adopt FRS102 which would value the entire loan notes.

**f) Useful economic lives of operational fixed assets**

As explained further within the tangible fixed assets policy, buildings, plant, machinery and vehicles held by the Trust are depreciated from acquisition based on their useful economic life to write off the cost of the asset less any residual value (if any).

Judgement is required to assess the length of this life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit / loss) recognised on disposal of such items.

**Basis of consolidation**

The Group comprises the Canal & River Trust and its subsidiaries which are set out in note 17 to these accounts. The principal subsidiaries are Canal & River Trading CIC, a community interest company, the Canal & River Pension Investments LP and British Waterways Marinas Limited (BWML), which was disposed of in December 2018 and has its results consolidated to that date.

Subsidiaries are entities controlled by the Trust. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The turnover and expenditure of the subsidiaries are included within the consolidated SoFA. The assets and liabilities are included on a line by line basis in the consolidated balance sheet in accordance with FRS 102, section 9.13 '*Consolidated and Separate Financial Statements.*' The financial statements of all Group companies are prepared using consistent accounting policies.

The Group has a number of contractual arrangements with other parties that represent joint ventures. These joint ventures are established through an interest in a limited company, partnership or other entity. The Group recognises its interest in the entity's assets and liabilities using the equity method of accounting in accordance with FRS 102 section 15 '*Investments in Joint Ventures.*' The names of joint ventures, the nature of the business and details of the shares held by the Group are disclosed in note 17 to these accounts.

Intra-Group balances and transactions, and any unrealised gains arising from intra-Group transactions with joint ventures, are eliminated in preparing the consolidated financial statements. Unrealised gains resulting from transactions with joint ventures are eliminated against the carrying value of the investment in the joint venture.

### Income

Income is shown within the following categories in the Consolidated Statement of Financial Activities:

- Donations and legacies
- Charitable activities
- Trading activities
- Investments
- Other

#### a) Donations and legacies

- i) Donation income is recognised when received. Where the use of the income has been restricted in accordance with the donor's wishes, appeals and gifts income is credited to an appropriate fund until it can be spent for the purpose for which it was given.
- ii) Entitlement to legacy income is considered to be on the earlier of the date of receipt of finalised estate accounts, the date of payment or where there is sufficient evidence to provide the necessary probability that the legacy will be received, and the value is measurable with sufficient reliability. For pecuniary legacies this is defined as the point when the formal notification has been received from the estate and for residuary legacies these are recognised only when the Trust's interest can be measured, which is normally on grant of probate.
- iii) Income received where the Trust is a direct beneficiary of People's Postcode Lottery draws is recognised when the draw is held. The Trust recognises the net amount due, which is the total of ticket sales less prize money and management fee in the SoFA, as there is no ability to alter ticket prices, determine prizes or reduce the management fee. As such, PPL is treated as acting as the principal and the Trust is acting as agent. The gross amounts are disclosed in note 3.

#### b) Charitable activities

- i) Maintenance agreements and other waterway infrastructure income is income received from third parties (such as a local authority) to maintain an area of the waterway network. The revenue is recognised on a straight-line basis over the term of the agreement reflecting the assumption that maintenance is performed at a constant rate over the term of the agreement.
- ii) Third party funded project income contributing towards restoring and improving the waterways network is generally accounted for as a contract for services and income is recognised as unrestricted income in the SoFA to the extent that the service has been delivered. In the balance sheet any amounts received in advance are treated as deferred income creditors and amounts due but not paid are accrued income debtors. Revenue is recognised in proportion to the stage of completion of the work in accordance with relevant funding agreements.

As well as contracts for services, the Trust receives restricted funding which has restricted purposes. These are accounted as restricted income funds and are recognised when conditions fulfilling the Trust's entitlement to the income are met.

- iii) Museums and attractions income from entrance fees and sale of goods from museums and visitor centres are recognised on a point of sales basis.
- iv) Defra funding is accounted as a government grant and is credited to the SoFA when the conditions for the receipt of the grant have been complied with and it is probable that the grant will be received.

**c) Trading activities**

- i) Boat licences and mooring permits are invoiced in advance and income is recognised on an accruals basis over the term of the licence or permit, with amounts relating to future periods shown as deferred income.
- ii) Income from marinas subsidiary British Waterways Marinas Limited ('BWML') includes income from mooring permits at marina operations, retail sales from chandlery and property rents. All income in BWML is accounted for in accordance with these Group accounting policies.
- iii) Utilities and water development income is received from utility companies and other third parties in return for access to the Trust's land, for example underground pipes. Where these agreements are for fixed time periods, revenue is recognised on a straight-line basis over the term of the agreement. Sales of water supplied from the Trust's waterway network under a water sales agreement allow access to a continuous supply of water over the period contracted. These are invoiced in arrears and revenue is accrued on a straight-line basis on the assumption that water is used at a constant rate.

**d) Investments**

- i) Property rental income from investment property leased out under an operating lease is recognised in the SoFA on a straight-line basis over the term of the lease.

Lease incentives granted are recognised as a reduction of rental income. The cost of the incentive is allocated over the lease term. The definition used for the lease term is consistent with FRS 102 section 20 'Leases,' being the non-cancellable period for which the which the lessee has contracted to rent the property. This only includes optional extensions where it is reasonably certain, at onset, that the lessee will exercise such an option.

Incentives are provided to customers in various forms such as rent-free periods or funding towards property fit-out costs and are usually offered on signing a new contract. Where such incentives are provided, the fair value of the incentive is deferred and recognised in line with this accounting policy.

Internal rents charged to BWML are eliminated from investment income and expenditure on raising funds based on the amounts invoiced. There are no lease incentives relating to such agreements.

- ii) Income from diversified investments includes dividend and interest payments distributed from investment funds and is recognised in the period in which it is earned.
- iii) The SoFA reflects the Trust's share of the joint ventures, results after interest and tax.

**Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when a constructive or legal obligation is created, where outflows are probable and can be reliably measured. Irrecoverable VAT is either charged to the appropriate heading or it is capitalised as appropriate.

The consolidated SoFA defines expenditure in two specific categories:

- Expenditure on raising funds
- Expenditure on charitable activities

*Expenditure on raising funds*

- a) Expenditure on raising voluntary income includes fundraising costs incurred in seeking voluntary contributions. This includes the costs of supporting the Friends of the Canal & River Trust scheme.
- b) Expenditure on trading activities (boating and mooring, utilities and water development) for raising funds include the direct costs of generating income from boat licences, moorings, utility wayleaves and easements, water sales and retail.
- c) Investment management costs include the costs of generating income from the Trust's property investments, such as rents and service charges, the Partners Capital investment management fees and interest costs.

**Expenditure on charitable activities**

Resources expended on charitable activities relate to the work carried out on the core purposes of managing, maintaining and repairing the waterways infrastructure and the museums' collections and artefacts.

**Governance and support costs**

Support costs representing expenditure on administration, financial management, human resources and information systems are allocated to expenditure on generating funds and charitable activities, on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

Governance costs are those associated with the governance arrangements rather than the day-to-day management of the Trust. These include the costs of meetings and associated support costs for the trustees, Trust Council and Waterway Partnerships. It also includes the cost of asset valuations as well as the costs of internal and external audit and preparing the Report and Accounts. These costs are allocated to expenditure on raising funds and charitable activities on the basis of estimated service usage within each area.

**Tangible fixed assets**

Expenditure on the purchase of land and the cost of construction and major improvement of buildings is capitalised. Expenditure on the purchase, addition to and improvement of boats, plant and equipment in excess of £1,000 is also capitalised.

Tangible fixed assets are stated at cost, net of depreciation and any provision for permanent diminution in value. Depreciation is provided on all tangible fixed assets, other than freehold and, at rates calculated to write off the cost, less estimated residual value (if any), of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings:	40 years
Leasehold land and buildings:	Over the unexpired term of the lease
Maintenance craft and floating plant:	Between 10 and 25 years
Other plant and machinery:	Between 5 and 10 years
Vehicles:	5 years

**Leased property, plant and equipment**

- a) Group as a lessor  
Where any part of land and buildings owned by the Trust and used for operational purposes is let out under an operating lease to a third party the part let out is reclassified as an investment property and is then held at fair value. The remaining part of the building occupied by the Trust is treated in the same way as other operational properties which are held at cost and depreciated over their estimated useful lives. Rental income, adjusting for the effect of lease incentives, is recognised on a straight-line basis over the lease term.

- b) Group as a lessee  
Costs in respect of operating leases are charged on a straight-line basis over the lease term.
- c) Grant of long lease over investment property  
Where the Trust grants a long lease over investment property to maintain an interest in the future use of the land that is disposed of having issue onto or bordering the waterways, the substance of the transaction is that the Trust effectively disposes of its interest, but retains a reversionary interest, and reflects the resultant profit / loss at the point of the disposal in accordance with the investment property accounting policy below. The reversionary interest remains held for future capital growth and is fair valued each year.

In order for a long lease to be treated as a disposal it would be usual for the lease term to be for the major part of the economic life of the property (typically more than 50 years) and at the inception of the lease the present value of minimum lease payments would amount to substantially all of the fair value of the leased property.

- d) Lease incentives  
The value of lease incentives is recognised on a straight-line basis over the lease term. This is defined in the 'investment income' accounting policy above.

### **Heritage assets**

The Trust has two classes of heritage assets:

- a) Waterways infrastructure  
The Trust maintains inland waterways that include the assets listed in note 14 to these accounts. These waterway assets are maintained regularly as an integrated network to ensure that the waterways can be used for continuous navigation and access. The assets are referred to as the Waterway Infrastructure and are held under a perpetual trust from Defra, known as The Waterways Infrastructure Trust, which specifies that the waterways are to be held in trust and retained in perpetuity for the following purposes:
- to operate and manage the Infrastructure Property for public benefit, use and enjoyment including navigation; walking on towpaths; and for recreation or other leisure-time pursuits of the public in the interest of their health and social welfare,
  - to protect and conserve, for public benefit, sites, objects and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with the Infrastructure Property, and
  - for public benefit, the conservation, protection and improvement of the natural environment and landscape of the Infrastructure Property.
- b) Waterway museum artefacts collections and archives  
The Trust maintains over 15,000 heritage artefacts in its collection and over 100,000 archive records of the construction and operation of the historic waterways. These items are held for display to the public or in secure storage facilities.

The Trust does not consider that reliable cost or valuation information can be obtained for the Trust's heritage assets. The Waterway Infrastructure is generally around 200 years old and the costs of maintaining the Waterway Infrastructure in a safe and accessible state significantly exceed any income generated from them. The Trust does not consider that any meaningful value can be placed on the Waterways Infrastructure, nor the museum artefacts and archives and therefore does not recognise those assets on its balance sheet. The Trust also considers, in line with section 18.14 of the Charities SORP (FRS 102), that obtaining a meaningful valuation of these assets would not be achievable at a cost commensurate with the benefit to the users of the accounts. Expenditure to maintain repair and preserve these assets is charged to the SoFA as incurred.

Further information on the management and preservation of the Trust's heritage assets is given in note 14 to the accounts.

### **Investment properties**

Investment properties are measured initially at cost and subsequently at fair value at the reporting date.

Valuation movements arising from the annual revaluation exercise are included within 'Net gains on investment' in the SoFA.

The Trust accounts for disposals of investment properties upon completion of sale or when the sale is unconditional.

### **Diversified investments**

Quoted investments are stated at open market value and unquoted investments are stated at most recent underlying net asset values from fund managers, adjusted for subsequent capital calls or distributions. Both are deemed to represent the fair value of the investments. In the SoFA, income from the investments is recognised as 'investment income' in the General Fund. Realised and unrealised investment gains and losses are recognised as 'net gains on investments' in the Protected Endowment Fund.

### **Investment in subsidiaries in the Trust's company only accounts**

The investment in Canal & River Pension Investments LP is shown at fair value.

All other investments are stated at cost less impairment.

### **Impairment**

The carrying values of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of fair value less costs to sell the asset and its value in use. An impairment loss is recognised in the SoFA as additional depreciation of the impaired asset whenever the carrying amount of an asset exceeds its recoverable amount, except in the case of investment property where it is included within recognised gains and losses on investment assets.

### **Taxation**

As a registered charity, the Canal & River Trust is exempt from taxation of income and gains falling within Part 11 Corporation Tax Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects.

The trading subsidiary companies Canal and River Trading CIC and BWML have adopted a policy of paying all taxable profits to the charity under gift aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in these subsidiaries. Following the early adoption of the 2017 FRS102 triennial review in relation to gift aid there is no deferred tax liability arising in the subsidiaries accounts.

### **Pension scheme**

The Trust operates defined benefit and defined contribution pension schemes.

#### **a) Defined benefit scheme**

The defined benefit scheme is a multi-employer scheme with the Trust being the principal employer. Other participating employers include British Waterways Marinas Limited and British Waterways Board (trading as Scottish Canals), the Scottish Waterways Trust and OCS Group UK Limited. In accordance with the terms of the transfer from British Waterways, Scottish Canals is liable to make a fair share and proportionate contribution, as determined by the scheme actuary from time to time, towards any deficit that exceeds the valuation deficit as at the transfer date of 2 July 2012. Any future recovery of deficit attributable to Scottish Canals is under a contractual arrangement with the Trust and is separate from the trustees of the defined benefit scheme.

The pension liabilities and assets are recorded in line with FRS 102 section 28 'Employee Benefits,' with a valuation undertaken by an independent actuary. FRS 102 measures the value of pension assets and liabilities at the balance sheet date, determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the SoFA and the net interest cost on the Fund's assets and liabilities are allocated across the appropriate incoming/outgoing resource categories. The net interest cost reflects application of the discount rate on the scheme's assets and liabilities over the course of the year.

The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the SoFA within actuarial gains/losses on defined benefit pension schemes.

The resulting pension fund liability or asset is shown on the balance sheet.

An accounting judgement has been taken that the Scheme's interest in the Canal & River Pension Investments LP, which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated accounts because it is a financial instrument issued by the Group and therefore, has not been taken into account in arriving at the Group pension scheme deficit presented in these financial statements.

The Scheme's interest in the partnership is included in the valuation of the Scheme in the Trust's company balance sheet. The assumptions required for accounting purposes, under FRS 102 differ from the assumptions used for the Scheme's Technical Provisions funding assumptions, and as a result, under FRS102, the Scheme valuation may result in a surplus position. A pension fund asset will be recognised in accordance with IFRIC 14 as under the Scheme trust deed and rules, the Trust has an unconditional right to its share of any surplus following the winding up of the Scheme.

#### **b) Defined contribution scheme**

Pension contributions are charged to the SoFA as incurred.

#### **Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The measurement of these amounts must be known, or reliably estimable, for a provision to be recognised.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Outstanding claims reported in Canal & River Reinsurance DAC, a wholly owned subsidiary of the Trust, comprise provisions for the estimated cost of settling all claims, incurred up to but not paid, at the balance sheet date whether reported or not, together with all related claims handling expenses. Outstanding claims are based on latest available cedant advices with provisions for incurred but not reported claims (IBNR) being estimated by reference to historical experience, adjusted where appropriate for actual post year end reported data.

The estimation of claims IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the company, where more information about the claim event is available.

## Financial instruments

The Group has opted to apply IAS39 for accounting policy choices in relation to financial instruments.

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for any amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or expire. The specific application of these principles in relation to the Trust's financial instruments mean that:

- a) Diversified investments have been designated as at fair value through profit and loss.
- b) Trade and other receivables are recognised and carried at the lower of their original invoiced value or recoverable amount. A provision is made when there is evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.
- c) Current asset investments represent investments with maturity dates of over three months and under one year and are held at fair value through profit and loss.
- d) Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months and are held at face value.
- e) Trade and other payables are recorded at cost.
- f) The Trust's investment in Canal & River Pension Investments LP is measured at fair value within the company only accounts. The value is determined using a discounted cash flow model, based on the profit sharing conditions of the partnership agreement. This agreement states that the Trust receives the value of the properties held within Canal & River Pension Investments LP less the net present value of the obligation to pay £5m per annum to the Waterways Pension Fund (WPF) until 2031 as well as a lump sum up towards any deficit at 31 March 2031 up to a maximum of £125m. The discount rate applied to the WPF interest is the mid-point between gilts and AA corporate bond.
- g) The Port of London loan was held at amortised cost. This was repaid in full in January 2019.
- h) Loan notes are assessed on issue as to whether they should be classified being held at amortised cost or fair value through profit and loss based on the terms of the bond and in accordance with IAS 39 Financial Instruments.

Those loan notes where the embedded derivative relating to the prepayment of the bond is closely related to the host contract are carried at amortised cost.

The host contract on those loan notes where the embedded derivative relating to the prepayment of the bond is not closely related to the host contract are valued at amortised cost. The embedded derivative is separated out and valued at fair value through profit and loss.

## Fund accounting

Reserve policies are set out on pages 56 to 58 of the Trustees' Report.

The trustees have agreed how the following funds are managed, taking into account best practice and guidance from the Charity Commission.



### **Endowment Fund**

The Protected Endowment Fund is a restricted reserve subject to the terms of the Grant Funding Agreement (dated 28 June 2012) established when the Protected Assets, as defined in that Grant Agreement were transferred to the Trust on 2 July 2012 by the UK Government. The fund consists of these Protected Assets, less the value of the liabilities for the Trust's borrowings and pension fund liabilities that are effectively secured on the endowment assets, less any other capital liabilities and creditors. Income arising from these net assets is available to be spent on the charitable activities of the Trust.

The Endowment Fund includes the net value of any unrealised revaluation surpluses that have arisen on the endowment since the transfer and the net value of funds held in reserve for waterway infrastructure asset dowries where such funds have been invested into assets contained within the Protected Endowment. As agreed with the fund's protector, it also includes long-term loan notes, and associated assets acquired using these funds.

The amount of retained post acquisition reserves held in subsidiary companies that are held as investments within the Protected Endowment are shown in a separate reserve fund.

The assets of the Waterways Infrastructure Trust are a permanent endowment held in perpetuity and are heritage assets shown with no value in the accounts. The investment and operational assets transferred from government in 2012 are defined as an expendable endowment, primarily because the grant agreement permits freedom of management and trading provided the underlying value is protected.

### **General Fund**

The General Fund comprises unrestricted funds that are accumulated from surpluses of net income resources that are held specifically to fund the permitted activities of the Trust, the Trust's other charitable objects, and the Trust's statutory obligations, in each case net of the support costs and cost of ancillary activities that support, facilitate or promote that expenditure.

### **Designated funds**

Designated Funds are unrestricted funds that are set aside at the discretion of the trustees for specific purposes. They would otherwise form part of the general reserves.

#### **(a) Pension Accumulation Designated Fund**

The Pension Accumulation Fund comprises funds that are designated from the General Fund to create a fund for the purpose of funding any deficit that exists on the Waterways Pension Fund in 2031 when the pension funding partnership comes to an end. Funds are transferred from the General Fund to the Pension Accumulation Fund during the year. Any income arising from this designated fund is accumulated within the fund.

#### **(b) Major Asset Failure Fund**

The Trust has considerable exposure to major waterway asset failures, notably in relation to reservoirs and embankments. Therefore, the Major Asset Failure Fund has been set up so that once fully established it can allow for such additional expenditure without adversely impacting on our annual financial plans.

The designated fund will be built up over the coming years and 50% of the value of free reserves has been allocated to this fund this year.

### **Transfers between funds**

Transfers between funds include gift aid payments from surplus profits and dividends from subsidiary companies to the Trust from the protected endowment fund to general fund, the allocation of unapplied total return and net income and expenditure that has been recognised in the general fund in the SoFA that is in respect of protected endowment net assets.

## 2. Comparative consolidated statement of financial activities

2017/18						
		Unrestricted funds	Restricted funds	Protected Endowment Funds	Discontinued operations	Funds Total
	Note	£m	£m	£m	£m	£m
<b>Income and endowments from:</b>						
Donations and legacies	3	0.1	3.4	2.6	-	6.1
Charitable activities	4	71.8	0.8	-	-	72.6
Other trading activities	5	66.5	-	-	8.5	75.0
Investments	6	38.5	-	12.6	-	51.1
Other trading activities		0.1	-	-	-	0.1
<b>Total Income</b>		<b>177.0</b>	<b>4.2</b>	<b>15.2</b>	<b>8.5</b>	<b>204.9</b>
<b>Expenditure on:</b>						
Raising funds	7	(29.0)	-	(9.0)	(7.2)	(45.2)
Charitable activities	8	(148.3)	(4.7)	-	-	(153.0)
<b>Total expenditure</b>		<b>(177.3)</b>	<b>(4.7)</b>	<b>(9.0)</b>	<b>(7.2)</b>	<b>(198.2)</b>
Net income/(expenditure) before gains on investments		(0.3)	(0.5)	6.2	1.3	6.7
Net gains on investments	11	0.6	-	41.5	-	42.1
<b>Net income/(expenditure)</b>		<b>0.3</b>	<b>(0.5)</b>	<b>47.7</b>	<b>1.3</b>	<b>48.8</b>
<b>Transfers between funds</b>	24	1.3	-	0.1	(1.4)	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit schemes	27	-	-	21.3	-	21.3
<b>Net movement in funds</b>		<b>1.6</b>	<b>(0.5)</b>	<b>69.1</b>	<b>(0.1)</b>	<b>70.1</b>
Reconciliation of funds:						
Total funds brought forward		43.3	1.5	675.2	1.1	721.1
<b>Total funds carried forward</b>		<b>44.9</b>	<b>1.0</b>	<b>744.3</b>	<b>1.0</b>	<b>791.2</b>

### 3. Income from donations and legacies

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected		Funds Total	Funds Total
			Endowment Funds	Discontinued operations		
	£m	£m	£m	£m	£m	£m
Donations and legacies	-	3.4	-	-	3.4	3.4
Lottery income	-	-	1.9	-	1.9	2.6
General donations	-	-	-	-	-	0.1
<b>Total donations and legacies</b>	-	3.4	1.9	-	5.3	6.1

#### Lottery Income

The net lottery income proceeds received are analysed as follows:

	2018/19	2017/18
	£m	£m
Ticket value	5.9	8.4
Prize fund	(2.4)	(3.4)
Management fee	(1.6)	(2.4)
<b>Net lottery income in the year</b>	<b>1.9</b>	<b>2.6</b>

### 4. Income from charitable activities

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected		Funds Total	Funds Total
			Endowment Funds	Discontinued operations		
	£m	£m	£m	£m	£m	£m
Waterway infrastructure income	8.7	-	-	-	8.7	7.6
Third party funded projects	12.8	0.4	-	-	13.2	12.8
Museums and attractions	1.6	-	-	-	1.6	1.5
Defra grant funding	51.3	-	-	-	51.3	50.7
<b>Total charitable activities</b>	<b>74.4</b>	<b>0.4</b>	-	-	<b>74.8</b>	<b>72.6</b>

## 5. Income from trading activities

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected Endowment Funds	Discontinued operations	Funds Total	Funds Total
	£m	£m	£m	£m	£m	£m
Boating and moorings	40.2	-	-	6.2	46.4	46.6
Utilities and water development	29.9	-	-	-	29.9	28.4
<b>Total trading activities</b>	<b>70.1</b>	<b>-</b>	<b>-</b>	<b>6.2</b>	<b>76.3</b>	<b>75.0</b>

## 6. Income from investments

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected Endowment Funds	Discontinued operations	Funds Total	Funds Total
	£m	£m	£m	£m	£m	£m
Investment Property	39.9	-	7.1	-	47.0	45.5
Dividends from diversified investment fund	3.8	-	-	-	3.8	2.7
Other investment income	0.4	-	-	-	0.4	0.1
Share of net income from joint ventures	-	-	1.9	-	1.9	2.7
Interest receivable	0.3	-	-	-	0.3	0.1
<b>Total investments</b>	<b>44.4</b>	<b>-</b>	<b>9.0</b>	<b>-</b>	<b>53.4</b>	<b>51.1</b>

## 7. Expenditure on raising funds

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected		Funds Total	Funds Total
			Endowment Funds	Discontinued operations		
	£m	£m	£m	£m	£m	£m
Voluntary income	3.9	-	-	-	3.9	3.9
Boating and moorings	12.2	-	-	5.2	17.4	19.1
Utilities and water development	3.0	-	-	-	3.0	2.4
Investment and property income	3.8	-	5.1	-	8.9	10.4
Interest payable	4.2	-	0.6	-	4.8	2.3
Recoverable service charges and exceptional costs	4.7	-	-	-	4.7	4.3
Net interest cost on pension liabilities	-	-	2.1	-	2.1	2.8
<b>Total expenditure on raising funds</b>	<b>31.8</b>	<b>-</b>	<b>7.8</b>	<b>5.2</b>	<b>44.8</b>	<b>45.2</b>

## 8. Expenditure on charitable activities

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected		Funds Total	Funds Total
			Endowment Funds	Discontinued operations		
	£m	£m	£m	£m	£m	£m
Waterway operation, maintenance and repair	131.0	3.7	-	-	134.7	131.6
Third party funded improvement projects	16.3	0.4	-	-	16.7	16.7
Museums and attractions	4.8	-	-	-	4.8	4.7
<b>Total expenditure on charitable activities</b>	<b>152.1</b>	<b>4.1</b>	<b>-</b>	<b>-</b>	<b>156.2</b>	<b>153.0</b>

## 9. Support costs

	Governance	Offices	Finance & IT	Human Resources	Management & Other	2018/19	2017/18
	£m	£m	£m	£m	£m	£m	£m
Voluntary income	-	0.1	0.4	-	0.1	0.6	0.6
Boating and moorings	0.1	0.3	1.4	0.1	0.2	2.1	2.3
Utility income and water sales	0.1	0.1	0.5	0.1	0.1	0.9	0.8
Investment and property income	0.2	0.2	1.6	0.1	0.2	2.3	2.5
Waterway operation, maintenance and repairs	0.4	1.6	5.8	1.7	0.5	10.0	10.1
Third party funded improvement projects	0.1	0.1	0.6	0.1	0.1	1.0	1.2
Museums and attractions	-	0.2	0.4	0.1	-	0.7	0.7
<b>Total support costs</b>	<b>0.9</b>	<b>2.6</b>	<b>10.7</b>	<b>2.2</b>	<b>1.2</b>	<b>17.6</b>	<b>18.2</b>

### Auditors fees and expenses include the following:

	2018/19	2017/18
	£000	£000
Fees payable to the auditors of Canal & River Trust:		
in respect of the charity audit	150	167
in respect of the subsidiary audits	10	41
Other non-audit services:		
in respect of taxation compliance	12	10
in respect of taxation advisory	25	30
in respect of other advisory	651	30
Fees payable to other auditors of subsidiary companies:		
in respect of audit	13	13
in respect of taxation compliance	2	7
in respect of taxation advisory	7	2
Fees payable to outgoing auditors of Canal & River Trust:		
in respect of the charity audit	36	-
in respect of the subsidiary audits	7	-
in respect of taxation compliance	11	-
in respect of taxation advisory	31	-
<b>Total fees payable to auditors</b>	<b>955</b>	<b>300</b>

Fees payable to the auditors of Canal & River Trust in respect of other advisory are for advice on a one-off transaction to dispose of the Trust's subsidiary, BWML. BDO LLP had been engaged to advise on this transaction prior to accepting appointment as the Trust's auditor. As the services were largely complete, are permitted services for a private company and safeguards were in place (separate teams) it is considered that the exceptional level of non-audit fees for the year does not impact on independence and objectivity.

## 10. Employee costs

No remuneration was paid to any member of the Board of Trustees.

Trustee expenses include the reimbursement by the Trust of costs incurred by its trustees in carrying out their duties and similar payments made by the Trust directly to third parties on their behalf. During the year the total amount reimbursed and paid to third parties was £11,510 (2018: £15,580). These expenses were for travel, subsistence and accommodation incurred by 12 trustees (2018: 13).

The average number of persons employed during the year on a full-time equivalent basis was:

	Group	
	2018/19 Number	2017/18 Number
Generating voluntary income	19	16
Generating income from boating, moorings and utilities	187	199
Investment management	54	51
Engineering, projects and repairs	457	465
Operations, customer service and engagement	744	763
Museums and attractions	60	62
Governance	5	7
Support functions	128	135
<b>Total number of persons</b>	<b>1,654</b>	<b>1,698</b>

The average number of employees is calculated using the full-time equivalent method. The actual average number of employees is 1,736 (2018: 1,778).

Total employment costs were:

	Group	
	2018/19 Number	2017/18 Number
Wages and salaries	52.2	52.9
Car cash allowances	2.9	2.8
Social security costs	5.3	5.2
Defined benefit pension costs (see note 27)	1.2	0.9
Defined contribution pension costs	4.4	4.4
Redundancy and termination costs	2.1	2.2
<b>Total employment costs</b>	<b>68.1</b>	<b>68.4</b>

## 10. Employee costs (continued)

Redundancy and termination costs have been incurred as part of a major restructure of the Trust, as explained on page 34.

The number of employees whose gross remuneration (including redundancy payments made) and taxable benefits<sup>1</sup>, but not employer pension costs paid during the year, exceeded £60,000 and fell within the following ranges were:

	2018/19		2017/18	
	Including redundancy payments	Excluding redundancy payments	Including redundancy payments	Excluding redundancy payments
	Number	Number	Number	Number
£60,000 – £70,000	28	29	38	36
£70,001 – £80,000	18	16	17	17
£80,001 – £90,000	12	9	11	11
£90,001 – £100,000	10	6	7	8
£100,001 – £110,000	5	1	1	1
£110,001 – £120,000	2	-	1	1
£120,001 – £130,000	2	1	3	3
£130,001 – £140,000	6	4	2	2
£140,001 – £150,000	2	-	-	-
£150,001 – £160,000	1	-	-	-
£160,001 – £170,000	-	-	-	-
£170,001 – £180,000	1	1	2	1
£180,001 – £190,000	-	-	-	-
£190,001 – £200,000	-	-	-	-
£200,001 – £210,000	-	-	-	-
£210,001 – £220,000	1	1	2	2
£220,001 – £230,000	1	1	-	-
	<b>89</b>	<b>69</b>	84	82

The employee bandings do not include amounts payable to employees in respect of termination payments provided for in the accounts but not paid at the year-end; the bandings above therefore exclude termination payments for 34 employees (2017/18: 21). Contributions from the Trust to the defined contribution pension scheme in respect of 84 (2017/18: 78) higher paid employees amounted to £511,000 (2017/18: £516,000).

### Key management personnel

The key management personnel are the trustees and executive team (listed on pages 121 to 123). The remuneration costs relating to key management personnel are:

	2018/19	2017/18
	£m	£m
Salary (including pensions)	1.3	1.4
Social security costs	0.1	0.2
<b>Total</b>	<b>1.4</b>	<b>1.6</b>

<sup>1</sup> Salaries are adjusted for employee benefits received through salary sacrifice arrangements



## 10. Employee costs (continued)

The remuneration during the year for Richard Parry, Chief Executive, comprised a salary of £184,784 (2017/18: £183,105), pension allowance of £15,928 (2017/18: £15,784), car allowance of £9,768 (2017/18: £9,768), payment in lieu of previous years' banked holidays not taken £2,135 (2017/18: £Nil) and benefits in kind of £1,540 (2017/18: £1,434), totalling £214,155 (2017/18: £210,091).

There was one employee whose remuneration during the year was higher than the chief executive. Stuart Mills, Chief Investment Officer, received a salary of £168,875 (2017/18: £167,133), pension allowance of £14,557 (2017/18: £14,407), car allowance of £9,768 (2017/18: £9,768), performance related pay of £33,575 (2017/18: £26,385) and benefits in kind of £2,217 (2017/18: £2,215), totalling £228,992 (2017/18: £219,908).

## 11. Net gains on investment

	2018/19					2017/18
	Unrestricted funds	Restricted funds	Protected		Funds Total	Funds Total
			Endowment Funds	Discontinued operations		
	£m	£m	£m	£m	£m	£m
Realised gains on disposals of investment assets	-	-	5.0	-	5.0	4.9
Unrealised gains on revaluation of investment assets	1.2	-	20.3	-	21.5	37.2
Net gain on disposal of subsidiary	-	-	2.5	-	2.5	-
Gain on disposal of tangible fixed assets	-	-	0.2	-	0.2	-
<b>Net gains on investment</b>	<b>1.2</b>	<b>-</b>	<b>28.0</b>	<b>-</b>	<b>29.2</b>	<b>42.1</b>

## 12. Taxation

The Canal & River Trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes. It is expected that the Trust's subsidiaries will give all their profits to the Trust, normally resulting in no tax liability.

### Value added tax

The Canal & River Trust and its subsidiaries are registered for VAT. Any irrecoverable VAT on expenditure is charged to the appropriate heading on the Consolidated Statement of Financial Activities or is capitalised as appropriate.

## 13. Tangible fixed assets

	Group			Total £m
	Operational land and buildings		Boats, vehicles, plant and equipment	
	Freehold £m	Leasehold £m	£m	
<b>Cost</b>				
At 1 April 2018	46.4	5.4	54.1	105.9
<b>Additions</b>	-	-	6.5	6.5
<b>Transfers from Investment Property</b>	2.1	0.2	-	2.3
<b>Transfers</b>	0.1	(0.1)	-	-
<b>Disposals</b>	(0.1)	-	(3.6)	(3.7)
<b>Disposal of subsidiary</b>	(19.2)	(5.4)	(7.3)	(31.9)
<b>At 31 March 2019</b>	<b>29.3</b>	<b>0.1</b>	<b>49.7</b>	<b>79.1</b>
<b>Depreciation</b>				
At 1 April 2018	3.9	1.2	22.5	27.6
<b>Charge for the year</b>	<b>0.7</b>	<b>0.3</b>	<b>4.2</b>	<b>5.2</b>
<b>Disposals</b>	<b>(0.1)</b>	<b>-</b>	<b>(3.4)</b>	<b>(3.5)</b>
<b>Disposal of subsidiary</b>	<b>(0.2)</b>	<b>(1.4)</b>	<b>(2.4)</b>	<b>(4.0)</b>
<b>At 31 March 2019</b>	<b>4.3</b>	<b>0.1</b>	<b>20.9</b>	<b>25.3</b>
<b>Net book value</b>				
At 1 April 2018	42.5	4.2	31.6	78.3
<b>At 31 March 2019</b>	<b>25.0</b>	<b>0.0</b>	<b>28.8</b>	<b>53.8</b>

### 13. Tangible fixed assets (continued)

	Canal & River Trust			Total £m
	Operational land and buildings		Boats, vehicles, plant and equipment	
	Freehold £m	Leasehold £m	£m	
<b>Cost</b>				
At 1 April 2018	27.6	0.2	47.2	75.0
<b>Additions</b>	-	-	5.8	5.8
<b>Transfers from Investment Property</b>	2.1	0.2	-	2.3
<b>Transfers</b>	0.1	(0.1)	-	-
<b>Disposals</b>	(0.5)	(0.2)	(3.3)	(4.0)
<b>At 31 March 2019</b>	<b>29.3</b>	<b>0.1</b>	<b>49.7</b>	<b>79.1</b>
<b>Depreciation</b>				
At 1 April 2018	3.6	0.1	20.5	24.2
<b>Charge for the year</b>	<b>0.7</b>	-	<b>3.7</b>	<b>4.4</b>
<b>Disposals</b>	-	-	(3.3)	(3.3)
<b>At 31 March 2019</b>	<b>4.3</b>	<b>0.1</b>	<b>20.9</b>	<b>25.3</b>
<b>Net book value</b>				
At 1 April 2018	24.0	0.1	26.7	50.8
<b>At 31 March 2019</b>	<b>25.0</b>	-	<b>28.8</b>	<b>53.8</b>

## 14. Heritage assets

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Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The assets within the Waterways Infrastructure Trust and the museum artefact collection and archives fall within this definition and are accordingly categorised as heritage assets.

Waterways heritage is for everyone and the heritage within the Trust's care is free to access and use. It provides an everyday, local connection to the past; a 'living museum without walls'.

Britain's network of inland waterways is one of the largest and most important heritage resources in the country. It is the prime responsibility of the Trust, as custodian, to ensure that the value of this precious, irreplaceable inheritance is understood, managed and protected- thereby securing the longevity of our historic waterways for the benefit and wellbeing of canal and towpath users alike and indeed, the benefit of future generations.

### *Land & buildings – the canals and rivers comprised within the Waterways Infrastructure Trust*

The Canal & River Trust is the guardian of 2,000 miles of historic waterways across England and Wales. Many of our waterways were built at the height of the industrial revolution and are home to 2,708 listed structures and 46 scheduled ancient monuments.

The Trust is a trustee of the Waterways Infrastructure Trust and the settlement agreement between the parties contains a detailed working definition of the infrastructure property. In summary the infrastructure property includes all land and infrastructure which is necessary to (a) inland navigation on a waterway; or (b) public access to, and use of, a towpath. The following is a selection of the main principal assets (as defined by the Trust's Asset Management Plan) included in the infrastructure property:

## 14. Heritage assets (continued)

	31 March 2019 Length/number	31 March 2018 Length/number
Canals	1,567 miles	1,567 miles
Rivers	345 miles	345 miles
Feeders	120 miles	120 miles
Towpaths (1)	1,926 miles	1,959 miles
Aqueducts (2)	278	335
Bridges – Accommodation (3)	1,650	1,661
Bridges – Public Road	873	873
Bridges – Turnover (3)	451	454
Culverts (4)	1,956	1,910
Major cuttings (5)	825	823
Major embankments (6)	769	764
Docks	13	13
Dry docks (7)	27	25
Permitted waste sites	22	22
Locks (8)	1,581	1,580
Pumping stations (9)	73	70
Reservoirs	73	73
Sluices (10)	516	514
Stop/Safety/Flood Gates	66	66
Tunnels (11)	55	56
Canal weirs (12)	663	659
River weirs	132	132
Weir-ed locks (8)	84	85
Boat lifts (Navigation)	1	1

The following are other classifications of the infrastructure assets many of which are also recorded in the principal assets listed above:

Historic battlefields	6	6
Listed buildings (13)	2,708	2,705
Scheduled ancient monuments	46	46
Sites of Special Scientific Interest (SSSIs)	63	63

- (1) Towpaths – Work has been undertaken to identify lengths that do not have towpaths (e.g. within tunnels).
- (2) Aqueducts – 56 aqueducts have been reclassified as culverts and one has been confirmed as not owned by the Trust.
- (3) Bridges – Changes are generally due to reclassification of bridge type or validation of ownership.
- (4) Culverts – 56 aqueducts have been reclassified as culverts and four culverts have been newly identified. Fourteen are no longer included as there has been a change of ownership or they have been reclassified.
- (5) Major Cuttings – Two new cuttings have been identified.
- (6) Major Embankments – Eight additional embankments have been identified and three reclassified.
- (7) Dry Docks – Two new assets have been identified.
- (8) Locks – one weir-ed lock has been reclassified as a Lock.
- (9) Pumping Stations – Tringford Pumping Station has been reclassified into separate assets for operational reasons.
- (10) Sluices – Two new assets have been identified.
- (11) Tunnels – One tunnel has been identified as not in our ownership.
- (12) Canal Weirs – Eight weirs have changed type of ownership (six added and two removed).
- (13) Listed Buildings – One structure has been newly designated, three have been added as part of the improvement of data held, and one has been reassigned.

## 14. Heritage assets (continued)

The number of principal assets in each category are subject to change from time to time due to additions, disposals and reclassification (e.g. where the dimensions of an embankment have been re-measured and found to be within the dimensions required for a 'major' embankment).

### Museum artefact collections and archives

The Trust maintains over 15,000 heritage artefacts in its collection and over 1,500 metres of historic records of the construction and operation of the historic waterways. Artefacts and archive records include: tools, machinery, insignia and memorabilia, clothing, decorative arts, paintings, photographs, maps and plans, drawings, business papers and letters dating from the 1780s to the present day. The Trust also maintains a historic fleet of around 70 boats. These items are held for display to the public, or in secure storage facilities, and the assets and artefacts have historical, scientific and technological qualities that are maintained for public benefit, knowledge and culture.

## 15. Investment property

	Group			Canal & River Trust		
	Freehold £m	Leasehold £m	Total £m	Freehold £m	Leasehold £m	Total £m
<b>Carrying value (fair value)</b>						
At 1 April 2018	633.0	59.6	692.6	434.8	58.6	493.4
<b>Additions</b>	<b>49.4</b>	<b>26.2</b>	<b>75.6</b>	<b>49.4</b>	<b>26.2</b>	<b>75.6</b>
<b>Intergroup transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.5</b>	<b>-</b>	<b>49.5</b>
<b>Transfers to tangible fixed assets</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>(2.3)</b>	<b>(2.1)</b>	<b>(0.2)</b>	<b>(2.3)</b>
<b>Disposals</b>	<b>(21.4)</b>	<b>(0.9)</b>	<b>(22.3)</b>	<b>(36.0)</b>	<b>(0.9)</b>	<b>(36.9)</b>
<b>Revaluation</b>	<b>13.5</b>	<b>1.6</b>	<b>15.1</b>	<b>12.7</b>	<b>2.0</b>	<b>14.7</b>
<b>At 31 March 2019</b>	<b>672.4</b>	<b>86.3</b>	<b>758.7</b>	<b>508.3</b>	<b>85.7</b>	<b>594.0</b>

Investment properties are valued annually and included at valuation on an open market basis. Avison Young, a regulated firm of Chartered Surveyors, carried out a valuation of 90% of the properties by value as at 31 March 2019. The remaining 10% were valued by qualified surveyors employed by the Trust.

Valuations are carried out in accordance with the guidance set out in the Royal Institute of Chartered Surveyors 'Professional Standards January 2014' incorporating the International Valuation Standards 2013, amended. Assumptions are made based on comparable yield values, taking account of current rents received from tenants, or estimated rents where properties are otherwise vacant.

## 16. Diversified investment funds

### a) Movement on diversified income funds

Group & Canal & River Trust				
	Non property income portfolio		Pension Accumulation Fund	
	2018/19	2017/18	2018/19	2017/18
	£m	£m	£m	£m
At 1 April	117.8	114.5	18.1	13.5
Additions	50.2	-	4.0	4.0
Withdrawals	(3.8)	(2.7)	-	-
Dividend income	3.8	2.7	-	-
Investment management costs	(0.9)	(0.8)	(0.1)	(0.1)
Revaluation	5.1	4.1	1.2	0.7
<b>At 31 March</b>	<b>172.2</b>	<b>117.8</b>	<b>23.2</b>	<b>18.1</b>

During the year, the Investment Committee oversaw the fifth year of implementation of the Investment Strategy for the Trust involving a diversification of the Trust's investment portfolio held in the Protected Endowment away from pure property investment to provide some measure of risk protection. Pursuant to this strategy, the selected external investment manager, Partners Capital, has invested £150.6m on behalf of the Trust in non-property investments towards the overall objective of around 20% diversification away from property in a 3 to 5 year time horizon.

Partners Capital have also invested £20m from the Pension Accumulation Designated Fund (see note 24) into separate investment funds.

### b) Disclosure of asset classes within diversified income funds

Group & Canal & River Trust				
	Non property income portfolio		Pension Accumulation Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Multi asset funds	63.6	52.7	16.0	13.6
Bonds	53.5	28.8	4.6	4.0
Global equities	23.7	13.5	-	-
Private equity funds	29.7	21.0	2.0	0.3
Cash	1.7	1.8	0.6	0.2
<b>At 31 March 2019</b>	<b>172.2</b>	<b>117.8</b>	<b>23.2</b>	<b>18.1</b>

### c) Current asset investment

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Funds held on short-term deposit	4.6	65.3	0.2	60.1

Current asset investments represent funds held by the Trust which are not for the purposes of long-term investment return, but instead complement cash holdings used for ordinary operating and investing activities. Within the group, £0.2m (2018: £60.1m) of this is held with Partners Capital as part of a separate 'General Fund' account for surplus cash.

## 17. Investments

Subsidiaries	Canal & River Trust	
	2018/19	2017/18
	£m	£m
<b>Investments in subsidiaries:</b>		
At 1 April	158.7	154.1
Fair value adjustment for investment in Canal & River Pension Investments LP	(48.9)	4.6
Disposal of subsidiaries	(18.3)	-
<b>At 31 March</b>	<b>91.5</b>	<b>158.7</b>

The fair value reduction in the investment in 'Canal & River Pension Investments' is due to the disposal of the property Paddington Basin to the parent company.

### Subsidiary undertakings

Canal & River Trust's subsidiary undertakings are as follows and have a 31 March year end unless stated:

- Blackwall Estates Limited (Company number 01856738) manages property in London Docklands (year end 30 June). The entity was dormant during the period and subsequently dissolved on 26 June 2018.
- British Waterways Marinas Limited (Company number 04930453) operates inland waterway marinas. The company was disposed of by Canal & River Trust on 14 December 2018.
- Canal & River Trading CIC (Company number 8069602) is an operating subsidiary of the Group and holds a small portfolio of investment properties, investments in joint ventures (see below) as well as other miscellaneous trading activities.
- Canal & River Pension Investments LP ('SLP') (Registration number SL010965), is a limited partnership registered in Scotland that manages investment property on behalf of the partners. In 2012/13 the Trust invested £33m in the SLP. The Trust exercises sufficient control over the partnership to meet the definition of a subsidiary undertaking in accordance with the Companies Act 2006 s1162 and FRS 102, section 9 'Consolidated and Separate Financial Statements.' The Trust considers that its interest in the SLP includes a non-financial variable through its dependency on rental yields and future underlying capital values. The debt instrument is therefore considered to have an embedded derivative under the scope of IAS39 and the entire hybrid contract is designated as a financial asset at FVTPL rather than being valued at historic cost less impairment.
- Canal & River Pension Partner Limited (Registration number SC426937) holds an investment in the Canal & River Pension Investments LP from which it derives income. In 2012/13 the Trust invested £19m in this company.
- Canal & River Reinsurance Designated Activity Company (Company number 384229) provides reinsurance to the Trust in respect of property, motor and public liability. This company closed to new business on 31 March 2017.
- Waterways Pension Trustees Limited (Company number 1852161) acts as trustee to the Waterways Pension Fund. The book value of the Trust's interest is represented by a debt of equal amount due to the subsidiary and both have been eliminated from the Trust's accounts.
- The Waterways Trust (Company number 3728156) and its subsidiaries, NWM Enterprises Limited (Company number 03542113), dissolved 4 December 2018, Ribble Link Construction and Operation Limited (Company number 3507044) and the Rochdale Canal Company (an unregistered company formed by an Act of Parliament) were acquired on 26 July 2012. The undertakings and assets of The Waterways Trust were transferred to Canal & River Trust on 1 April 2013. These subsidiaries did not trade during the year ended 31 March 2019.
- 'Limehouse Basin Management Limited (Company number 02474691) manages public realm areas around Limehouse Basin. The Trust holds 97% of its shares.



## 17. Investments (continued)

- Canal & River Friends Limited (Company number 08174209), Canal & River Investments Limited (Company number 08143728), Canal & River Marinas Limited (Company number 08143712), Canal & River Developments Limited (Company number 08143514) and Canal & River Fundraising Limited (Company number 08174206) are all dormant subsidiaries of Canal & River Trust.

All subsidiaries are 100% wholly owned by the Trust and are registered and operate within the United Kingdom, with the exception of Canal & River Reinsurance Designated Activity Company (which is in Ireland), and Limehouse Basin Management Limited (which is 97% owned).

### 2018/19

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2019 was as follows:

	Income	Expenditure	Net income before other recognised gains and losses*	Net assets at 31 March 2019
	£m	£m	£m	£m
Canal & River Trading CIC	2.9	(0.3)	2.6	42.8
British Waterways Marinas Ltd	6.2	(5.2)	1.0	-
Canal & River Pension Investments LP	6.9	(5.0)	1.9	158.0
Canal & River Pension Partner Limited	18.4	(18.4)	-	35.9
Canal & River Reinsurance DAC	0.4	-	0.4	3.2
Other minor subsidiaries	-	(0.1)	(0.1)	(1.7)
	34.8	(29.0)	5.8	238.2

### 2017/18

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2018 was as follows:

	Income	Expenditure	Net income before other recognised gains and losses*	Net assets at 31 March 2018
	£m	£m	£m	£m
Canal & River Trading CIC	3.1	(0.5)	2.6	38.1
British Waterways Marinas Ltd	8.5	(7.2)	1.3	12.0
Canal & River Pension Investments LP	9.3	(5.0)	4.3	207.0
Canal & River Pension Partner Limited	-	-	-	28.3
Canal & River Reinsurance DAC	0.1	-	0.1	3.4
Other minor subsidiaries	0.1	(0.1)	-	(1.6)
	21.1	(12.8)	8.3	287.2

\* Amount shown is before gift aid donations to parent.

### Joint Ventures

	Group	
	2018/19	2017/18
Investments in joint ventures:	£m	£m
At 1 April	38.7	28.3
Loans made	0.8	9.0
Loans repaid	(1.3)	-
Share of net income	1.9	2.7
Dividends paid	(0.7)	(1.7)
Fair value adjustment	-	0.4
<b>At 31 March</b>	<b>39.4</b>	<b>38.7</b>

## 17. Investments (continued)

The Group's share of assets and liabilities of joint ventures, which are included in the consolidated financial statements, are as follows:

	31 March 2019	31 March 2018
	£m	£m
Fixed assets	0.2	0.2
Current assets	46.5	54.4
<b>Share of gross assets</b>	<b>46.7</b>	<b>54.6</b>
Current liabilities	(1.4)	(4.3)
Long term liabilities	(5.9)	(11.6)
<b>Share of gross liabilities</b>	<b>(7.3)</b>	<b>(15.9)</b>
<b>Share of net assets</b>	<b>39.4</b>	<b>38.7</b>

Included in the above table are capital loans to the joint ventures totalling £39.5m of which £36.5m is in respect of Waterside Places LP.

The Group's share of incoming resources from joint ventures was £31.8m (2018: £17.5m) and share of resources expended was £28.9m (2018: £14.8m). All income arises from investment in property developments.

### Investments in joint ventures

The following information relates to those joint ventures of the Group at the year-end whose results or financial position, in the opinion of the trustees, principally affect the figures of the Group. All joint ventures of the Group are unlisted and are registered and operate in the United Kingdom. With the exception of Roundhouse Birmingham (held in the Trust), all investments in joint ventures are held in Canal & River Trading CIC, a wholly owned subsidiary of the Trust.

The profit and loss for the year ended 31 March 2019 is calculated based on accounts prepared by the joint ventures and where the accounting period is not coterminous with the 31 March, adjusted using management accounts. The Trust's share of profit and loss for the year of each joint venture based on their accounts made up to the dates indicated was as follows:

	Accounting period ended	Profit / (loss) for the year	Equity interest held*	Main activity
		£m	%	
<b>Joint ventures</b>				
Waterside Places LP	31 December 2018	(0.4)	50	Property development
City Road Basin Limited	31 December 2018	-	49	Property development
H2O Urban LLP	31 December 2018	1.8	50	Property development
Paddington Basin Business Barges Ltd	31 December 2018	0.1	49	Office management
Icknield Port Loop LLP	31 December 2018	(1.0)	25	Property development
Roundhouse Birmingham	31 December 2018	(0.6)	50	Heritage attraction operation

\* Whilst the Trust retains a 49% shareholding in some joint venture companies, the voting rights and profit share is 50:50. For Icknield Port Loop LLP, the profit share beneficial interest is 35.5% – however, voting rights are such that decisions require unanimous decisions from each of the partners.

## 18. Stock

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Raw materials	0.5	0.6	0.5	0.6
Finished goods and goods for resale	0.8	0.7	0.8	0.5
	<b>1.3</b>	1.3	<b>1.3</b>	1.1

## 19. Debtors

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Trade debtors	33.3	29.9	33.2	27.5
Profit share and dividends receivable from subsidiaries	-	-	-	2.4
Other amounts owed from Group undertakings	-	-	4.1	9.7
Prepayments and accrued income	19.5	16.2	20.5	13.5
Value added tax	2.9	-	3.2	0.3
Other debtors	5.7	1.2	5.6	0.8
	<b>61.4</b>	47.3	<b>66.6</b>	54.2

## 20. Creditors

Amounts falling due within one year	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Loan from Port of London Properties Ltd	-	12.9	-	12.9
Trade creditors	12.5	13.1	12.4	12.9
Amounts owed to Group companies	-	-	-	0.1
Accruals	15.7	15.5	13.2	12.6
Deferred income (Note 21)	49.3	51.1	47.0	45.6
Taxation and social security	1.5	0.8	1.5	0.2
Other creditors	1.9	2.1	2.0	2.3
	<b>80.9</b>	95.5	<b>76.1</b>	86.6

Amounts falling due after more than one year	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
Loan notes	150.0	100.0	150.0	100.0
Deferred income (Note 21)	2.8	3.4	2.8	3.4
Other creditors	-	0.1	0.5	0.6
	<b>152.8</b>	103.5	<b>153.3</b>	104.0

£150.0m (2018: £100.0m) of creditors fall due after more than five years.

The Trust holds a £150.0m private placement of loan notes to aid its broader investment strategy. The notes are repayable in three £50.0m tranches in 2043, 2048 and 2053 with respective fixed interest rates of 2.85%, 2.83% and 3.01%.

The private placement loan notes are considered to be non basic as they include an embedded derivative under the scope of IAS39. The embedded derivative is designated as a financial instrument at fair value through profit and loss (FVTPL) rather than being valued at historic cost less impairment.

The Trust has interests in a number of property development joint ventures that are stand-alone businesses and are independently funded with external bank debt without recourse to the Trust. In each of the joint ventures an assessment is made whether the interest payments on borrowings should be hedged having regard to the quantum of the debt, the period over which the borrowings are planned to be outstanding and the sensitivity of the project to changes in interest rates. There was no interest rate hedging in place in the joint ventures at 31 March 2019. At 31 March 2019, Group share of total bank borrowings in joint ventures was £4.1m (2018: £11.5m).

## 21. Deferred income

	At 1 April 2018	Group		At 31 March 2019
		Released	Deferred	
	£m	£m	£m	£m
Rental income in advance	17.2	(15.3)	15.5	17.4
Boat licences in advance	11.5	(11.5)	12.2	12.2
Moorings in advance	8.2	(7.2)	4.5	5.5
Defra grant received in advance	10.3	(10.3)	10.5	10.5
Other deferred income	7.3	(7.5)	6.7	6.5
<b>Total current and long term</b>	54.5	(51.8)	49.4	52.1

	At 1 April 2018	Canal & River Trust		At 31 March 2019
		Released	Deferred	
	£m	£m	£m	£m
Rental income in advance	15.5	(13.6)	14.0	15.9
Boat licences in advance	11.5	(11.5)	12.2	12.2
Moorings in advance	5.3	(4.3)	4.5	5.5
Defra grant received in advance	10.3	(10.3)	10.5	10.5
Other deferred income	6.4	(6.2)	5.5	5.7
<b>Total current and long term</b>	49.0	(45.9)	46.7	49.8

## 22. Provisions for liabilities

		Group			
	At 1 April 2018	Paid	Charged	Released	At 31 March 2019
	£m	£m	£m	£m	£m
Public liability and contractual claims	1.6	(0.8)	2.1	(0.5)	2.4
Canal & River Reinsurance	1.7	(0.4)	0.4	(0.6)	1.1
Other provisions	0.8	-	0.2	(0.1)	0.9
	4.1	(1.2)	2.7	(1.2)	4.4

		Canal & River Trust			
	At 1 April 2018	Paid	Charged	Released	At 31 March 2019
	£m	£m	£m	£m	£m
Public liability and contractual claims	1.6	(0.8)	2.1	(0.5)	2.4
Other provisions	0.8	-	0.2	(0.1)	0.9
	2.4	(0.8)	2.3	(0.6)	3.3

### Public liability and contractual claims

The provision relates to individuals who have suffered a personal injury whilst on or using the Trust's property, or who have claims relating to contracts entered into with the Trust. It represents the Trust's best estimate of the legal fees and compensation that could be incurred. These provisions are in addition to provisions accounted for in Canal & River Reinsurance (see below).

### Canal & River Reinsurance

The provision relates to specific property, motor and public liability claims potentially brought against the Group held in Canal & River Reinsurance Designated Activity Company.

### Other provisions

These are provisions which fall outside of the categories described above, including dilapidations.

## 23. Financial instruments

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
<b>Financial assets that are debt instruments measured at amortised cost:</b>				
Cash	38.0	22.6	31.6	14.5
Current asset Investments	4.6	65.3	0.2	60.1
Trade debtors	33.3	29.9	33.2	27.5
Profit share and dividends receivable from subsidiaries	-	-	-	2.4
Other amounts owed from Group undertakings	-	-	4.1	9.7
Other debtors	5.7	1.2	5.6	0.8
	81.6	119.0	74.7	115.0
<b>Financial liabilities measured at amortised cost:</b>				
Loan from Port of London Properties Ltd	-	12.9	-	12.9
Trade creditors	12.5	13.1	12.4	12.9
Amounts owed to other Group companies	-	-	-	0.1
Accruals	15.7	15.5	13.2	12.6
Other creditors	1.9	2.2	2.5	2.9
Loan notes	150.0	100.0	150.0	100.0
	180.1	143.7	178.1	141.4
<b>Financial assets measured at fair value through profit and loss:</b>				
Investment property	758.7	692.6	594.0	493.4
Diversified investment funds	195.4	135.9	195.4	135.9
	954.1	828.5	789.4	629.3

## 24. Movement in funds

	Group 2018/19					
	Unrestricted Funds		Restricted Funds			Total £m
	General fund	Designated Funds	Restricted income funds	Protected Endowment Funds	Discontinued operations	
£m	£m	£m	£m	£m		
At 1 April 2018	26.7	18.2	1.0	744.3	1.0	791.2
Incoming resources	189.1	-	3.8	10.9	6.2	210.0
Resources expended	(183.9)	-	(4.1)	(7.8)	(5.2)	(201.0)
Gains	-	1.2	-	28.0	-	29.2
Gift aid receivable, dividends and other transfers from subsidiaries	7.4	-	-	(5.4)	(2.0)	-
Transfer to Designated Funds	(4.7)	4.7	-	-	-	-
PFP contribution to Pension Fund	(5.0)	-	-	5.0	-	-
Actuarial gains on defined benefit pension schemes	-	-	-	15.9	-	15.9
<b>At 31 March 2019</b>	<b>29.6</b>	<b>24.1</b>	<b>0.7</b>	<b>790.9</b>	<b>-</b>	<b>845.3</b>

	Canal & River Trust 2018/19				
	Unrestricted Funds		Restricted Funds		Total £m
	General fund	Designated Funds	Restricted income funds	Protected Endowment Funds	
£m	£m	£m	£m		
At 1 April 2018	26.2	18.2	1.0	742.3	787.7
Incoming resources	189.1	-	3.8	-	192.9
Resources expended	(183.6)	-	(4.1)	(0.7)	(188.4)
Gains	-	1.2	-	19.7	20.9
Gift aid receivable, dividends and other transfers from subsidiaries	7.4	-	-	(1.7)	5.7
Transfer to Designated Funds	(4.7)	4.7	-	-	-
PFP contribution to Pension Fund	(5.0)	-	-	5.0	-
Additional contribution to PAF	-	-	-	-	-
Actuarial gains on defined benefit pension schemes	-	-	-	4.0	4.0
<b>At 31 March 2019</b>	<b>29.4</b>	<b>24.1</b>	<b>0.7</b>	<b>768.6</b>	<b>822.8</b>



## 24. Movement in funds (continued)

	Group 2017/18					Total £m
	Unrestricted Funds		Restricted Funds			
	General fund	Designated Funds	Restricted income funds	Protected Endowment Funds	Discontinued operations	
	£m	£m	£m	£m	£m	
At 1 April 2017	24.7	18.6	1.5	675.2	1.1	721.1
Incoming resources	178.0	-	4.2	15.2	8.5	205.9
Resources expended	(178.3)	-	(4.2)	(9.0)	(7.2)	(198.7)
Gains/(losses)	-	0.6	(0.5)	41.5	-	41.6
Gift aid receivable and dividends from subsidiaries	11.3	-	-	(9.9)	(1.4)	-
Transfer to Pension Accumulation Fund	(4.0)	4.0	-	-	-	-
PFP contribution to Pension Fund	(5.0)	-	-	5.0	-	-
Additional contribution from PAF	-	(5.0)	-	5.0	-	-
Actuarial gains on defined benefit pension schemes	-	-	-	21.3	-	21.3
<b>At 31 March 2018</b>	<b>26.7</b>	<b>18.2</b>	<b>1.0</b>	<b>744.3</b>	<b>1.0</b>	<b>791.2</b>

	Canal & River Trust 2017/18					Total £m
	Unrestricted Funds		Restricted Funds			
	General fund	Designated Funds	Restricted income funds	Protected Endowment Funds		
	£m	£m	£m	£m		
At 1 April 2017	24.2	18.6	1.5	678.5		722.8
Incoming resources	178.1	-	4.2	-		182.3
Resources expended	(179.3)	-	(4.7)	-		(184.0)
Gains	0.9	0.6	-	39.0		40.5
Gift aid receivable and dividends from subsidiaries	11.3	-	-	-		11.3
Transfer to Pension Accumulation Fund	(4.0)	4.0	-	-		-
PFP contribution to Pension Fund	(5.0)	-	-	5.0		-
Transfer from Blackwall Estates Limited	-	-	-	0.2		0.2
Additional contribution from PAF	-	(5.0)	-	5.0		-
Actuarial gains on defined benefit pension schemes	-	-	-	14.6		14.6
<b>At 31 March 2018</b>	<b>26.2</b>	<b>18.2</b>	<b>1.0</b>	<b>742.3</b>		<b>787.7</b>

## 24. Movement in funds (continued)

The designated funds include the following designated reserves which have been set aside for specific purposes:

	Major Asset Failure Fund £m	PAF £m	Total Designated Funds £m
At 1 April 2018	-	18.2	18.2
New designations	0.7	4.0	4.7
Gains	-	1.2	1.2
At 31 March 2019	0.7	23.4	24.1

### Restricted Income Funds

Fund name	Balance at 1 April 2018	Incoming Resources	Resources Expended	Balance 31 March 2019
	£000	£000	£000	£000
<b>Canal &amp; River Trust funds:</b>				
Friends Fund	-	2,828	(2,828)	-
<b>Specific Project Funds</b>				
Coast to Coast Canoe Trail	362	309	(360)	311
Unlocking the Severn	-	50	-	50
Memorial Benches	67	2	(25)	44
Thatcham Towpath Restoration	-	37	-	37
Playground at Ellesmere	-	50	(17)	33
Brindley's Brainwaves STEM Education	32	-	(5)	27
Hayes Canal Festival	-	35	(11)	24
Bat Appeal	43	-	(23)	20
Historical Boat – Ferret	21	1	(2)	20
Community Adoption Rochdale & Huddersfield	60	-	(53)	7
Angel Canal Festival	-	23	(17)	6
Community Roots – roll out	59	-	(54)	5
Living Waterways Awards 2017	-	45	(40)	5
London Moorings Improvements	25	-	(25)	-
Bradley Arm Dredging	-	76	(76)	-
Super Slow Way 2	-	367	(367)	-
Hinterlands	-	22	(22)	-
Worcestershire Arts Ring	30	2	(32)	-
Other Specific Project Funds	202	35	(116)	121
Funds transferred from <i>The Waterways Trust</i> :				
Cotswold Appeal	66	1	(67)	-
	967	3,883	(4,140)	710

Funds are restricted on the basis of activity type, activity within a defined geographical area or on a specific project basis. Funds are recorded as expended when they are transferred to meet the relevant expenditure being incurred.

Restricted funds with donations less than £20,000 are shown in one aggregate total as 'Other Specific Project Funds'. At 31 March 2018 there were 38 (2018: 41) separate funds within this total.

### Friends Fund

All donations made to The Trust without any specific local or project specific restriction are added to the Friends Fund from which expenditure is directed only to waterway maintenance, restoration or education activities.

## 25. Analysis of net assets by fund

Net assets are analysed between funds as follows:

	Group				Total
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total
	£m	£m	£m	31 March 2019	31 March 2018
				£m	£m
Tangible fixed assets	28.8	-	25.0	53.8	78.3
Investments	23.2	-	970.3	993.5	867.2
Current assets	85.0	0.7	19.6	105.3	136.5
Current liabilities	(77.1)	-	(3.8)	(80.9)	(95.5)
Creditors – amounts falling due after more than one year	(2.8)	-	(150.0)	(152.8)	(103.5)
Provisions	(3.3)	-	(1.1)	(4.4)	(4.1)
Pension liability	(0.1)	-	(69.1)	(69.2)	(87.7)
<b>Total net assets</b>	<b>53.7</b>	<b>0.7</b>	<b>790.9</b>	<b>845.3</b>	<b>791.2</b>

	Canal & River Trust				Total
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total
	£m	£m	£m	31 March 2019	31 March 2018
				£m	£m
Tangible fixed assets	28.8	-	25.0	53.8	50.8
Investments	23.9	-	857.0	880.9	788.0
Current assets	82.3	0.7	16.7	99.7	129.9
Current liabilities	(74.8)	-	(1.3)	(76.1)	(86.6)
Creditors – amounts falling due after more than one year	(3.3)	-	(150.0)	(153.3)	(104.0)
Provisions	(3.3)	-	-	(3.3)	(2.4)
Pension (liability)/asset	(0.1)	-	21.2	21.1	12.0
<b>Total net assets</b>	<b>53.5</b>	<b>0.7</b>	<b>768.6</b>	<b>822.8</b>	<b>787.7</b>

## 26. Operating lease commitments

### Operating lease agreements where the Group is lessee

The total of future minimum rentals payable under non-cancellable operating leases are as follows:

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
<b>Leasehold properties</b>				
Within one year	1.0	1.3	1.0	1.2
Within two to five years	3.0	4.6	3.0	4.1
In more than five years	101.7	128.2	101.7	118.1
	<b>105.7</b>	<b>134.1</b>	<b>105.7</b>	<b>123.4</b>

During the year £1.5m (2018: £1.4m) was charged to the SoFA in respect of leasehold property rentals.

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
<b>Leasehold plant and equipment</b>				
Within one year	0.1	0.3	0.1	0.3
Within two to five years	0.1	0.1	0.1	0.1
In more than five years	-	-	-	-
	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>

During the year £0.4m (2018: £0.5m) was charged to the SoFA in respect of leasehold plant and equipment.

### Operating lease agreements where the Group is lessor

The total of future minimum rentals receivable under non-cancellable rental agreement are as follows:

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
<b>Investment Properties</b>				
Within one year	36.5	33.8	29.5	25.8
Within two to five years	120.9	127.4	96.7	95.5
In more than five years	2,520.8	2,921.5	1,081.4	1,477.6
<b>Other</b>				
Within one year	11.1	11.0	11.1	11.0
Within two to five years	33.1	35.9	33.1	35.9
In more than five years	736.7	635.1	736.7	635.1
	<b>3,458.1</b>	<b>3,764.7</b>	<b>1,988.5</b>	<b>2,280.9</b>

Amounts receivable under operating leases are calculated based on the full contract term, not to break clause date. Excluded from the above analysis are those rental agreements held under a tenancy at will basis. For operating lease agreements where the group is lessor 2017/18 values have been adjusted to include additional leases and to account for variations to contracts.

## 27. Pension and other post-retirement benefits

	Group		Canal & River Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£m	£m	£m	£m
(a) Defined benefit pension fund (deficit)/surplus	(69.1)	(87.6)	21.2	12.1
(c) Other post-retirement benefits	(0.1)	(0.1)	(0.1)	(0.1)
Employee benefit liability	(69.2)	(87.7)	21.1	12.0

### (a) Pension fund (deficit)/surplus – defined benefit pension

The Trust is the Principal Employer of a funded defined benefit pension scheme known as the Waterways Pension Fund ('WPF' or the 'Scheme'). The Scheme closed to future accrual on 30 September 2016 for employees of the Trust and other participating employers.

Contributions to the Scheme are agreed between the Trust and the trustees of the WPF, after advice from the Scheme Actuary, as part of the triennial actuarial valuation of the Scheme. The last triennial valuation of the Scheme was carried out as at 31 March 2016. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £501.7m and the value placed upon the benefits that had accrued to members was £506.4m. The Scheme was therefore £4.7m in deficit and 99% funded on an on-going basis. The market value of the Fund's investment in Canal & River Pension Investments LP (see below for more details) is included within the valuation of the Fund's assets. The Fund's Recovery Plan allows for post March 2016 valuation market volatility and includes the full potential payment due in 2031 in respect of this investment, which is not fully valued in the Fund's assets, and a further £5m one-off contribution was paid in May 2017 to contribute towards meeting the shortfall.

The next triennial actuarial valuation will be carried out as at 31 March 2019.

On 9 July 2012, the Trust made a special contribution of £106.0m to the WPF pursuant to the creation of a pension funding partnership with the Trust. The Scheme invested £106.0m in Canal & River Pension Investments LP, a limited partnership registered in Scotland. The Scheme will remain invested in this partnership until 8 July 2031 at which point the Scheme's investment will be redeemed. The redemption value of the investment will be the lower of £125.0m or the valuation deficit in the Scheme at that time, with a minimum value of £0.01m, as assessed by the Scheme Actuary on a Technical Provisions basis. The Scheme is entitled to an annual distribution income from this investment of £5.0m per annum. In the year to 31 March 2019 the Scheme received £5.0m of income from the partnership investment.

An accounting judgement has been taken that the Scheme's £90.3m interest in the partnership, which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated accounts because it is a financial instrument issued by the Group and therefore, has not been taken into account in arriving at the Group pension scheme deficit presented in the Group consolidated financial statements.

The exclusion of the Scheme's interest in the partnership from the Scheme's assets results in a deficit of £69.1m in the Group accounts. The Scheme's interest in the partnership is included in the valuation of the Scheme in Canal & River Trust's company balance sheet.

The assumptions required for accounting purposes, under FRS102 differ from the assumptions used for the Scheme's Technical Provisions funding assumptions, and as a result, under FRS102, the Scheme valuation shows a surplus position at 31 March 2019. The pension funding partnership asset has been recognised in accordance with IFRIC 14 as under the WPF trust deed and rules, the Trust has an unconditional right to its share of any surplus following the winding up of the WPF.

The valuation of the Scheme used for FRS 102, section 28 'Retirement benefits' disclosures has been based on the most recent actuarial valuation of the WPF at 31 March 2016 and updated to 31 March 2019 by independent qualified actuaries from KPMG LLP. The liabilities attributed to the Trust reflect the Trust's share of liabilities in the WPF.

## 27. Pension and other post-retirement benefits (continued)

The key assumptions used are as follows:

	31 March 2019	31 March 2018
Discount rate	2.50%	2.60%
Rate of increase in salaries	3.05%	2.65%
Rate of increase for majority of pensions in payment and deferred pensions*	2.35%	2.15%
Rate of CPI inflation	2.35%	2.15%
Tax free cash	Members are assumed to take 25% of their pension as tax free cash	Members are assumed to take 25% of their pension as tax free cash
Post retirement mortality assumption	108% of S2PMA (males) 104% of S2PFA (females) CMI 2018 model, long term rate of improvements 1.25% (smoothing factor 7.0)	108% of S2PMA (males) 104% of S2PFA (females) CMI 2017 model, long term rate of improvements 1.25% (smoothing factor 7.5)

Using the adopted mortality tables, the future life expectancy at the normal retirement age of 63 is as follows:

	31 March 2019	31 March 2018
Male currently aged 43	24.1	24.1
Female currently aged 43	26.5	26.5
Male currently aged 63	22.7	22.6
Female currently aged 63	24.9	24.9

\* The rate of increase for the career average re-valued earnings (post April 2011) benefits are capped at 2.5%.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by 1.8% (£10.0m)
Rate of inflation	Increase/decrease by 0.1%	Increase/decrease by 1.7% (£9.5m)
Rate of mortality	Change long-term improvement rate to 1.5%pa	Increase by 1.0% (£5.6m)

Amounts recognised in the Consolidated Statement of Financial Activities (SoFA):

	Group	
	Year to 31 March 2019	Year to 31 March 2018
	£m	£m
Administration expenses	(0.7)	(0.9)
Past service cost	(0.5)	-
Interest cost	(13.8)	(14.4)
Interest on assets	11.7	11.6
<b>Amount charged within net income</b>	<b>(3.3)</b>	<b>(3.7)</b>
Actuarial gains	15.9	21.3
<b>Amount charged within net movement in funds</b>	<b>12.6</b>	<b>17.6</b>

The £0.5m past service cost in the year is a liability created by the requirement to equalise benefits for the effect of unequal guaranteed minimum pensions between men and women.

## 27. Pension and other post-retirement benefits (continued)

Amounts recognised in the balance sheet at 31 March 2019:

	Group		Canal & River Trust	
	2019	2018	2019	2018
	£m	£m	£m	£m
Equities	72.4	200.1	72.4	200.1
Corporate bonds	139.8	148.1	139.8	148.1
LDI (Liability Driven Investment)	162.7	-	162.7	-
Property funds	50.6	49.8	50.6	49.8
Diversified growth funds	38.0	38.3	38.0	38.3
Investment in property interest in Canal & River Pension Investments LP	-	-	90.3	99.7
Other growth assets	13.7	15.0	13.7	15.0
Cash	10.4	0.8	10.4	0.8
<b>Total fair value of assets</b>	<b>487.6</b>	<b>452.1</b>	<b>577.9</b>	<b>551.8</b>
Present value of scheme liabilities	(556.7)	(539.7)	(556.7)	(539.7)
<b>(Deficit)/surplus in the scheme</b>	<b>(69.1)</b>	<b>(87.6)</b>	<b>21.2</b>	<b>12.1</b>

The actual return on the Scheme's assets during the year was a £49.1m gain (2018: £14.3m gain) for the Group and a £39.7m gain (2018: £10.3m gain) for the Trust.

FRS 102 requires all Scheme assets to be valued at fair value for accounting purposes. As at 31 March 2019, the fair value of the Scheme's investment in the partnership was £90.3m (2018: £99.7m).

### Changes in scheme assets

	Group		Canal & River Trust	
	2018/19	2017/18	2018/19	2017/18
	£m	£m	£m	£m
At 1 April	452.1	448.4	551.8	552.1
Interest on scheme assets	11.7	11.6	14.2	14.3
Principal employer contributions	5.9	10.9	5.9	10.9
Member contributions	-	-	-	-
Benefits paid and expenses	(19.5)	(21.5)	(19.5)	(21.5)
Actuarial gain/(loss)	37.4	2.7	25.5	(4.0)
<b>At 31 March</b>	<b>487.6</b>	<b>452.1</b>	<b>577.9</b>	<b>551.8</b>

### Changes in scheme liabilities

	Group & Canal & River Trust	
	2018/19	2017/18
	£m	£m
At 1 April	(539.7)	(564.5)
Past service cost	(0.5)	-
Interest cost	(13.8)	(14.4)
Benefits paid	18.8	20.6
Actuarial (loss)/gain	(21.5)	18.6
<b>At 31 March</b>	<b>(556.7)</b>	<b>(539.7)</b>

## 27. Pension and other post-retirement benefits (continued)

### Movement in (deficit)/surplus in the scheme during the year

	Group		Canal & River Trust	
	2018/19	2017/18	2018/19	2017/18
	£m	£m	£m	£m
At 1 April	(87.6)	(116.1)	12.1	(12.4)
Expenses recognised in SoFA	(3.3)	(3.7)	(0.8)	(1.0)
Contributions	5.9	10.9	5.9	10.9
Actuarial gain recognised in SoFA	15.9	21.3	4.0	14.6
<b>At 31 March</b>	<b>(69.1)</b>	<b>(87.6)</b>	<b>21.2</b>	<b>12.1</b>

#### (b) Defined contribution pension plan

The defined contribution plan is a pension plan under which the Trust pays fixed contributions to Standard Life. The Trust has no legal or constructive obligations to pay further contributions. The amount of employer contributions (net of salary sacrifice contributions) is disclosed in note 10 in these accounts. There were no material amounts owing or prepaid at 31 March 2019.

#### (c) Other post-retirement benefits

Under the terms of the 1962 Transport Act, employees transferring from the British Transport Commission to successor bodies were entitled to retain their reduced cost travel benefits. Successor bodies, including the Trust, were made responsible for procuring the benefits on their behalf.

Currently 100 (2018: 104) pensioners and widows retain entitlement to this benefit. A provision to cover the present value of the future cost of these benefits is included in the balance sheet. The provision was re-assessed at 31 March 2019 by independent qualified actuaries using discount rates consistent with those required for pension liabilities under FRS 102.

Movement in other post-retirement benefit provision during the period	Group & Canal & River Trust	
	2018/19	2017/18
	£000	£000
At 1 April	(127.0)	(138.0)
Expenses recognised in SoFA	(3.0)	(3.0)
Contributions	15.0	15.0
Actuarial gain recognised in SoFA	(4.0)	(1.0)
<b>At 31 March</b>	<b>(119.0)</b>	<b>(127.0)</b>



## 28. Capital commitments

Capital expenditure for which the Trust had contracted at 31 March 2019 was £0.7m (2018: £0.6m) relating to tangible fixed assets and £10.0m (2018: £nil) relating to the commitment to purchase an investment property. These commitments fall due within one year.

## 29. Contingent liabilities

Contingent liabilities arising from third party claims, valued at £nil (2018: £0.2m), are not included in the balance sheet as it is not considered likely that the amounts will fall due for payment.

## 30. Related party transactions

The Trust has considered the disclosure requirements of the SORP for charities and FRS 102, section 33 'Related Party Disclosures' and believes that the following related party transactions, all of which were made on an arm's length basis, required disclosure:

Partners Capital are the appointed discretionary fund managers and operate independently within the Trust's agreed investment guidelines. Certain investments are made into funds which are connected with Clearbell LLP a firm in which Manish Chande (a trustee and chair of the investment committee) is a partner. Clearbell provided the following investment services:

Service	Investment fund and relationship	Net Investment made during 2018/19	Investment value at 31 March 2019	Fees earned in 2018/19	Beneficiary
Investment management	Partners Capital Master Portfolio C invested into Clearbell Core Property Real Estate Fund	£0m	£1.8m	£15,760	Clearbell Core Property Real Estate Fund
Participation in the investment and advisory committee and joint venture partner	Partners Phoenix II fund invested in Project Monza in which one of the three joint venture partners is Clearbell Capital LLP	£0.3m	£0.6m	£1,363	Project Monza

Related party transactions of the above nature are permitted under Article 4.4.3 of the Trust's Articles. The Board are aware of these transactions and agree to their continuation.

There are no amounts written off in relation to the above transactions.

No other trustees received any remuneration or other benefits from the Trust.

There were no other related party transactions between the Trust and any of the trustees or executive directors during the year.

### 30. Related party transactions (continued)

In accordance with FRS 102, transactions entered into between the Trust and its wholly owned subsidiaries are not disclosed. Further details on our subsidiaries can be found in note 17 to these accounts.

Transactions with joint ventures	Amount receivable during the year to 31 March 2019	Amount receivable/ (payable) at 31 March 2019
	£m	£m
Property sales and investment activity with joint ventures	2.4	(0.2)
Other significant transactions with joint ventures	0.1	-
	2.5	(0.2)

The table above excludes capital and loan investments in joint ventures which are detailed in note 17 in these accounts.

# Trustees, Executive Directors, Council, Partnerships and Advisory Group Members

## Current trustees

### Allan Leighton, Chairman

Allan was appointed the chair of the Trust in September 2015 and also sits on the Investment Committee. He is also a member of the Trust's Joint Council & Trustees Appointments Committee. Allan is the chair of the Co-operative Group, Wagamama, Entertainment One plc, and Element Materials Technology. He is a patron of Breast Cancer Care. He is also a keen canal runner. He was formerly the CEO of Asda plc, chairman of the Royal Mail, Pandora AS and Matalan, and has also held a number of non-executive chairmanships including lastminute.com. Allan was a non-executive director of BSKyB and Matalan Retail Ltd. He was also chair of Race for Opportunity and an Ambassador for Prince Charles in Business in the Community. Allan attended the Advanced Management Programme at Harvard and has an Honorary Degree from Cranfield, Doctor of Letters degree from York St John University and an Honorary Fellowship from the University of Lancashire.

### Dame Jenny Abramsky, Deputy Chair

Jenny was appointed as a trustee in September 2016, and was appointed deputy chair in September 2017. She is chair of the Trust's Joint Council & Trustees Appointments Committee and a member of the Audit and Risk Committee. Jenny is chair of the Royal Academy of Music and the Board of Governors of the Royal Ballet, and served six years as chair of the Heritage Lottery Fund/National Heritage Memorial Fund, among other voluntary roles. She has also been the BBC's director of radio and music after running the BBC's 24 hours news service.

### Nigel Annett, CBE

Nigel was appointed as a trustee in September 2016 and took over as chair of Bwrdd Glandŵr Cymru on the same date. He is a member of the Audit and Risk Committee. Nigel is currently a non-executive director of the Principality Building Society, and a trustee of Community Foundation in Wales. He is a former managing director of Welsh Water and is co-founder of Glas Cymru, the not-for-profit company that successfully took over the ownership of Welsh Water back in 2001, a move which resulted in the water industry in Wales being owned on behalf of its customers.

### Ben Gordon

Ben was appointed trustee in September 2014 and is the chair of the Remuneration Committee. He is Chair of Heal & Son Ltd and a trustee of United Learning. Previously he was Chief Executive of Mothercare plc for nine years, and SVP and Managing Director of the Disney Store Europe and Asia-Pacific. Ben was also non-executive director of Britvic plc and of St Ives plc. Prior to that he had senior management positions in WHSmith plc and L'Oreal SA in the UK, USA and France. Ben has an MBA from INSEAD and is a Member of the Institution of Civil Engineers.

### Janet Hogben

Janet was appointed as a trustee in September 2016. She is a member of the Trust's Joint Council & Trustees Appointments Committee and also sits on the Remuneration Committee. Janet was the Chief People Officer at EDF Energy, having previously worked at BP, where she held a variety of roles, and then at Seagram and at Diageo, leading on a number of global strategy and business specific HR positions.

### Sir Chris Kelly

Chris was appointed as a trustee in September 2017 and is a member of the Audit & Risk Committee. He is chair of the King's Fund, the health think tank, and of the Responsible Gambling Strategy Board. He is also senior independent director on the Board of the Co-op Group and on the oversight Board of the Office for Budget Responsibility. He has in the past chaired the NSPCC, the Financial Ombudsman Service and the Committee on Standards in Public Life. Before that, he was a civil servant, mainly in HM Treasury but subsequently as head of policy at the then Department of Social Security and finally as permanent secretary to the Department of Health.

### Jennie Price, CBE

Jennie was appointed trustee in September 2018. She is a barrister by training and was formerly CEO of Sport England. She was awarded a CBE for services to sport in 2017. Before joining Sport England, Jennie was the founding Chief Executive of WRAP (Waste & Resources Action Programme) which helped to revolutionise domestic recycling in the UK. Jennie also spent 17 years in the construction industry, first as a lawyer and then as Chief Executive of the Major Contractors Group and the Construction Confederation. Jennie is a Visiting Fellow at the Cranfield School of Management and Chair of the Youth United Foundation.

**Tim Reeve**

Tim Reeve was appointed as a trustee in September 2016. He is Deputy Director and Chief Operating Officer of the Victoria and Albert Museum (V&A), the world's leading museum of art and design. Tim has overall responsibility for the operation of the Museum, including the delivery of a world-class visitor experience. He also led the V&A's support of China Merchant's Group in the creation of the V&A Galleries within a new design museum in Shenzhen, China, which opened to great acclaim in December 2017. Tim is closely involved in establishing V&A East, a dynamic new museum in the Queen Elizabeth Olympic Park in East London. Before joining the V&A, Tim was Director of Historic Properties at English Heritage. Tim is a graduate in Ancient History from Royal Holloway, University of London and studied at the Institute of Archaeology (UCL) and INSEAD on its International Executive Programme. He is also a trustee of Paintings in Hospitals.

**Sarah Whitney**

Sarah was appointed a trustee in September 2018. She is a Chartered Accountant and real estate specialist. Her executive career was spent at PricewaterhouseCoopers, where she was a corporate finance partner; at DTZ (now Cushman & Wakefield), where she was head of the Consulting & Research business and served on the DTZ Global Executive Committee; and at CBRE, where she headed the Government & Infrastructure team and served on the UK board. More recently, Sarah was one of the founder directors of Metro Dynamics, a specialist consultancy focused on city growth and development. Sarah is a member of the Council of University College London, where she also serves on the Investment and Finance Committees; a trustee of the Land Trust, where she chairs the Audit Committee and is a member of the Investment Committee; and a Senior Visiting Fellow at the University of Cambridge where she teaches planning, growth and regeneration at both undergraduate and postgraduate level.

**Susan Wilkinson**

Susan was appointed as a trustee in September 2017 and is a member of the Remuneration Committee. She has extensive experience in the not-for-profit and tourism sectors and was an executive board director at the National Trust until the end of 2016 with responsibility for membership, fundraising, volunteering and tourism. Sue is currently a trustee of the Old Royal Naval College Greenwich, the Churches Conservation Trust and the Medical Research Foundation. She is also a board director of the Association of Leading Visitor Attractions and previously held several tourism and charity non-executive roles with Visit England and the Institute of Fundraising. Sue is the current chair of the Canal & River Trust's Living Waterways Awards.

**Trustees who retired in the year****Manish Chande** *(until September 2018)*

Manish chaired the Investment Committee. He is Senior Partner of Clearbell Capital LLP, a private real estate fund management and advisory business specialising in UK property investment, development and asset management. Manish co-founded Mountgrange Investment Management in 2007 and was the CEO of Mountgrange Capital. He was previously a board director at Land Securities plc, CEO of Trillium and CEO of Imry. Manish has been a member of the Institute of Chartered Accountants in England and Wales since 1980. In 2008 he was elected a fellow of the Royal Institution of Chartered Surveyors. He has been a trustee of the London Clinic since 2012.

**Frances Done, CBE** *(until September 2018)*

Frances was appointed trustee in March 2013 and was chair of the Audit and Risk Committee. She was also a member of the Novus divisional board of The Manchester College. She was chair of the Youth Justice Board for England and Wales for six years until January 2014. A chartered accountant for 38 years, Frances worked for KPMG before becoming director of finance and then chief executive of Rochdale Metropolitan Borough Council. She was the chief executive of the company responsible for organising the successful Manchester Commonwealth Games. Subsequently, she held the post of managing director for Local Government, Housing and Criminal Justice at the Audit Commission. After leaving the Audit Commission, Frances was interim director general of the Royal British Legion. Frances was also chair of The Waterways Trust from 2003 – 2012 when it merged with Canal & River Trust.

## Executive Team

### **Richard Parry** **Chief Executive**

Richard joined the Canal & River Trust as Chief Executive in July 2013, and has led the new charity through a series of changes as it has developed its new identity and explored the many new opportunities available in the third sector. Prior to joining the Trust, Richard spent 19 years at London Underground – where he was acting Managing Director for a year – followed by a brief spell at FirstGroup.

### **Stuart Mills** **Chief Investment Officer**

Stuart is responsible for the Trust's main income streams including the Trust's investment portfolio, property, joint ventures and diversified assets. Stuart also looks after the utilities, commercial water, direct managed moorings businesses as well as fundraising and our Museums. A chartered surveyor, Stuart joined Canal & River Trust in 1990 after working in private sector property consultancy. He has worked extensively across the country in various commercial roles, before becoming a Director in 2008.

### **Julie Sharman** **Chief Operating Officer**

Julie is responsible for the operational management and performance of the Trust's rivers and canals, including all aspects of customer services, volunteering and engagement. Julie joined the Trust in 1996 following an early career in construction with Taylor Woodrow and Aoki-Soletanche. A chartered civil engineer, she has gained a broad experience in waterway management, asset management, engineering, partnerships and funding with the Trust.

### **Simon Bamford** **Asset Improvement Director**

Simon is responsible for asset inspection, strategy, planning and delivering maintenance and repairs for the Trust's long-term asset programmes. Simon is a chartered engineer and joined the Trust in 2006 after working with Land and Water where he was operations director of their remediation contracting business. Simon previously worked in senior environmental, project delivery, construction and consultancy roles for Southern Water, ADAS and overseas.

### **Sandra Kelly** **Finance Director**

Sandra is responsible for finance including all matters relating to taxation and pensions. She also looks after audit & risk, IT, Procurement and the Trust's marina subsidiary until its sale in December 2018. Sandra spent eight years as finance director at NHBC (National House-Building Council), the UK's leading independent standard-setting body and provider of warranty and insurance for new homes in the UK. She previously held senior finance positions in the commercial sector, most notably for BMW GB.

### **Heather Clarke** **Strategy, Engagement and Impact Director**

Heather is responsible for strategy, public policy, research and measurement, strategic performance and reporting, spatial and statutory planning functions, and planning and urban design consultancy functions. Heather joined the Trust in 1997, after working for an urban development corporation which was charged with delivering large scale area-based regeneration. A chartered planner, she has extensive experience in strategic and statutory planning, property-based regeneration, place-making and partnership working.

### **Mike Goodie** **People Director**

Mike began his career with Shell as a graduate trainee, before progressing onto senior HR positions with British Airways, GNER, BBC and ASDA. Mike has held non-executive positions for Manchester Airport Group, Community Integrated Care and York Archaeological Trust. He is a graduate of Leicester University, a chartered fellow of the Chartered Institute of Personnel and Development, a fellow of the Royal Society for the Encouragement of Arts Manufactures and Commerce and also a member of the patrons network for the National Centre for Diversity. Mike is currently a member of the ACAS governing council where he chairs the Audit Committee.

### **Tom Deards** **Head of Legal & Governance Services** **(Company Secretary)**

Tom has responsibility for the legal and governance functions of the Trust. Tom is a qualified solicitor who joined the Trust's legal team in 2007, having trained and qualified at City law firm Clifford Chance, before going on to complete a Legal Masters at UCL in Environmental Law, whilst working as an environment and planning lawyer in local government. Tom is the Trust's Company Secretary and Data Protection Officer and also sits on the Waterway Ombudsman Committee.

**Canal & River Trust members of council (2nd term)****Nominated Representatives:**

Dr Ruth Hall	Bwrdd Glandŵr Cymru
Richard Atkinson	British Canoeing
Jim Lamb	Chartered Institution of Water & Environmental Management (CIWEM)
Charles Trotman	Country Land & Business Association
Matt Mallinder	Cycling UK
Neil Edwards	Inland Waterways Association (IWA)
John Yates	Institute of Historic Building Conservation
Cllr Roger Lawrence	Local Government Association (LGA)
Peter Brown	Railway & Canal Historical Society
David Gibson	Ramblers Association
David Kent	The Angling Trust
Paul Wilkinson	The Wildlife Trusts
Alison Ward	Welsh Local Government (SOLACE)

**Co-Opted Members:**

Peter Hugman	Freight
Louis Howell	Youth (from March 2019)

**Elected Members**

Boating Business	Nigel Hamilton Andy Tidy
Private Boating	Phil Prettyman Stella Ridgway Andrew Phasey Vaughan Welch
Volunteers	Ian McCarthy
Employees	John Ellis

**Regional Advisory Board Chairs  
(ex officio) (from 4 June 2018)**

East Midlands	Anil Majithia
London & South East	Sir William Atkinson
North West	Nigel Weatherill (from March 2019)
South West	David Hagg
West Midlands	John Hudson
Yorkshire & North East	Caroline Schwaller

**Regional advisory board, advisory groups and council  
as at 31 March 2019**

Bwrdd Glandŵr Cymru	Nigel Annett (Chair) Ruth Hall Carys Howell Peter Ogden Paul Thomas Celia Jenkins Phil Hughes (co-opted)
East Midlands	Anil Majithia (Chair) Tim Carter Kathryn Dodington Matthew Easter Valerie Holt David Pullen Shirley Rogers Ahtesham Mahmood Jane Stubbs
London & South East	Sir William Atkinson (Chair) Jenny Ballinger Jim Crooks Matthew Hunt Dermot O'Brien Dick Pilkinton Dominic Pinto Emma Waslin
North West	Nigel Weatherill (Chair) Tayo Adebawale Mike Carter Peter Jordan Nick Mead Gerry Proctor Peter Rowlinson Keith Sexton Audrey Smith Nigel Stevens Jon Stopp Iain Taylor
South West	David Hagg (Chair) Rob Dean Lois Francis Edward Helps Phil Hughes Robert Moreland Richard Watson
West Midlands Partnership	John Hudson Phil Bateman Campbell Boyle Ewan Hamnett John McNicholas Imran Mirza Laura Shoaf

	John Yates
Yorkshire & North East	Caroline Schwaller (Chair)
	Richard Atkinson
	Hilary Brooke
	Adrian Curtis
	David Lowe
	Trevor Roberts
	Peter Scott
	Robin Stonebridge
	Caroline Thorogood

#### Advisory groups

Arts on the Waterways	Ed Mitchell (Chair)
Environmental	Bruce Lascelles (Vice Chair)
	Rafid Al Khaddar
	Lindsay Frost
	Duncan Mackay
	Angela Mayson
	Arlin Rickard
	Caroline Essery
Freight	(Currently dormant)
	David Quarmby (Chair)
	Mike Garratt
	Mark Grimshaw-Smith
	James Hookham
	David Lowe
	Ian Wainwright
Heritage	Nigel Barker-Mills (Chair)
	Peter Brown
	Nigel Crowe
	Harriet Devlin
	Keith Falconer
	Edward Holland
	Jane Kennedy
	Nicki Schiessel Harvey
	John Yates
Museums	Sam Mullins (Chair)
	Jonathan Bryant
	Emma Chaplin
	Bill Ferris
	Rob Lansdown
	Andrew Lovett
	Marilyn Scott
	Matthew Tanner
	Robert Turner
National Angling	Ian Trayer (Chair)
	David Kent
	Peter Fieldhouse
	Dan Griffiths
	Alan Hughes
	Dennis Hunt

	Kye Jerrom
	Dick Pilkinton
	Andy Strickland
	Andy Wedgbury
Navigation	Mike Carter (Chair)
	Sue Cawson
	Kevin East
	David Fletcher
	Gareth Jones
	Nigel Stevens
	Lee Wilshire
	Steve Wood
Volunteering	Gennie Dearman (Chair)
	Dame Hilary Blume
	Mike Elliott
	Dominic Higgins
	Alex Nicholson-Evans
	Mike Palmer
	Rebecca Stewart
	Jon Stopp
Youth Engagement	Louis Howell (Chair)
	Chloe Donovan
	Jamie Agombar
	Jon Boagey
	Kayleigh Wainwright

## Supporters of the Canal & River Trust

We are very grateful to the thousands of dedicated volunteers, youth and community groups, canal societies, clubs and organisations who have joined with us to help transform our canals and rivers, these unpaid hours have made our work possible. Thank you also to the thousands of individuals who have joined us as Friends of the Trust or who have given personal donations to support our work.

**Thank you to the following Charitable Trusts,  
Grant-making bodies, landfill operators,  
local authorities, lotteries, companies, etc (£1,000+)**

Angel Canal Festival	Leicester City Council
Angling Go Fish	Manchester City Council
Arts Council England	Pendle Borough Council
Bath & North East Somerset Council	Powys County Council
Birmingham City Council	Preston City Council
Blackburn With Darwen Borough Council	Rose Foundation
Burnley Borough Council	Rural Payments Agency
Calderdale Council	Sainsburys Trust
Centro	Sandwell Metropolitan Borough Council
Chapman Charitable Trust	Severn Rivers Trust
Cheshire Community Foundation	Shropshire Union Canal Society
Cheshire East Council	Shropshire Wildlife Trust
Cheshire West and County Council	Stoke on Trent City Council
Co-operative Group	The John R Murray Charitable Trust
Desmond Foundation	The Summerfield Charitable Trust
Environment Agency	The Waterloo Foundation
Gloucester County Council	Transport for Greater Manchester
Greater Manchester Combined	Transport for London
Groundwork Cheshire	University of Manchester
Heritage Lottery Fund	Visit Wales
Heritage Lottery Fund South West	Walsall Metropolitan Borough Council
Hertfordshire County Council	Warwick District Council
High Speed Two (HS2) Ltd	Welsh Government
Hillingdon Community Trust	West Yorks Passenger Transport Exec
Hyndburn Borough Council	Westminster City Council
John Heap Charitable Trust	



## Patron

HRH The Prince of Wales

## Chair

Allan Leighton

## Deputy Chair

Dame Jenny Abramsky

## The Trust's Advisors

### **Bankers:**

Natwest Bank Plc  
City of London Office  
PO Box 122581  
Princes Street  
London  
EC2R 8PA

### **External auditors:**

BDO  
Two Snowhill  
Birmingham  
B4 6GA

### **Internal Auditors:**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AGP

### **Investment Managers:**

Partners Capital  
5 Young Street  
London  
W8 5EH





## Canal & River Trust

First Floor North  
Station House  
500 Elder Gate  
Milton Keynes  
MK9 1BB

0303 040 4040

[canalrivertrust.org.uk/contact-us](http://canalrivertrust.org.uk/contact-us)

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 /canalrivertrust

The Canal & River Trust is a charitable company limited by guarantee registered in England & Wales with company number 07807276 and charity number 1146792.

All information correct at the time of printing.

**Cover Image:**

Grand Union Canal, Berkhamstead

