



**Canal &  
River Trust**

Making life better by water

# Annual Report & Accounts 2019/20





We're the charity who look after and bring to life 2,000 miles of waterways, because we believe that life is better by water.

Many different people and organisations make our work possible and together we are caring for living waterways that transform places and enrich lives, delivering greater wellbeing to millions of people.

We are grateful for ongoing support from 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, including over 30,000 regular-giving Friends, and our dedicated volunteers who voluntarily gave us over 700,000 hours of their time.

## How the coronavirus control measures affected our activities

The coronavirus pandemic presented a number of challenges for the Trust when lockdown started in mid-March 2020.

This included focusing on essential activity only, closing offices, workshops and our museums and attractions, colleagues working from home and placing over 600 colleagues on furlough leave. Community engagement, events, volunteering, face-to-face fundraising, delivery of improvement projects, construction sites, movement on the navigation and to day-to-day activity had to either stop or reduced to core activities only.

As Coronavirus control measures continue into 2020-21 there is uncertainty around the external economic climate and public sentiment. We are now working on how to mitigate these risks as well as seize new opportunities.

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## Introduction from Chair & Chief Executive

**The Trust is now eight years old and a lot has been achieved in that time, including rising income, increased expenditure on our waterways and growing numbers of supporters and volunteers.**

We've established ourselves as a trusted guardian of the historic inland waterways network and we've developed a range of ways to promote and re-purpose them for the benefit of everyone, particularly the millions living in local communities near to our canals and towpaths.

However, this year has reminded us of the scale of our core responsibility, with a series of extreme weather events contributing to widespread infrastructure damage. The most significant impact came at the end of July 2019, when the auxiliary spillway at Toddbrook Reservoir in north Derbyshire suffered a partial failure after heavy rainfall, leading to the evacuation of much of nearby Whaley Bridge. We are hugely grateful for the help of the emergency services and for the understanding and tremendous community spirit of local residents during the week that followed as the situation was brought under control.

Independent expert reports published in March identified that inherent flaws

in the design of the spillway – added to the reservoir dam in 1970 – were the underlying cause of the failure and work is underway to restore the reservoir and apply any lessons at other reservoirs owned by the Trust.

The Covid-19 coronavirus pandemic and the lockdown announced by Government on 23 March 2020 caused the Trust's navigations to close for several weeks, with mooring restrictions lifted, and events cancelled. Colleagues from across the Trust worked tirelessly to ensure the continuation of essential operational activities, including water control, inspections, safety-related maintenance and repairs, servicing critical plant and equipment, and maintaining our emergency response. Our people showed great flexibility by performing alternative roles or working in different ways, including responding to customers and delivering our messages to limit the use of towpaths, which remained open for vital local outdoor daily exercise, across the network.



Above: Dundas Aqueduct, Kennet & Avon Canal



Richard Parry  
Chief Executive



Allan Leighton  
Chair

**"We've established ourselves as a trusted guardian of the historic inland waterways network and we've developed a range of ways to promote and re-purpose them for the benefit of everyone"**

We offered a range of digital content so that everyone could experience the calm and beauty of the waterways from the comfort of their own home – from boating across the Grade 1 Listed Pontcysyllte Aqueduct, or along picturesque stretches of canal, to taking a virtual tour of our museums and archives. At the time of writing, our navigations have re-opened and life is returning to our waterways. We hope that the nation's canals and rivers can be at the forefront of our recovery from the severe impact we have all suffered.

More than ever, these events illustrate how resolute our commitment to caring for the network has to be, now and in the future, and the scale and range of risks this presents. We have a capable and experienced team at the Trust, and we are proud that the overall condition of the historic waterway infrastructure has improved year-on-year since we were established.



**Left:** Guided walks at Fradley Junction, Coventry Canal

**“The traditional role of our waterways – for navigation by boats – is still central, but the difference they can make to the nation’s wellbeing is widely recognised”**

The traditional role of our waterways – for navigation by boats – is still central, but the difference they can make to the nation's wellbeing is widely recognised. We can build on the foundations we have established to connect with a broader range of local people and secure their support and ongoing participation, especially as the coronavirus restrictions are lifted, as well as offering tourism and leisure opportunities for visitors from across the country.

This wider role is as a Trust that is dedicated to improving the lives of millions of local people, offering a 'Natural Health Service' for the huge urban populations with canals and their towpaths 'on the doorstep', giving free and easy access to nature and beauty, and safe, sustainable, traffic-free routes to link to work, school or simply for physical exercise and mental health.



**Above:** Well-B relaxing with friends

Our new advertising campaign, launched in July 2019 on prime-time television and online, emphasised this, featuring 'Well-B', our extraordinary new friend. Well-B seeks to re-charge by the canal and embodies the wellbeing benefit that our research demonstrates is provided to many of those visiting their local waterway. With over five and a half million views on YouTube, it's one of the ways that we're connecting with a younger and more diverse audience.

Whilst we have achieved strong financial performance in our eight years to date, there is no doubt a growing pressure on our income streams, compounded by the impact of the coronavirus. As we recognise the need to spend more on the care of our assets than ever before, given their vulnerability to the effects of climate change, we will seek further support for the vital work we do in sustaining this

cherished national network and the 21st century benefits it brings; as the current crisis has emphasised the importance of nature and the outdoors to our wellbeing as a society.

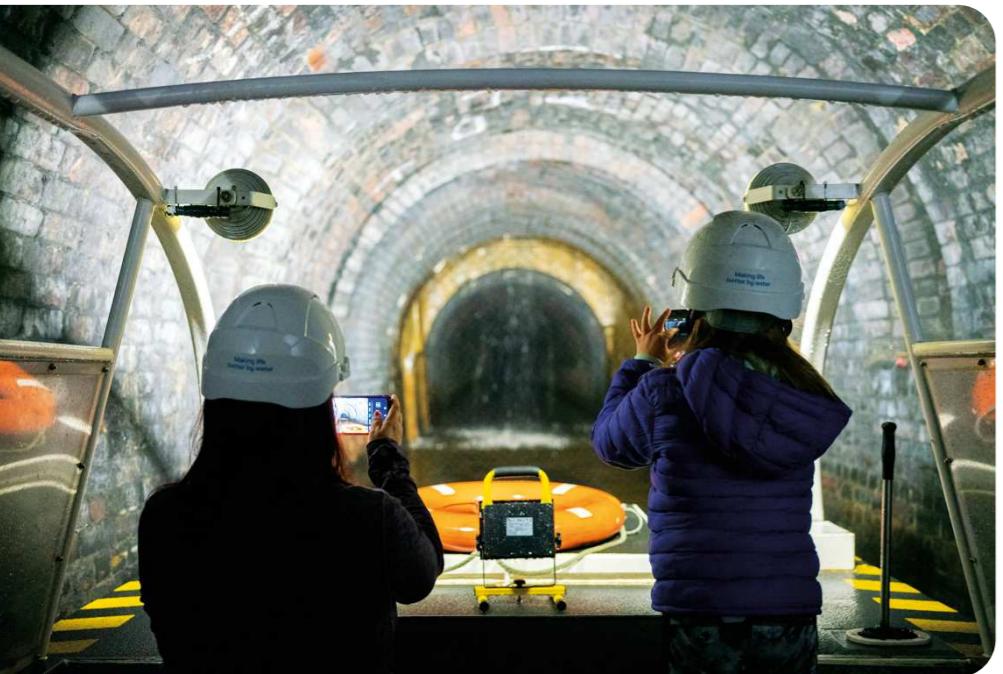
As we look towards the 2020s, we know that the foundation we have laid so far gives us a strong platform from which to build a powerful case for ongoing government funding – as well as the satisfaction of seeing such a vital part of our nation's history take on a new purpose, to enable people to appreciate it on their doorstep, and to make their lives better by water.

Allan Leighton  
24 September 2020

Richard Parry  
24 September 2020

## Life's better by water

**Top:** Boat trip through Standedge Tunnel, Huddersfield Narrow Canal  
**Bottom:** Aylesbury Arm of the Grand Union Canal



**Middle, top:** Granary Square, King's Cross, Regent's Canal  
**Middle, bottom:** Tall Ships Festival, Gloucester Docks

**Top:** RHS Chelsea Welcome to Yorkshire garden

**Bottom:** Sikh community day, Smethwick, Birmingham Canal Navigations

## Caring for our waterways and infrastructure

**Many of our waterways were built at the height of the Industrial Revolution, over 200 years ago. Our maintenance work is diverse and challenging, but the benefits we deliver to the people who use our waterways makes it vital and rewarding.**

We are custodians of these waterways and want to ensure these canals and rivers are open and accessible for everyone to enjoy and benefit from both now and for the long-term future. Given the scale of work involved this is where we spend a significant proportion of our funds.

In 2019/20 our core spending on major asset repairs and maintenance was £62m and our overall measure of asset condition remained well ahead of Government contract target measures with 87% of principal assets categorised as A-C on our asset condition assessment – meaning they are in fair to good condition, a slight improvement on 2018/19.

### Toddbrook Reservoir and dam

Following intense heavy rainfall at the end of July 2019, several concrete panels on the Toddbrook dam spillway collapsed. Around 1,500 residents of Whaley Bridge were evacuated from their homes for six nights as a safety precaution. Trust colleagues and volunteers worked around the clock with the local emergency services, including Derbyshire Fire & Rescue, Derbyshire Police and the Environment Agency, to stabilise the dam wall.

**Left:** Toddbrook Reservoir drained, showing the high capacity pumps and the dam wall  
**Middle:** Working round the clock to stabilise the dam wall at Toddbrook Reservoir  
**Right:** Fish rescue to Upper Bittell Reservoir, near Birmingham

The events last summer were unexpected. At no point in the Toddbrook spillway's 50-year history were design flaws identified; successive inspections by independent engineers – from the Government-appointed All Reservoir Panel, in accordance with the Reservoirs

Act – did not raise any questions about its design until the most recent independent inspection report, received by the Trust three months prior to the incident and which did not identify an immediate threat to safety, or direct that any urgent precautionary measures be taken.



Since the incident, the Trust has implemented measures to enhance reservoir inspection and maintenance and is acting on both reports' findings to ensure the ongoing safe stewardship of the reservoirs in its care.

#### Recent improvements made by the Trust include:

- **Reviewing the design features of all Trust-operated reservoirs** and – as a precaution – managing water levels to remove any risk pending the completion of these reviews.
- **Strengthening its reservoir team** with an experienced reservoir engineer recruited to oversee the Trust's reservoir management.
- **Enhancing reservoir surveillance and vegetation management.**
- **Establishing a major expenditure programme** to reduce any risks identified and ensure the highest levels of public safety; the Trust has set aside £19.3m for future costs of Toddbrook Reservoir and anticipates that there may be additional costs identified at other locations in due course.



#### Managing the impact of storms and flooding

During the autumn and winter there was extensive flooding across our regions as a series of storms hit the country:

- The entire English stretch of the River Severn was subject to flooding for much of the October – March winter period.
- Flood gates on the Aire & Calder and Calder & Hebble navigations, and River Ouse, were closed throughout October and for much of the winter due to high flows caused by storm conditions.
- In November, heavy and prolonged rain caused flooding across the South Yorkshire river navigations with extensive damage incurred at many of the locks.
- The River Weaver Navigation suffered infrastructure damage in November including a partial collapse of Saltersford Lock.

**Below:** February floods, Figure of Three Locks, Calder & Hebble Navigation

- Heavy floods in the border area in November 2019 resulted in the overtopping of the Llangollen Canal at New Marton and damage to New Marton Weir, with localised flooding affecting sections of the Montgomery Canal.
- In January the River Tees endured a record spring tide that flooded maintenance works at the Tees Barrage.
- During the wettest February since records began, storms Ciara and Dennis caused significant damage to waterways across the north of England, the greatest damage being incurred at the Figure of Three Locks on the Calder & Hebble Navigation where the scale of the damage incurred is such that it will take approximately £3m and a year of work to re-build before it can re-open. We carried out £250k of emergency repairs to a damaged embankment and failed culvert at Hebden Bridge on the Rochdale Canal, completed in early April 2020. The flooding also caused siltation which then required dredging costing £175k in March on the Calder & Hebble Navigation and £125k in May 2020 on the Rochdale Canal.



**641**

planned repair projects undertaken

#### Investing in our infrastructure

During 2019/20, given their age and exposure to the elements, our assets experienced a range of failures which in total caused 1,005 days of unplanned closures to the navigation, just over double the amount targeted. We completed 154 major projects and our Direct Services team undertook 641 planned repair projects. Through our 224 planned stoppage projects we repaired over 1,110 defects and replaced 118 lock gates. The total cost for emergency works during the year, including Toddbrook, was £8.4m which impacted on our planned projects programme with some works deferred into 2020.

Significant repair and improvement schemes include:

##### Locks

- New 'long life' lock gates were installed on the Kennet & Avon Canal at Pickettsfield Lock near Hungerford in Berkshire. Made predominantly out of steel, the innovative new gate design is intended to last at least twice as long as a standard lock gate, with an anticipated life span of over 50 years.
- At Marple Locks near Stockport, rebuilding of Lock 11 – started in 2018 – was completed, and it reopened on 24 May 2019.
- Following extensive repairs, Gloucester Lock reopened in May 2019 having been closed in January after the discovery of a leak in the bottom of the Grade II Listed structure. The lock's unique situation – with the tidal River Severn below it and the deep Gloucester Docks above – made it unusually difficult to drain the lock and manage the water flows and pressures at either end and again tested the ingenuity of our engineering and construction works teams.

- On the historic Hurleston Lock Flight on the Llangollen Canal in Cheshire, the walls of the 223-year old Grade II Listed Lock 4 have gradually shifted over time, making it increasingly difficult for historic 7' wide narrowboats to pass through. The work to rebuild the lock wall, costing over £1m involved an archaeological survey before the wall was carefully dismantled. The canal opened on time in March 2020.

- The annual programme of grouting and leak sealing continued with £750k spent on grouting of locks and embankments around the network and a further £650k specifically targeted on the Leeds & Liverpool Canal to reduce leakage there.
- Thanks to the players of People's Postcode Lottery £310k worth of repairs were made to Blackbrook Junction Bridge, a Grade II Listed cast iron structure, which spans the end of the disused 'Two Lock Line' on the Dudley No. 2 Canal. This included brick and stonework repairs to the bridge approaches and abutments, repainting the structure and renewing the surfacing across it.



**Left:**  
Gloucester Docks

#### Embankments

- Work was completed on Burnley's Finsley Gate Embankment with the canal reopening in June after a delay caused by the scope of work necessary proving well in excess of that anticipated.
- In November, repairs began at the Lune Embankment on the Lancaster Canal, requiring the Trust to invest nearly £1.5m to refurbish the 200-year old stretch. Flooding during the heavy rain of February and the impact of coronavirus on working methods meant the re-opening was delayed until May 2020.
- We completed work to repair an embankment on the Macclesfield Canal at Bollington, Cheshire, spending over £1m to re-line an 80 metre section of the 200-year old canal. Over 220 tonnes of concrete were poured onto the canal bed to prevent water leaking out, while stonemasons used traditional methods to rebuild a 66 metre section of canal wash wall. Also, the towpath was resurfaced to remove potholes and puddles and make it safer for walking and cycling.

**Right:** Bevere,  
River Severn



#### Reservoirs

- Improvements were carried out during the winter to improve the wave wall at Winterburn Reservoir which is a primary source of water supply to the Leeds & Liverpool Canal. A 210 metre long foundation was constructed to provide additional strength to the wall for extreme flood conditions; the reservoir remains at less than full capacity pending further work in 2020/21.

#### Water controls

- We carried out more than £180k worth of repairs and upgrades to the Rochdale Canal. These new water controls, installed as part of this winter's repairs and upgrades, will help to manage the existing water feeds from Chelburn Reservoir and various Pennine streams.

#### Pumping Stations

- Bowyer Street Pumping Station in Birmingham, the principal water supply to the 'ten mile' pound of the Grand Union Canal, needed £550k of repairs including: complete refurbishment of the pumping station, replacing two pumps, internal and external pipework, access platforms and control panels.

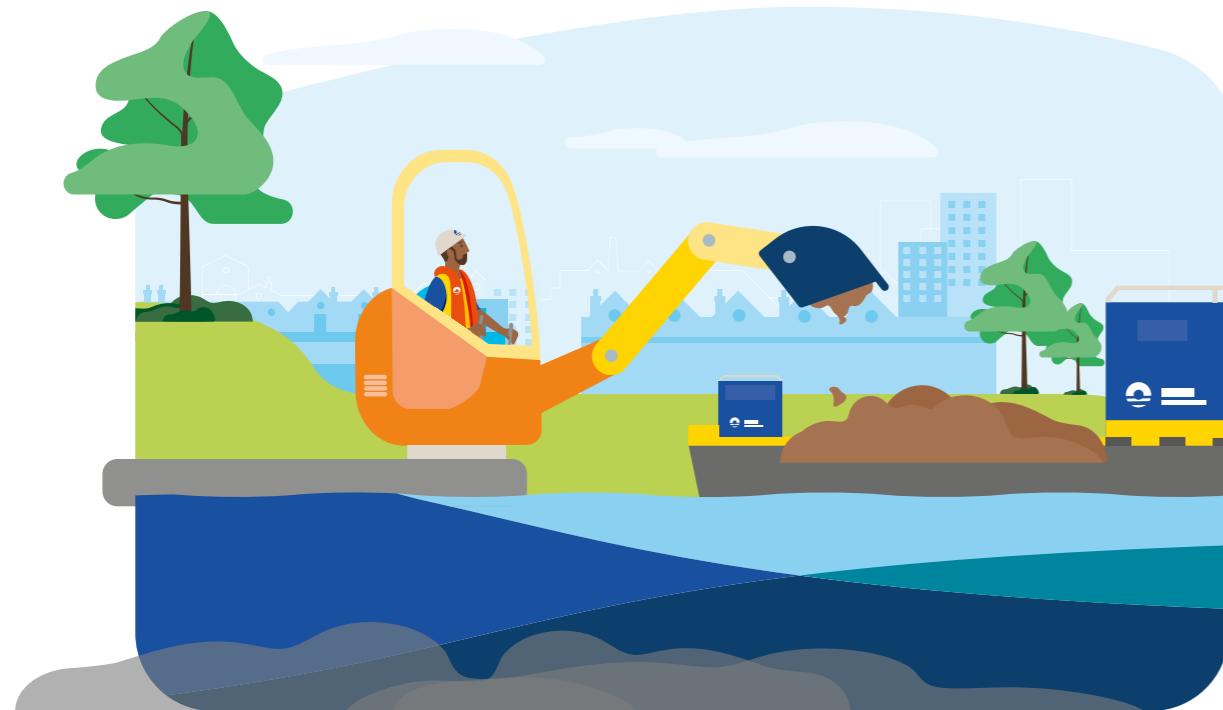
- The £450k phase 1 of the Crofton Pumping Station replacement on the Kennet & Avon Canal was completed to add resilience to this important water resource.
- £530k upgrade and replacement of the pumps at Tringford Pumping Station at the bottom end of the Grand Union Canal with works completed in May 2020 after being held up by the coronavirus restrictions.

#### Culverts

- £2.2m refurbishment of culverts including: Kennet & Avon Froudes Culvert 3, Macclesfield Culvert 29 and Leeds & Liverpool Culvert 73.

#### Hydraulic rams

- Refurbishment of the hydraulic rams at the Tees Barrage: the cylinder to gate 2 was replaced and the old one removed for refurbishment at a combined cost of over £500k.



#### Unlocking the Severn

Unlocking the Severn is an ambitious river conservation and engagement project, led by Canal & River Trust, supported by National Lottery Heritage Fund and EU LIFE, to construct four fish passes to restore passage to historic spawning grounds in the River Severn for rare and endangered fish.

At Bevere, north of Worcester, works started in May 2019 on our only natural bypass channel fish pass. The site has been hard hit with frequent and significant flooding during the year which has restricted progress. At Diglis just half a mile from Worcester city centre, and the location of a deep vertical slot fish pass, works started in August and have fared better, despite the regular floods. Since work re-started in May 2020 we have been able to take advantage of lower river levels to make good progress at all sites.

Community engagement work has been a major part of the Unlocking the Severn project with 4,000 hours of volunteer time recorded during the year, with schools programmes, events, and exhibitions to reach new audiences.

#### Dredging

To enable boats to travel around our waterways we undertook 31 dredging schemes, costing £8m, removing 54,400m<sup>3</sup> of sediment from 75km of navigation and addressing 23 problem locations through spot dredging. We managed to reuse and recycle 45% of this dredged material, underlying our commitment to environmental responsibility.

Canals where dredging work was carried out in 2019/20 include: Gloucester & Sharpness Canal, Grand Union Canal from Bulls Bridge to Hanwell, Kennet & Avon Canal at Martinslade Bridge, Llangollen Canal, Lower Peak Forest Canal between Portland Basin and Marple which started but halted due to coronavirus, Monmouthshire & Brecon Canal, Oxford Canal, Ribble Link, River Severn, River Thames approach to West India Dock, River Trent lock approaches, River Weaver Navigation, Sharpness Port, Swansea Canal from Clydach to Trebanos Bottom Lock, Turkey Brook on the River Lee, and throughout the Yorkshire & North East region.



**45%**

of dredged material was reused and recycled

#### Towpath improvements

We also continued our work to create a welcoming, safe and accessible environment along our waterways and with the support of our partners we invested £10m of improvements to towpaths across England and Wales in 2019/20, including:

- £1.8m investment from the West Yorkshire Combined Authority and Calderdale Council to refurbish approximately 11km of towpath along the Rochdale Canal and improve the wash walls to enhance the resilience of our waterways.
- Phase 2 of the Craven Canal towpath improvement scheme saw nearly 12km of further improvements with funding secured from the European Agricultural Fund for Rural Development, the local authorities and the Local Enterprise Partnership.
- Working in partnership with London Legacy Development Corporation (LLDC) and London Borough of Newham, Bow towpath was improved for pedestrians and cyclists in the London Borough of Newham.

**Right:** Towpath improvements, Craven, Leeds & Liverpool Canal



**“During 2019/20 we invested £10.2m in improving towpaths across England and Wales”**

## Delivering a good service – for users and visitors

**An estimated 8 – 10 million residents in England & Wales now regularly visit our canals and river navigations, in addition to the many visitors drawn from overseas. 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 beauty, features and facilities that people expect to enjoy.

Boating customers 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 eight years ago, we have widened our focus to ensure the experience of using our towpaths is also a positive one in order to unlock the potential they offer to local people.

### Beauty on the Doorstep

More people are using our local waterways as part of their daily life as they are valuable green and blue spaces particularly in urban areas. We know that the presence of litter, graffiti and general dereliction can significantly affect people's perception of safety and hence discourage use.

To help create 'Beauty on the Doorstep' more of our waterways are applying for Keep Britain Tidy's Green Flag award. This provides assurance regarding the attractiveness, and good management of open public spaces and we now have around 300 miles of canals with Green Flag status. New additions this year include: 11 mile stretch of the Erewash Canal on the Nottinghamshire/Derbyshire boundary, a 1 mile stretch on the Hanwell Flight on the Grand Union Canal in West London, 1.3 miles at Stonebridge Lock on the River Lee Navigation in the east of the capital, and a considerable 41 mile section of the Leeds & Liverpool Canal.

- During 2019/20 we spent £9.8m on vegetation and environmental management, cutting over 4,500 miles of grass, and managing vegetation along 186 miles of 'off-side' canal, at our 72 reservoirs and reservoir feeders.
- We emptied over 900 public litter/dog waste bins more than 43,000 times at a cost of £360k.

- Fly-tipping removal cost us almost £200k.

During this period the Trust's contractor, Biffa, managed to reuse (e.g. burning for energy) or recycle 82% of the more than 5,000 tonnes of waste collected from our waterway.

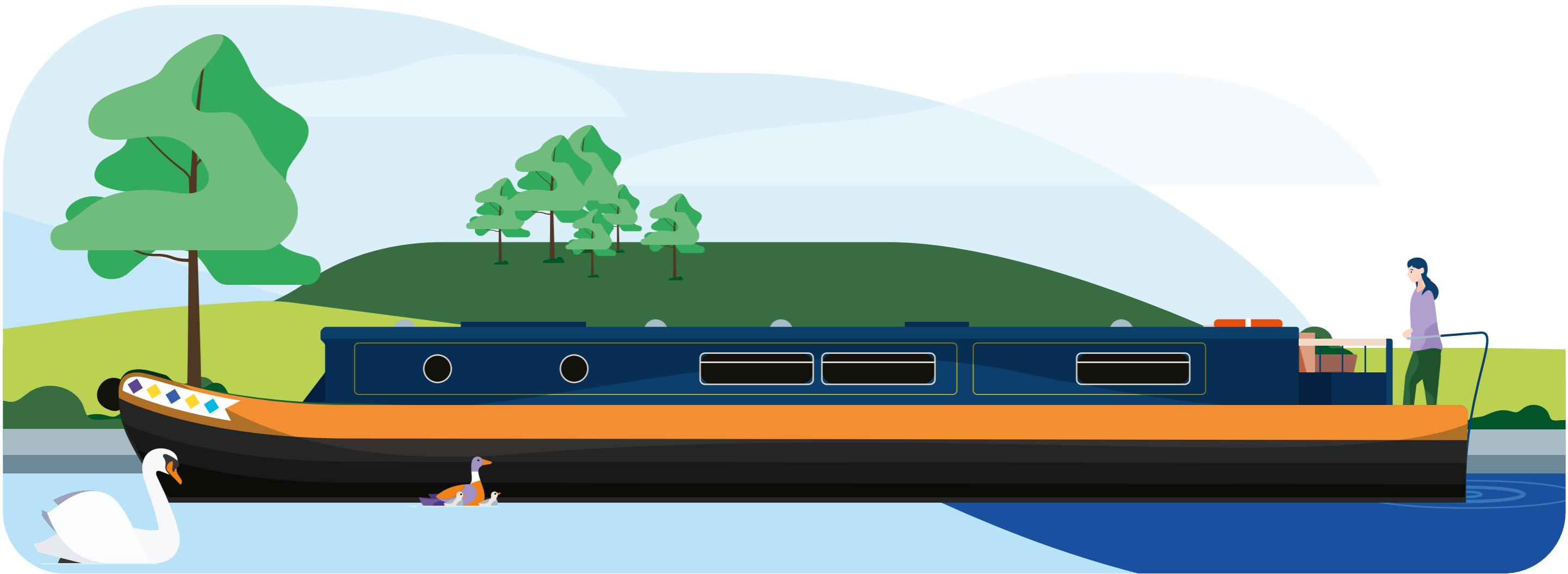
With our 'Plastics Challenge' we have made removing plastics and litter from our waterways a priority, and local groups across the country are helping us to tackle it, some examples include:

- In one of the country's biggest canal clean-ups, over 250 colleagues from Asda supermarket's headquarters in Leeds helped to clear 1.8 tonnes of rubbish over 10 miles on the River Aire and the Leeds & Liverpool Canal.
- During Keep Britain Tidy's Great British Spring Clean campaign month, volunteers from the Trust's Towpath Taskforce cleaned long sections of wall by the canal towpath in Jericho, Oxford.
- Volunteers removed graffiti from walls on a 200m stretch of the Oxford Canal.
- At a community event in Smethwick, Birmingham, volunteers removed nine tonnes of rubbish and planted over 40 trees.
- On the Bridgwater & Taunton Canal, a partnership began with a local volunteer adoption group called 'Rage Against Rubbish', which includes monthly litter picks on the water using kayaks and canoes, as well as regular towpath tidy sessions and community-focused events.



**82%**

of waste we produced was either reused or recycled



#### Responding to our customers

We work hard to provide a responsive and efficient service to our customers. October saw the smooth transition of our outsourced call centre operation to Open Contact, a leading provider of customer services. Across the year, our customer service partners answered 120,674 calls, 29,996 emails and web form enquiries, and had 11,548 website live chat enquiries and 4,254 social media conversations.

- **99.4%** of licensing calls were resolved at first contact and all emails received a non-automated response, taking an average of just over two days.
- **86.6%** of customers were satisfied with how their query was dealt with and 82.6% of them were very satisfied with the service.

#### Supporting boaters

Boats and boaters help to bring the waterways to life, maintaining their core purpose as navigations, whilst also contributing financially to the Trust. They add colour and interest, which is enjoyed by visitors to our canals and rivers.

Whether for day trips, holidays, regular leisure trips, trading goods or as permanent homes, boats and boating offer a unique way to explore the country, linking urban and rural landscapes, enabling users to get closer to nature and improve their wellbeing.

We continue to engage with boaters across our waterways to keep them informed about how we're caring for the navigation, and work with them to make further improvements, including:



**99.4%**

of licensing calls were resolved at first contact



**2019**

we introduced a new 'Trust Aware' badge for boaters

- From April 2019 we launched our first monthly boaters survey to help us track, measure and respond more quickly to feedback from boaters on the network each month. Working with hire boat operators, we also launched our inaugural survey of their customers to gauge their experiences on our waterways.

- In September we published our second annual boater report, explaining how we generate our income, including the contribution from boaters, and how this money is invested in improving the waterway environment. The report included a focus on dredging and how we maintain water levels.

- Building on our engagement with disabled boaters, we held further meetings and helped to establish the Inland Waterways Accessibility Forum Facebook group. In March 2019 we introduced a new 'Trust Aware' badge for boaters with an agreed equality adjustment and this continued to be rolled out during the year. A new 'I live on a boat' contact card has also been created for disabled liveaboard boaters, in case of any medical emergency while away from their mooring.
- Our short-term mooring framework was updated to ensure that we maintain the right balance between managing the location of moorings and allowing stakeholders to have their say on the creation or removal of short-stay moorings.

**Community safety**

Our towpaths are used by millions of people each year, they pass through towns and cities where they are accessible, open to, and integrated with, the wider public realm. This means that, although we have worked hard to improve public safety, sadly, incidents will almost inevitably occur somewhere across the 2,000 mile network during the year. Our measures to address the perception of safety and security on the towpath during 2019/20, so that local people feel confident to use them, include:

- Continuing our work across cities in Water Safety Partnerships to deliver improvements to water safety for local communities.
- 84,330 children took part in face-to-face activities with our 'Explorer' education volunteers, receiving water related safety messages, including 17,765 in the Explorers Winter Water Safety campaign.



**Above:** Staying safe by the water, Don't Drink and Drown campaign

**Securing water for our canals – Another year of weather extremes and challenges for managing water**

The 2019-20 year saw extreme weather conditions affecting water management of the Trust's waterways in a variety of ways, emphasising the importance of the ongoing work on our long-term water resources strategy.

Following the severe drought conditions in 2018, July 2019 saw a record-breaking warm spell, which again caused some canal closures. By contrast, during the winter months, heavy rainfall led to widespread flooding and considerable damage to the Trust's infrastructure, most notably in the north. February 2020 was exceptional, meteorologically speaking, being the wettest February ever recorded.

With this increasingly unpredictable weather, we revised our water saving messages for customers to make them "year-round" rather than just when we are facing drought; and of course our army of



**84,330**

children  
took part in  
face-to-face  
activities with  
our 'Explorer'  
education  
volunteers

- Don't Drink and Drown campaigning events were held across many of the cities that our waterways run through targeting over 20,000 students during freshers' week; our 'walk of shame' exhibit invites students to try to walk along a virtual towpath wearing 'beer goggles', to obscure their vision, without falling in a virtual canal, to simulate the risk of walking by the canal when intoxicated. The Trust also produced a video on behalf of Manchester Water Safety Partnership, featuring friends and family of Charlie Pope, who tragically drowned in March 2018, urging young people to stick together on nights out and take a safe route home.
- In London, our Mooring Rangers joined local police and Ealing Council officers in response to reports of antisocial behaviour by a canal-side primary school in Southall (Paddington Arm).
- We actively promoted an increase of reporting of incidents and this triggered a rise in recorded incidents involving members of the public on our network, up to 511 reported incidents from 317 the previous year. Only 17 of these were due to an infrastructure fault or failure, a decrease from 34 in 2018/19, reflecting the Trust's effort to keep the waterways in safe condition.
- Sadly, the year brought 50 fatalities on the network, none of which were due to the Trust's infrastructure, this was an increase of 10 reported incidents from the previous year, the increase being due to our enhanced engagement with RoSPA's UK Water Accident Incident Database allowing us to capture more incidents related to our waterways and giving the Trust increased access to reports than in the past.

**Right:** Ellesmere Port, Shropshire Union Canal



volunteer lock keepers helped to reduce water wastage by encouraging good practice at locks.

During the year, we contributed to the new National Framework for water resources in England, which has been developed to tackle the rising demand and projected reduction in available water in future. This framework indicates a key potential role for the Trust to expand the water transfer function of our network and to contribute to increased storage capacity.

To secure our water resources for the future, we submitted all our applications for abstraction licences as required by the implementation of new Water Act legislative requirements, which removed our previous exemption, and continue to work closely with the Environment Agency and National Resources Wales to ensure the Trust's historical patterns and rights of water usage are properly accounted for in the 144 locations where we abstract water.

## Investment & income

To ensure we can continue to care for our waterways, keeping them safe and accessible for everyone to enjoy, we need to develop a reliable and broad income stream.



Above: Award-winning Waterside Places joint venture at Brentford Lock, West London

Our investment portfolio contributes significantly to funding our work, both short and long term, comprising both property and financial investments. The total value increased by 2% on 2018/19 to £1,010.5m, ahead of market benchmarks in subdued market conditions, despite our non-property portfolio producing £8.4m capital losses before fees.

The acquisition and disposal programme for the year was impacted by market uncertainty during Brexit and the Trust continued with the policy of increasing diversification to spread risk across a broader spectrum of assets and locations.

More recently, the coronavirus pandemic has impacted on the Trust's investments although the Trust has limited exposure to some of the sectors expected to be most affected and a large proportion of more resilient assets, such as ground rents, which offer relatively secure income in times of uncertainty.

However, the impact on the business prospects of our customers is expected to adversely affect our income and cashflow, which may reduce asset valuations.

### Creating high-quality waterside spaces

As well as securing income, our property investments also enable us to make a positive impact on places and communities. We work with established joint venture partners to deliver positive impacts over the long term and, during the year, we continued to deliver on our ambition to develop more high-quality places next to our waterways:

- At Brentford, West London, all residential units in phase two are

sold and we are now ready to start development of phase three, subject to market conditions in our Waterside Places joint venture with Muse Developments.

- At Islington Wharf, Manchester, all units in phase three are sold and development of phase four is planned, again in our Waterside Places joint venture.
- At Hale Wharf in Tottenham, there has been good progress on building the first phase of the residential scheme by Waterside Places.
- With H2O Urban, our joint venture with Bloc, construction work on a hotel and industrial development at Rickmansworth, Hertfordshire is nearing completion. The scheme is pre-let and pre-sold.
- H2O Urban also commenced construction of a residential development on the site of our old workshops in Bulbourne, near Tring.
- At Icknield Port Loop in Birmingham, the first phase of housing was delivered through our joint venture with Birmingham City Council, Urban Splash and Places for People, as part of our plan to transform this rundown former industrial site, that will ultimately deliver over a thousand homes.
- Restoration of the historic Roundhouse in central Birmingham continued, in partnership with the National Trust.

#### Growing our non-investment income

Our underlying income continued to rise at more than inflation. Our utilities and water sales income delivered £33.3m for the Trust, nearly £5m more than budgeted.

During the year, progress continued to be made on sustainable energy opportunities, including heating and cooling schemes, particularly in London Docklands, which are now moving through the environmental consenting process.

Valuable financial contributions from our boating customers and boating businesses totalled £41.6m, around 20% of our overall income. The number of licensed boats on our waterways at the end of March 2020 increased marginally from 34,367 to 34,435. 96.2% of boaters hold a current licence, which is comparable with 2018/19.



The continued popularity of boating continued to put pressure on our supply of waterside moorings, particularly in London, and income rose as a result of higher prices. New moorings at Millwall Inner Dock in London will be completed during 2020.

In our charitable income, the number of our Friends who regularly give to the Trust increased, to just over 30,000 people who support our work through this donations scheme, an increase of 5% on the previous year. However with Friends recruitment severely reduced since before the lockdown in March, the total number of active Friends has now dropped to around 29,000 in July 2020. In December we introduced contactless donations on our towpaths and in our museums and attractions to enable people to support us with a one-off cash donation.

Repositioning the Trust as a charity dedicated to the wellbeing that our waterways provide as well as the upkeep of the waterways themselves has opened up new partnerships and funding opportunities.

Our activities continue to benefit from the support of players of the National Lottery for specific projects. Examples include:

- The Unlocking the Severn project described on page 14.
- £500k for the refurbishment of Finsley Gate in Burnley, a collection of canalside warehouses which will be brought back into use, stimulating local economic growth in an area of much needed investment.

£2.9m from players of People's Postcode Lottery has supported a variety of projects during the year, including our Community Roots projects which target engagement in some of the most deprived communities along our waterways, urgent repair works to the Rochdale Canal near Hebden Bridge following flood damage and to the River Crane Aqueduct in north London, and maintenance work to the iconic Anderton Boat Lift in Cheshire.



Left: Finsley Gate Old Smithy to become an education space  
Right: Sefton, Leeds & Liverpool Canal

Other funders continue to support our work including in the past year:

- **£2.4m for Titford Pools at Oldbury** to enhance the environment around the pools, improve biodiversity and prevent future damage from run-off from the M5 motorway which runs above the pools, with funding that includes £0.6m from the European Regional Development Fund and £1.8m from the Highways Agency.
- **Over £100k from corporate partners** to support corporate volunteering events to improve and enhance our waterways.
- **£360k from EU Interreg** for the 'Greenwin' project to enhance our current pumping technology with more energy efficient, environmentally friendly hardware.

## Delivering wellbeing

**With ever-increasing rates of obesity, stress and declining mental health in the UK, and more recently the pandemic, we are uniquely placed to make a significant contribution to improving the wellbeing of millions of people. Our canals and rivers run through some of the most heavily populated communities in England and Wales, providing accessible green and blue space where it's needed the most.**



That's why we are working with volunteers and communities across England and Wales to transform canals and rivers into spaces where local people want to spend time and feel better. We know this will bring wellbeing opportunities to millions.

### Creating connections

More than 3,600 volunteers gave over 700,000 hours of their time to support the Trust during 2019/20. We now have 1,200 volunteer lock keepers, an increase of 27%. 447 volunteering organisations groups brought their teams and volunteered in partnership with us to help to care for our canals. These groups, along with our individual volunteers, are finding new and creative ways to make 'their' local waterway a core part of community life.

### Improving wellbeing

In the past year we launched a number of new initiatives to help local people improve their health and mental wellbeing. We created new volunteering opportunities and activity programmes as well as partnering with local groups and GP's which included:

- Volunteers from the local community joined forces with the Trust to create the first urban orchard and wildflower garden on the Rochdale Canal between locks 69 and 70 in Newton Heath, Manchester. The former piece of scrubland has been transformed into an oasis for the local community to enjoy being by water.
- A partnership with Canaan Trust (an independent charity providing supported accommodation for homeless men across Nottinghamshire and Derbyshire) offered a range of waterway activities and volunteering opportunities to develop personal skills and tackle social exclusion.
- The East Midlands region piloted an activity programme featuring 90 activities that attracted over 6,000 people with taster sessions, family activities, guided walks, health walks and training workshops.
- On the Kennet & Avon Canal in the South West we trialled 'Discovery Days'. At Caen Hill, we partnered with Nordic Walking UK, Braeside Education Centre and Devizes Angling Club to provide taster activities, including Nordic walking, canoeing and fishing.
- £222k of National Lottery funding from Sport England helped us to reduce the number of inactive older adults in Cheshire. This Trust project, in partnership with Active Cheshire, offered new ways for older people to get active, both on and by water.



- Partnerships with health walk providers in Leicester (River Soar) and Amber Valley (Erewash Canal) aimed to increase awareness of local waterways as new walking routes.
- A Walking for Health initiative in London and the South East continued to develop in partnership with the Rambler's Association.
- On the Calder & Hebble at Elland, near Halifax, a doctor's surgery in Yorkshire and the North East became the region's first to volunteer in partnership with the Trust with a focus on wellbeing.
- We worked with local doctors' surgeries on the 'Step by Step' GP referral programme on the Monmouthshire & Brecon Canal, partnering with Brecon Beacons National Park.

#### Connections: Education & Youth

Helping the next generation to understand and value our network and helping harder-to-reach groups develop a connection with their local waterway is crucial so we have continued to expand our education and youth engagement programmes.

**Above:**  
Supporting  
Defra's Year of  
Green Action

#### Our youth engagement activities included

- The UK's first coast-to-coast canoe trail reached a climax in August, with a fortnight's celebrations across the entire 162 mile route, from Liverpool in the West to Goole on the Humber estuary. This five-year youth project funded by a £1.3m grant from the Desmond Foundation, has provided new training and volunteering opportunities for thousands of young people aged 16-25.
- In the East Midlands engagement with Leicester's National Citizen Service programme resulted in the Trust reaching around 2,000 young people with a project to support the Trust's current plastics campaign. This enabled 96 young people from Leicester to give over 5,700 hours of volunteer time raising awareness of the Trust and joining our campaign to highlight the issue of plastic pollution on our waterways.
- For the sixth year running we supported #iwill week (18-22 November), a campaign that aims to make participation in social action the norm for young people under 20. Activities ranged from primary school children visiting the site of their Pocket Adoption in London, to engineering students working on a litter-picker that could be attached to a canoe or kayak.



**Right:** School pocket adoption of Regent's Canal

- We expanded the membership of our Youth Engagement Advisory Group to better reflect our position as a waterways and wellbeing charity. New members include representatives from Mind, Sport England and Street Games, as well as our long-standing members including National Union of Students (NUS), Step up to Serve and National Youth Agency.

In November we carried out a national survey of over 2,000 16-24 year olds to understand the key issues and concerns affecting young people. The survey found that young people are most concerned about rising mental health issues along with global environmental issues. It was good to see that 70% of young people who volunteer feel a strong sense of belonging to their community.

#### Learning & Skills

Using our inspirational canals and rivers as a backdrop, we support schools, colleges and other education groups to deliver learning outside the classroom. This year 84,330 children participated in our two flagship programmes – Explorers for primary schools and a STEM (Science, Technology, Engineering and Mathematics) programme for secondary schools and colleges.

#### Working with local schools

With over 2,000 primary schools within 1km of a canal or river, we have been inspiring them to access free outdoor spaces within easy walking distance:

- Children from Mab's Cross Primary School in Wigan have benefitted from a year-long relationship with the Trust, including a visit by a STEM ambassador, environmental scientist Louie Walsh, during British Science Week.
- A wellbeing group at Barrow Hill Junior School in St Johns Wood, London have adopted a stretch of the Regent's Canal as part of the Regent's 200 celebrations.
- Pupils from Ellowes Hall Academy in Dudley planned and filmed a short film to help themselves and others understand how water pressure is used in lock design.



**70%**

of young people who volunteer locally feel a strong sense of belonging to their community



Left: Explorers,  
Birmingham &  
Fazeley Canal

#### Connecting with nature, arts & culture

We want our water and waterside spaces to be full of life as they provide a unique opportunity for people, especially in urban areas, to connect with nature, arts and culture. During the year we engaged with people in new ways in these spaces:

- In Sheffield we teamed up with local arts collective, Concrete Canvas, to bring together 13 artists with community groups to create a street art trail at Attercliffe. The trail faces the canal for walkers, cyclists and boaters to enjoy. Thanks to players of People's Postcode Lottery for their support with the delivery of these projects.
- The Arts Council continues to support our Arts on the Waterways programme, with the Hinterlands project in Enfield and Sheffield and the Super Slow Way for the communities of Pennine Lancashire, along the Leeds & Liverpool Canal. The Super Slow Way will be extended by a further three years until 2024, with another £500,000 grant award.
- We have forged a partnership with the HS2 cultural team, to deliver artistic interventions for two local communities that will be affected by construction of the rail line.



## Growing our support & influence

**Our work involves not only looking after our waterways, but promoting them to the eight million people who have waterways on their doorstep so that many more people benefit from our free, accessible and local source of wellbeing.**

We launched a new brand advertising campaign in July, which aired on regionally-targeted, and therefore cost-effective, prime-time television and digital channels. The campaign was fronted by 'Well-B', a character who embodies wellbeing and 'recharging by your local canal'. The campaign offered 88 million 'opportunities to see', with over five million YouTube views, and reaching on average around 80% of the adult population in our target areas.

Across the year our brand awareness rose by 2% to 46%. Where we mainly focus our promotional activity, within 1km of our waterways, we saw average brand awareness levels also rise by 2% to 57%. During the coronavirus lockdown we saw a jump in brand awareness, within 1km of our waterways, to an average of 62% across March, April and May.

### 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.

By harnessing the power of digital media we are connecting with and engaging increasing numbers of people. In the past year, we have grown our supporter numbers by 48% and we now have direct connection with over 600,000 supporters, including followers on our social channels, subscribers to our emails, as well as volunteers and Friends.

Our volunteer numbers continue to grow, one of the achievements that we are most proud of, as local people are actively putting waterways at the heart of their lives and communities. During 2019/20 we achieved another strong increase to over 700,000 volunteer hours.



**46%**

across the year our brand awareness rose by 2% to 46%



**600,000**

we now have direct connection with over 600,000 supporters



**Above:** Well-B's favourite place is by the local canal or river because it feels great being by water

**"In the past year, we have grown our supporter numbers by 48% and now have a direct connection with over 600k supporters"**

#### Visitor experience and satisfaction

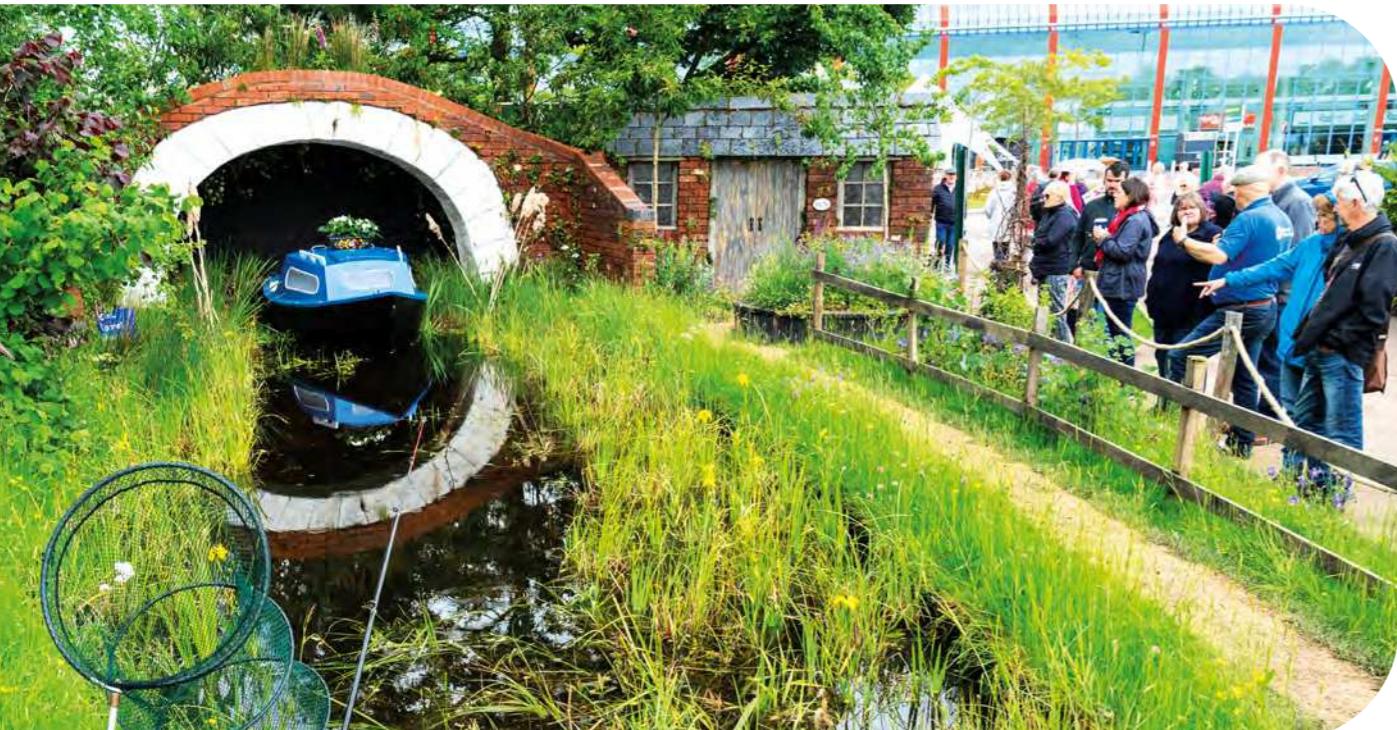
During 2019/20, on average 19% of the adult population of England and Wales visited one our waterways every two weeks, which equates to 9.2m people. 87% of visitors agreed that their visit made them feel calm and relaxed, with 86% saying that their visit made them appreciate the outdoors. Visitor experience took a slight dip, with 81% of visitors being satisfied with their visit (compared with 92% in 2018/19). Those rating towpath upkeep as excellent or good was at 80% (compared to 84% in 2018/19), but personal safety increased to 82% (compared to 81% in the previous year).

#### Bringing life to our canals

The Trust attended hundreds of local events, canal festivals and other celebrations during the year, to celebrate and promote the waterways:

- Britain's biggest inland waterways event, Crick Boat Show, celebrated its 20th year in May 2019 and attracted over 26,000 visitors.

**Below:** BBC Gardeners' World Live, Birmingham NEC



#### BBC Gardener's World Live: Canal & River Trust Garden

In June we unveiled our show garden at the BBC's Gardener's World Live 2019 with a 10-minute primetime slot on the flagship BBC2 show. The garden was designed by volunteer lock keepers from Curdworth (east of Birmingham) with renowned garden designer, Chris Myers. The build and stand management involved over 30 volunteers. Attracting over 26,000 visitors, it gave the Trust a platform to talk about wellbeing, and the garden won a prestigious silver-merit award.

#### Our lock gates at the RHS Chelsea Flower Show

We teamed up with tourism organisation Welcome to Yorkshire in May as part of their garden at the RHS Chelsea Flower Show whose garden's main feature was the canal, which flowed next to a wild perennial meadow and a lock keeper's cottage with a cultivated garden. We donated lock gates which had come to the end of their lifespan in the Huddersfield Narrow Canal and were adapted for use at the show at our Stanley Ferry Workshop where they were first made 20 years ago. People from across the Trust, including volunteer lock keepers, heritage experts, and apprentice carpenters, also supported the garden by sharing their knowledge, lending artefacts, and getting hands-on to help build some of the features.

**Left:** Crick Boat Show celebrates its 20th anniversary  
**Right:** School visit to Anderton Boat Lift, Northwich



#### Increasing our influence

It is vital that national and local government understand the value of our canals and rivers to their policy priorities and the relevance the network has today. This was particularly true at Toddbrook Reservoir when Prime Minister, Boris Johnson, and then Teresa Villiers as Secretary of State for Defra, visited to see first hand the scale of the response.

In February the Education Secretary, Gavin Williamson MP, visited the network in his local constituency and heard about the importance of the educational work the Trust undertakes. The North West team also hosted a meeting with Robert Largan MP at Toddbrook Reservoir, when he was keen to hear about potential improvements, such as creating a circular walking route and the use of hydro-electric power.

The general election in 2019 offered the opportunity to engage with all the MPs that live adjacent to our waterways to follow up on their election or re-election, and to arrange visits for those interested in further discussion about our work. The Cabinet reshuffle offered another chance to share our priorities with those in government and highlight what the Trust can offer around national priorities such as health, wellbeing, transport and the environment.

In July 2019, the former Shadow Culture Secretary and Deputy Leader of the Labour Party, Tom Watson MP, canoeled nine miles on the Birmingham network for his Adventures 4 Health campaign, together with our Chief Executive Richard Parry.

## Caring for our heritage and the environment

The Trust is custodian of a rich and diverse waterways heritage with almost 3,000 listed structures. These include the World Heritage Site at Pontcysyllte Aqueduct, 46 ancient monuments, 304 conservation areas and 63 Sites of Special Scientific Interest. There are also seven historic parks and gardens, six battlefields, five World Heritage Sites and three National Parks.

These waterways run through towns, cities and rural areas, enabling people to enjoy nature and heritage in a way that few other attractions offer. We provide easily accessible green and blue spaces that add to the wellbeing of the millions of people who use them and the volunteers who help care for them. The Trust's historic waterways were built to serve industry but fulfil a very different purpose today and they deserve to be cherished and passed on to future generations, so that they too may benefit from and enjoy them.

### Enhancing the environment

Environmental issues have come to the fore in the past year, with declarations of Climate Emergency; data showing an ongoing biodiversity crisis with nature in decline; and a new framework for UK regulation emerging post-Brexit.

This has changed, or signalled future changes in, the regulatory landscape and in the expectations of our supporters – which affect the Trust:

- Changes are in progress or planned for statutory requirements on

biodiversity net gain and national planning for wildlife recovery and wider access to nature.

- The Government has adopted a statutory objective of net zero emissions by 2050.
- Air quality legislation is being revised.
- A new approach to waste management, recycling and the circular economy is emerging from actions initially targeted at plastic waste.
- The Trust and our waterways can be part of the solution to these problems, limited only by how much support we receive for these efforts.

The environment remains a key theme for supporters to engage with us with over 45,000 environmentally specific hours of volunteering this year: many more hours were spent on other activities such as litter picking and our volunteer lockkeepers helping us save water.

**"If everyone who visits one of our canals or rivers picks up just one piece of plastic, they'd be clear within a year"**



Above: Little Venice, Regent's Canal

### Year of Green Action

The Trust was proud to support Defra's Year of Green Action during 2019 which aimed to connect people from all walks of life with nature, to show how we can take positive action to improve our environment.

To support this, and ensure young people were at the heart of the initiative, we recruited a panel of 16-25 year olds. The group helped to shape and lead campaigns, acted as ambassadors for green action at the Trust working closely with teams across the country. This also highlighted the role young people can and should play in protecting and promoting our canals.

### Climate change and pollution

Existing challenges remain around pollution and are addressed on a daily basis by the Trust. Our internal environmental management system for controlling impacts from our own works created 1,036 Appraisals this financial year.

We have continued to combat invasive non-native species (INNS) on our waterways, with expenditure of over £800k last year on this issue on both land and water. We contributed to the GB Secretariat on INNS and this year helped to develop a guide specifically for inland waterway boaters as part of the updated "Check, Clean, Dry" guidance which promoted awareness through Invasive Species Week in May.

### Pollution response and protecting our fish:

2019 saw fewer major pollutions affecting our waterways than a "typical" year, with our specialist fisheries contractor (MEM) only called out six times, a good decrease (50%) from the 12 such incidents in 2018. We were still busy however with planned fisheries protection work around the draining of canal sections for our vital maintenance works, when we take fish out of the water and relocate them in an adjoining section. We carried out over 30 of these planned fish rescues last year.

### Our Plastics Challenge

In May 2019 we produced research conducted by the Trust and Coventry University into plastics and litter on our network where we estimated that 14 million plastic and litter items are dropped on our network every year with 500,000 of those floating out to sea.

This research formed the basis of our 'Plastics Challenge' campaign which was launched in June, coinciding with World Environment Day and National Volunteering Awareness Week. The campaign promoted the message: **'If everyone who visits one of our canals or rivers picks up just one piece of plastic, they'd be clear within a year.'**

The launch achieved widespread positive national and regional media attention, including the homepage of the BBC website, a feature on Springwatch, and appeared in most of the major newspapers including The Guardian, The Times, The Daily Telegraph and The Sun, offering over 55 million opportunities to see or hear the coverage.



## 14 million

plastic and litter items are dropped on our network every year with 500,000 of those floating out to sea

### Conserving our waterway heritage

Our historic waterways represent a unique working heritage of industrial architecture, archaeology and engineering structures and is a valuable part of our national history, as well as an integral part of regional culture and local distinctiveness, and they contribute to the physical and mental wellbeing of communities, visitors and volunteers.

As custodian, the Trust has a challenging and on-going task in managing and conserving the historic environment of the waterways and has prioritised work to designated buildings and structures in our care. At the end of 2019/20, just under 86.5% of the Trust's listed structures were assessed to be in 'Fair' condition or better, an improvement of 0.5% on the previous year.

**Below:** Event at Apperley Bridge, Leeds & Liverpool Canal



Other activity during the year included:

- In partnership with the National Trust, works are nearing completion at the Birmingham Roundhouse, a unique horseshoe-shaped landmark that will create an exciting community space in the centre of Birmingham.
- Identifying innovative and deliverable design solutions to improve safety provisions at Pontcysyllte Aqueduct.
- In collaboration with Historic England, the Trust continued to make progress on the Listed Building Consent Order (LBCO) bespoke legislation. If approved, it will permit works to listed waterway structures owned, controlled or managed by the Trust.
- The Trust is a host partner under Historic England's Heritage Training Placement scheme, which aims to improve the sector's workforce diversity.
- Training delivered in partnership with the Head of Heritage Crime Strategy at Historic England updated 26 colleagues about recent changes to sentencing for heritage crime.
- Submitting consultation responses to the Government has enabled the Trust to shape and influence national heritage policy.



## 86.5%

of the Trust's listed structures were assessed to be in 'Fair' condition or better

## Wales

**Significant activity took place across Wales throughout the year, engaging local communities and enhancing their collective wellbeing. Opportunities for people to benefit from our waterways included:**



Above: Paddling across Pontcysyllte Aqueduct, Llangollen Canal

- In February, 60 pupils from Griffithstown Primary School participated in a fish rescue, as part of our Explorers and Community Roots programmes in Torfaen, while Towpath Taskforce taster sessions engaged new volunteers and community groups.
- In May, the Montgomery Canal Triathlon was well-attended, and welcomed its first overseas visitors. The Triathlon raised money for the next stages of the canal's restoration, with financial contributions from many businesses and organisations including Tesco, whose Newtown branch 'Bags of Help' scheme donated £2,000.
- On 29 June 2019, Pontcysyllte Aqueduct and Canal celebrated ten years as a UNESCO World Heritage Site. This was followed by a series of wellbeing, artistic and educational events, including Big LEGO Build workshops; Outdoor Yoga; educational sessions in history and engineering, water safety lessons; children's poetry competition; adult art & craft workshops; and the production of an anniversary film.
- In July 2019, BBC Wales filmed Sir Gareth Edwards' Great Welsh Adventure, featuring the rugby legend and his wife Maureen on all four of the Trust's Welsh canals, where they met a host of colleagues, volunteers and partner organisations.
- Backed by funding from the Visit Wales Tourism Attractor Destination Programme, the Trust worked in partnership with Torfaen Council to create an adventure hub at Pontymoile Basin on the Monmouthshire & Brecon Canal. This included works repairing the aqueduct and dredging works at Five Locks.
- Following its first Green Flag Award application, this year also saw the development of the Trust's 'Wellbeing on the Mon & Brec' programme for the Monmouthshire & Brecon Canal. This incorporated a range of community events, partnership engagement and volunteer opportunities.
- We continue to work with Natural Resources Wales and other key partners to plan for the impact of licensing water supplies for the Monmouthshire & Brecon Canal to ensure that the canal's future water resources are sustained.
- We are in discussions with Natural Resources Wales to improve the situation on the River Usk, where we abstract water, without detriment to the Monmouthshire & Brecon Canal.

**10 years**



Pontcysyllte Aqueduct and Canal celebrated ten years as a UNESCO World Heritage Site

**"60 pupils from Griffithstown Primary school participated in a fish rescue, as part of our Explorers and Community Roots programmes"**

- By working in partnership with Swansea Canal Society and Swansea and Neath Port Talbot councils, the Trust secured £383k from the Welsh Government and the Community Development Fund. This funded the dredging of a 1.4km stretch between Trebanos and Clydach on the Swansea Canal.
- The Hinterlands Arts Programme (in partnership with Peak Arts Cymru and funded by Arts Council of Wales), engaged with several local schools and community groups through its 'Ahoi What Grows Here' programme. The project enabled 16-25 year olds to travel from Brecon to Pontymoile on the boat 'Performance Butt', with a space for performance, readings, talks, poetry and music.



**Above:** Monmouthshire & Brecon Canal Adventure Triangle



**Above:** Pontcysyllte Aqueduct celebrates 10-year anniversary as a World Heritage Site



**Above:** Hinterlands programme of socially engaged arts projects

- As part of the National Lottery Restoration Project, over 30 community activities, ranging from art activities to wood working skills workshops, were delivered by the Trust at a cost of just over £6,000. This included the Welshpool Transport Festival organised in partnership with Welshpool Town Council, which saw 500 local residents and visitors take part in water-related activities.
- October saw the launch of a photography exhibition in Newtown, inspired by the Montgomery Canal. By March, it had reached 5,500 people during a tour along the 'Monty'.
- In November we welcomed the new Director for Wales & South West, Mark Evans, and the new chair for Bwrdd Glandŵr Cymru, Steve Thomas.
- As part of our overall response to the coronavirus outbreak, the Trust supplied safety equipment to Swansea Canal Society, whose volunteers arranged for it to be donated to a local medical centre.



**Above:** Green corridors, Montgomery Canal

- On the Montgomery Canal near Oswestry, the Trust worked with volunteers from the Shropshire Union Canal Society and contractors to upgrade nearly 8km of towpath and restore 2km of the canal to navigation from Maesbury to Crickheath with a 'winding hole' added so that boaters can enjoy this section.
- In South Wales third party funding paid for dredging of a navigation channel on a 1.4km stretch of the Swansea Canal between Clydach and Trebanos Bottom Lock enabling Swansea Canal Society to run a trip boat on this section of remainder canal which has not seen leisure or commercial boats for many years.

- In partnership with Torfaen County Borough Council third party funding supported the dredging of 7km of the Monmouthshire & Brecon Canal from the current southern terminus at Five Locks (Cwmbran).
- The eighth phase of towpath improvement along the Montgomery Canal in mid-Wales through partnership with Powys County Council, delivering 800 metres of towpath improvement on a well-used section which forms part of the Sustrans National Cycle Network as a safer alternative to the busy A483.

# Developing the Trust

**This year has seen us continue to develop the capability within the organisation to enable us to deliver our strategy and ensure we are fit for the future.**



## Growth & development

We have continued to invest in our leadership and management skills and launched an experiential learning programme to help our teams adopt a systematic approach to work to enhance capability and efficiency.

## Developing the skills we need for the future

The apprenticeship programme continued to grow in popularity and in the last year we attracted more than 60 applications for each post. We had 27 apprenticeship positions offering level 2 & 3 apprenticeships across engineering, construction, water, social media, administration and conservation. A further 28 permanent colleagues began up-skilling in 2019/20, also through the apprenticeship programme.

We have developed new apprenticeships alongside key partners such as the Environment Agency and National Trust. This has resulted in the launch of a new water environment worker apprenticeship standard, with three apprentices recruited. This programme involved young people in inner cities and towns developing skills to support and maintain the natural environment, alongside developing volunteer leadership skills.

In September we took on seven brickwork apprentices working with the Building Craft College in Stratford, East London, we were able to offer an apprenticeship level 2 qualification in bricklaying with heritage-focused training.

The apprentices work alongside vastly experienced colleagues in our construction teams, transferring knowledge to future generations.

Left: Liverpool Pride

Right: Apprentice of the Year Jonathan Ward

## An inclusive organisation

We continue to be an organisation committed to promoting equality and inclusion so that we better reflect the diverse and changing communities that we serve.

The Trust's gender pay gap for 2018/19 – reported in March 2020 – was 3.9% in favour of women, largely due to the greater proportion of professional roles filled by female employees. 39% of senior management roles are now filled by women.

At the end of March 2020, the proportion of black and minority ethnic employees had risen to 4.6% from 3.2% a year before. (This is a corrected figure which was misreported in the 2019 Annual Report). The Trust continues to strive to become a more diverse workforce that reflects the communities in which we operate.

The Trust's internal networks support and promote diversity & inclusivity in the workplace. Our LGBT+ group seeks opportunities to raise the profile of LGBT+ equality through key events (such as Liverpool Pride) and activities, and provides advice for colleagues.

Our People's Champions network offered support by advocating inclusivity among the workforce, while sharing their ideas and suggestions with management.



### Colleague wellbeing

In line with our organisational values, we care about all our colleagues at the Trust and recognise that healthy employees can make the greatest contribution. This in turn helps us to deliver our diverse strategic agenda.

We continue to expand our colleague wellbeing programme which is based on four pillars that combine to support each individual's wellbeing:

#### 1. Mental & emotional wellbeing

To support colleagues across the Trust we provide mental health resources through our interactive wellbeing portal, we have offered 'your wellbeing at the Trust' sessions virtually and face-to-face, and stress awareness training for our people managers.

We are proud of our network of 71 Mental Health First Aiders, colleagues from across the Trust who have adopted this role alongside their other responsibilities, and appreciate everything they do to support colleagues across the organisation.

#### 2. Social wellbeing

Our social wellbeing approach promotes key activities such as networking and job shadowing, team talks and one-to-one time with managers.

We have introduced 'Communities of Practice' to bring people in similar roles from different parts of the organisation and different parts of the network together to share knowledge, information, challenges and best practice. Each community of practice is sponsored by a member of the leadership team.

#### 3. Financial wellbeing

We recognise that financial wellbeing is vital and has increasingly become an important feature of our support for employees. As part of our partnership with Affinity Connect, a specialist provider of financial education in the workplace, we held six mid-career financial planning seminars and five pre-retirement planning courses.

#### 4. Physical wellbeing

We appreciate how vital it is to support our colleagues in achieving a healthy lifestyle, both in and outside the workplace. We offered colleagues support through our occupational health provider and almost 200 colleagues took up the offer of a free annual health surveillance appointment.

**"We offered colleagues support through our occupational health provider and almost 200 colleagues took up the offer of an annual health surveillance appointment"**

### Keeping each other safe

The Trust is committed to providing a safe workplace for all colleagues. Given the nature of the work we do, colleagues are exposed to risk which we are doing our utmost to reduce and mitigate. Despite this focus, this year saw 12 RIDDOR reportable incidents (eight employees, two contractors and two volunteers), which is a reduction of 25% from 16 in 2018/19, and a reduced accident frequency rate of 0.22 per 100,000 hours, down from 0.29.

To help improve colleague safety and drive down accident numbers, the Trust launched a 'Back to Basics' campaign for colleagues in April 2019. This focused on good communication and promoting personal responsibility. Initiatives included a new weekly safety communication, updated intranet pages to improve accessibility, a review of standards, and re-invigorating our colleague representation with increased numbers of local health & safety representatives and greater participation in local health & safety committees. A highly successful recruitment campaign more than doubled our safety representatives to 95.



Above: Safety is my responsibility campaign

There was a significant training programme for line managers in general safety management, as well as more specialist technical training. This was complimented by a review of our safety 'culture' to embed a stronger focus on basic safety management. Comments from 1,304 colleagues who undertook a survey, and 176 who participated in facilitated focus groups, gave us a valuable insight into what we are doing well and where our challenges lie.

We have continued to strengthen our measures to promote safeguarding of vulnerable people in all that the Trust does, and this year appointed a Safeguarding Trustee (Sue Wilkinson) to our Safeguarding Steering Group for increased oversight, as well as providing additional input into strategic safeguarding decisions.

# Our performance

We measure our performance against our internal key measures incorporating our Defra Waterway targets as outlined below:

Defra Waterway targets – improving our waterways/assets (Defra targets are explained in more detail on pages 68 and 69)	2018/19 Actual	2019/20 Actual	2019/20 Target
Towpath condition Grade C or better <sup>a</sup>	80.8%	81.2%	>80%
Principal assets grade C or better <sup>a</sup>	86.8%	87.1%	>86.5%
Condition of flood management assets grade C or better <sup>a</sup>	99.0%	99.2%	>99%

Waterway measures	2018/19 Actual	2019/20 Actual	2019/20 Target
Boating customer satisfaction	61%	67%	73%
Visitor satisfaction	92%	81%	92%
Regular visitor numbers to reach each fortnight (from our monthly surveys) <sup>b</sup>	4.1m	9.2m	4.3m
Public safety measure – number of reported incidents on our network	34	17	27
Internal safety measure – accident frequency rate expressed as number of accidents per 100,000 hours worked	0.29	0.22	0.15

Employee and engagement measures	2018/19 Actual	2019/20 Actual	2019/20 Target
Employee engagement <sup>c</sup> (those answering positively to six key engagement measures)	65%	66%	68%
Volunteer engagement (previously measured for propensity to recommend) <sup>d</sup>	-	71%	80%
Volunteer hours <sup>e</sup>	671,800	705,704	725,000
People aware of the Trust <sup>f</sup>	44%	46%	45%
Friends actively donating to the Trust each month	28,600	30,049	35,000
Diversity – % employees Black, Asian and minority ethnic <sup>g</sup>	3.2%	4.6%	6.5%

<sup>a</sup> A structure in condition A is in a good state of repair and one in condition E is in a bad condition.

<sup>b</sup> A systematic review of survey methodology demonstrated that the Trust's visitor volumes were significantly higher than previously reported.

<sup>c</sup> Our colleague 'pulse' survey at the end of year in March 2020 gave the highest score of 71, so we have encouraging signs of improving engagement.

<sup>d</sup> We have changed our volunteer satisfaction measure from measuring their propensity to recommend volunteering with us (96% in 18/19) to an engagement score: how they feel about the Trust and their volunteering more broadly. This includes their propensity to recommend us and brings it in line with how we measure our employees' experience.

<sup>e</sup> The total volunteer hours for 2019/20 was affected by coronavirus lockdown stopping volunteer activity, we would have met the target under normal circumstances.

<sup>f</sup> Following a review of survey methodology in 2019, the 2018/19 figure has been re-calculated in order to maintain consistency.

<sup>g</sup> The figure for 2018/19 was incorrectly stated as 5.6% due to a data error; the correct figure for 2018/19 was 3.2%.

# Delivering our strategy

Our long-term vision – living waterways that transform places and enrich lives – is backed by a growing body of research which shows that spending time outdoors, close to nature, and by water in particular, does make us feel happier and healthier.

Our strategy involves looking after the waterways in our care, so that our basic service 'offer' to all users and visitors is delivered safely and efficiently, along with promoting them widely to the more than eight million people who have waterways 'on their doorstep', so that many more people benefit from our free, accessible and local source of wellbeing.

With obesity and other indicators of poor health (and health inequalities) rising, and with growing awareness of the importance of good mental health in the UK, our proximity to so many people means that we are well-placed to make a significant contribution to improving the wellbeing of millions of people. Our canals and river navigations run through some of the most heavily populated, and most economically disadvantaged communities in England and Wales, providing accessible green and blue space where it's needed the most. This has been resoundingly amplified during the coronavirus pandemic lockdown as people have discovered and valued local green and blue space more than ever.

## Our Purpose – to be a Trust for the Waterways and Wellbeing

The chart below describes how the dual components of our strategy interface to create a 'virtuous circle'; the more people who appreciate the wellbeing benefits of our waterways, the more support we can secure for their long-term future care.



## Strategic Goals, Measures & Programmes

Our Vision has been unchanged since 2014 and our long-term strategy remains focused around the virtuous circle – being a Trust for the waterways and wellbeing – illustrated above. This strategy has six strategic pillars around which our strategic plan is based.

Strategic Pillars	Strategic Goals
<b>Delivering a Satisfying User Experience</b>	Satisfied users and visitors – on water and by the water
<b>Caring for Our Waterways &amp; The Environment</b>	Our network is safe, available & resilient, conserving its heritage and environment
<b>Growing Our Investment &amp; Income</b>	Growing income and achieving higher returns needed for long-term financial sustainability
<b>Improving Individual &amp; Community Wellbeing</b>	Local people are aware of, value, use, & benefit from their local waterway
<b>Growing Brand, Supporters &amp; Influence</b>	The Trust is a well-supported household brand and waterways are widely seen as a cherished national treasure
<b>Developing the Trust's Capability &amp; Culture</b>	An effective and efficient organisation, with engaged colleagues and a shared purpose

Our broad strategic plan remains unchanged even during these unprecedented times. However, we have revisited and refined our strategic targets and programmes to take account of:

- the impact and legacy of the coronavirus pandemic and economic recovery plans;
- the impact of worldwide movements towards ‘greener’ economic growth and societies;
- the UK Government’s policy agendas of ‘levelling up’ and tackling the health, climate change and biodiversity crises;
- our insight on the drivers of usage, satisfaction, awareness and support for the Trust; and
- the effects of climate change upon the condition and resilience of our high-risk assets.

With the effect of the pandemic, and the lockdown imposing severe restrictions from the end of March through until June or July, many of our immediate goals and targets for the year have been affected. Our core programme seeks to improve our users’ day-to-day experience of the waterways network and we hope to grow the number of people coming to our waterways. In 2019 we changed the approach to calculating waterway visitors with a substantial increase in our estimate recorded, with 8-10 million regular visitors (every fortnight) reported. For 2020/21 we hope to see this increased total sustained, despite the disruption users have experienced in the pandemic, and to achieve improved user satisfaction.

We seek to improve our overall measure of asset condition with the modest annual improvement in our Defra contract measures (based on the proportion of principal assets achieving at least a grade C (or fair) condition) targeted to continue.

The period of lockdown, and the expansion of information provided by the Trust, has helped us to reach a wider community and we hope to see our brand awareness continue to rise, particularly amongst those living within 1km of our waterways. Our target is to reach over 50% prompted awareness of the Trust nationally and significantly higher amongst local people, living within 1km of a Trust-operated waterway during 2020/21.

Our goals related to local wellbeing include having an increased number of successful Green Flag Award applications. With over 300 miles already given ‘Green Flag’ status, we hope to see some further improvement where our preparations have not been too heavily disrupted.

## Outcomes Measurement & Reporting

Throughout the past year, the Trust has been working through the Outcomes Measurement Framework (OMF) to create a ‘route map’ to enable us to report fully on our public benefit in 2021/22. This incorporates the pieces of overarching research relating to each OMF domain and the creation of a standardised evaluation process which we are using to monitor the public benefit of our strategic activities and participatory projects. We will share these findings in our next Outcomes Report, which is currently being compiled.

We have been building on our Outcomes Measurement Framework and our previous research into the wellbeing benefits of being by water. Analysis of data from our Waterway Engagement Monitor has further demonstrated that those who visit our waterways have higher levels of subjective wellbeing than statistically similar non-users. These findings align with independent, external academic research initiatives such as the Blue Health programme which has demonstrated the wellbeing value of blue spaces, in part due to the psychologically restorative effect of water.

In addition to the “blue health” benefits of our waterways, unpublished research conducted by one of our academic partners has demonstrated the cooling effect of canals is having in urban areas. This is important with the predicted raise in temperatures resulting from climate change.

“Open Data” sources have improved our understanding as to where our activities could have the greatest impact, by identifying the location of communities suffering most from high levels of deprivation and poor availability of accessible green space.

We have also been testing the What Works Centre for Wellbeing’s framework for community wellbeing as part of an ongoing participatory based research project. This research has found ‘place’ to be an important part of how people feel about community and that participation in group activities can help people to feel less isolated, form friendships and improve mental health, particularly for people who might not otherwise have an opportunity to enhance their individual wellbeing.

From our research and analysis, we have learnt that proximity is the most important factor on whether or not somebody visits our waterways. Overall visitor experience is determined in a large part by people’s overall perception of the upkeep of the environment, as well as the extent to which they feel safe during their visit. This has highlighted the importance of our beauty and wellbeing on the doorstep programmes in making a difference locally.

## Coronavirus Impact & Legacy on Strategy

As described above, the coronavirus has had a significant impact on the Trust's activities, as it has on so many aspects of UK (and indeed global) society. Whilst our towpaths remained open for local use, our navigations were closed to any boat movement for two months (to the end of May) and continued to see limited use (with no overnight leisure stays or commercial boat hire activity) until the first week of July.

We are now having to look at new and innovative ways of working to be able to deliver our planned outputs and desired outcomes, maintain the wellbeing of our teams and continue to remain relevant to those people most local on our network. Specifically, we will re-focus away from mass and large group participation and events to individual and household engagement and participation as well as greater use of our digital channels for enhanced 'virtual' connections.

Our recovery plans encompass three phases of activity:

- Our ongoing response to the virus, social distancing restrictions and potential future lockdowns (at local or national level);
- Re-opening the waterways for navigation and the implementation of our recovery plans to reactivate as many of our programmes and works as can be safely re-launched; and
- 'Reimagining' how the Trust operates in the new circumstances we face, building resilience as well as optimising our response to any new opportunities.

## Finance review

### Introduction – Coronavirus

This Finance Review outlines the financial performance of the Trust in the year ended 31 March 2020, including the main financial considerations arising from the coronavirus pandemic.

On 11 March 2020, the World Health Organisation declared a global pandemic in relation to coronavirus, with the UK entering so-called "lockdown" on 24 March. Despite the fact that these developments impacted the Trust's operations for only a brief part of the 2019/20 financial year, they have been considered in preparing the Trust's financial statements as at 31 March 2020. Where this has a material impact, it has been disclosed in the appropriate note to the financial statements.

As at year end, the Trust had begun to reduce activities in line with Government restrictions and to take advantage of the Government's coronavirus Job Retention Scheme, although due to the timing of this scheme's introduction it did not impact on the results for the year. More generally, the Trust is unusual in the charity sector in that it generates over half of its income from a broad range of commercial sources, and less than 5% from donations. It is also a recipient of Government grant income from the Department for Environment, Food and Rural Affairs (Defra). Income sources are therefore well-diversified.

Notwithstanding the potential impact of the pandemic, in view of the significant resources available to the Trust, the Trustees have adopted the going concern basis in preparing the Annual Report & Accounts. Further details are provided in note 1 to the accounts.

As a consequence of the coronavirus pandemic, and in common with many organisations with material property valuations at 31 March 2020, the auditors in their report on pages 92 to 94, without qualifying their opinion, have included an emphasis of matter in relation to the uncertainty attaching to the valuation of investment property. Further details are also contained in note 15 to the financial statements.

## Overview of financial performance

Though income and charitable spend grew and net movement in funds was positive, the Trust reported net expenditure of £12.7m due to costs of £24.4m relating to the restoration of Toddbrook Reservoir. Toddbrook Reservoir was damaged as a result of high rainfall in July and August 2019 with £5.1m spent on containment costs in the year and a further £19.3m provided for future repair and rebuild. A major infrastructure provision has been made to provide for these future costs.

	2019/20 £m	2018/19 £m
Income	<b>216.1</b>	210.0
Expenditure on raising funds	(38.7)	(44.8)
<b>Net income available for charitable activities</b>	<b>177.4</b>	165.2
Charitable spend (excluding reservoir major infrastructure costs)	(169.7)	(156.2)
Toddbrook major infrastructure costs	(24.4)	-
<b>Net (Expenditure)/Income before gains and losses</b>	<b>(16.7)</b>	9.0
Gains on investments and disposals	4.0	29.2
<b>Net (Expenditure)/Income</b>	<b>(12.7)</b>	38.2
Pension actuarial gains	43.5	15.9
<b>Net Movement in Funds</b>	<b>30.8</b>	54.1

**Income:** Increased by £6.1m overall, however 2018/19 includes a part year income from the Trust's former subsidiary, BWML, which was sold in December 2018. Excluding BWML, income has increased by £12.3m.

Income from charitable activities of £83.1m increased due to external contributions to the Unlocking the Severn project, a project to create a place for fish to pass safely on the River Severn (£5.7m) and environmental and public access improvements at Titford Pools near Oldbury (£2.4m). Trading income of £74.9m increased (excluding BWML) with the benefit of a revised water abstraction agreement on the River Lee. Investment income of £51.7m dropped slightly with Brexit uncertainty delaying property transactions earlier in the year and then later the Coronavirus impact on income distributions from non-property investments.

**Expenditure on raising funds:** Decreased by £6.1m due principally to lower costs following the disposal of BWML.

**Charitable spend:** Excluding additional major infrastructure spend of £27.0m (£5.1m expenditure in the year largely on Toddbrook Reservoir, together with a provision for a further £21.9m, representing further work necessary in future periods), expenditure was higher by £10.9m, reflecting increased spend on third party funded works such as the Unlocking the Severn project described above.

**Net income before gains and losses:** Decreased by £25.7m, principally due to the impact of the major infrastructure costs of £27.0m.

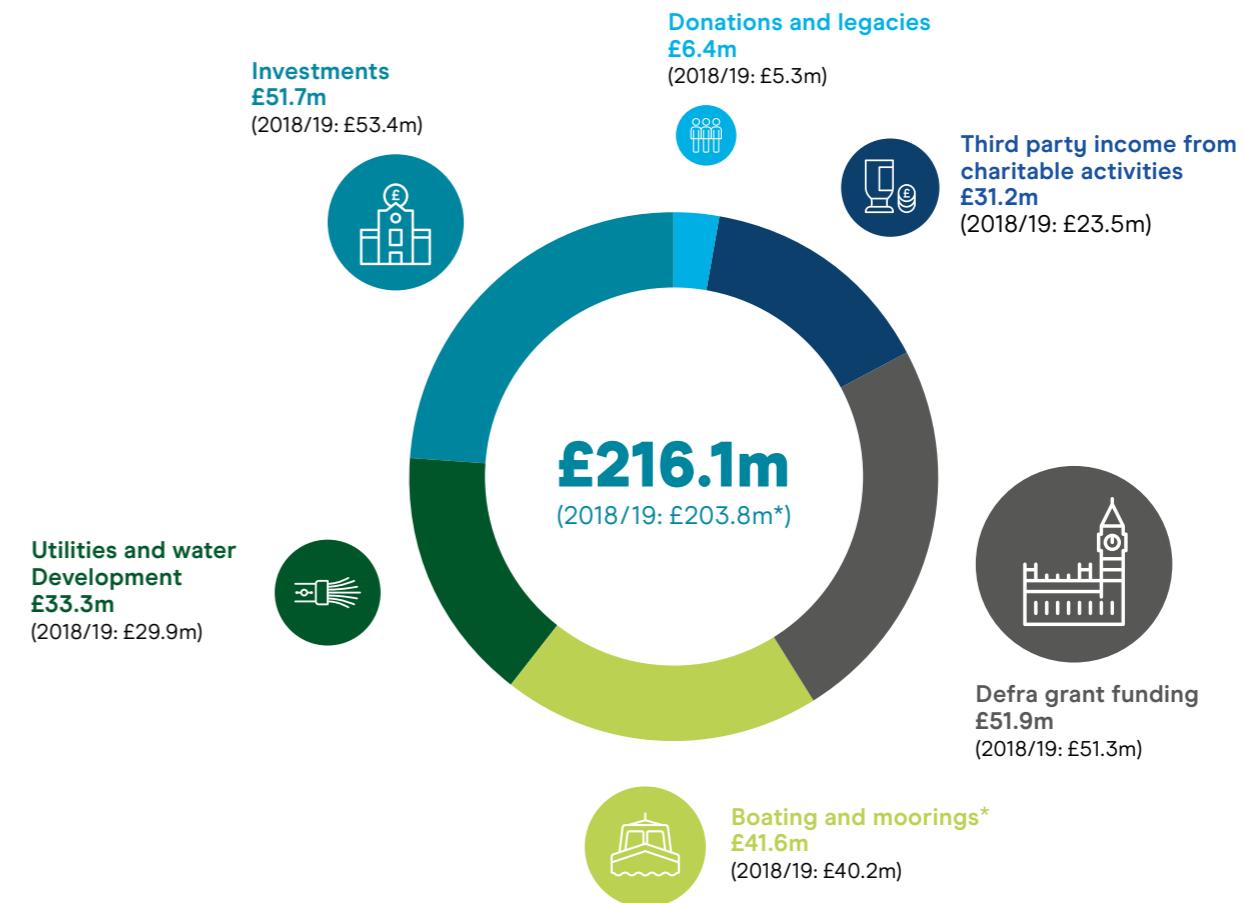
**Gains on investments:** The Investment Property portfolio valuations were slightly higher than prior years as the Trust has relatively low exposure to the sectors expected to be most affected by Coronavirus. The market benchmarks were comfortably exceeded across the short, medium and longer periods. The full effect of the global pandemic on the property market will take some time to become clear. Avison Young, who have independently valued 94% of our property by value, have made this clear in their valuation report (see note 15 to the financial statements) and, as noted above, this valuation is subject to an emphasis of matter in our auditor's report.

Our non-property portfolio of diversified investments saw the markets react to the lockdown across developed economies and losses of £8.4m were recorded. However, much of these losses have been recovered in Q1 of 2020/21 as the markets have digested the extent of Government and Central banks' support, and as lockdown has eased signs of economic recovery are coming through.

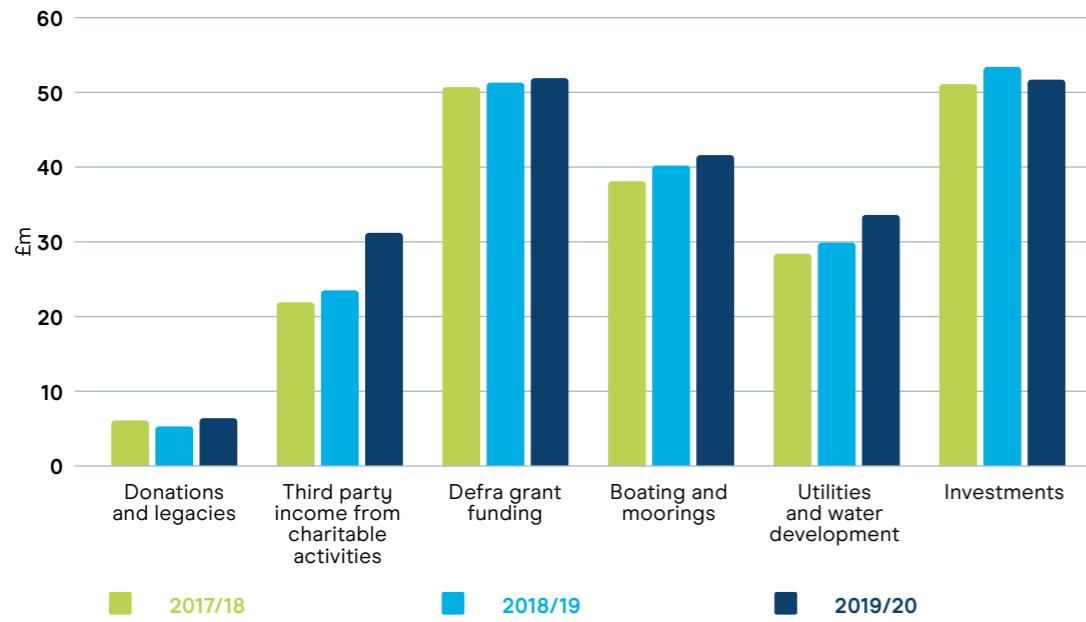
**Pension actuarial gains:** This gain was driven by a strong performance on the scheme's diversified assets and lower expectations of future inflation reducing the value of the scheme's liabilities.

## Income

Income sources can be summarised as follows:



\* excluding £6.2m income in 2018/19 from BWML.



**Donations and legacies** The Trust is a direct beneficiary of the People's Postcode Lottery, raising a net £2.9m from five draws (2018/19: £1.9m from two draws). We have also increased the number of 'Friends' regularly supporting the Trust from 28,600 to over 30,000, with income from Friends rising in line with this growth. Together these have resulted in an increase in income from £5.3m to £6.4m.

**Third party income from 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 income received in 2019/20 increased by 32.8% on 2018/19, due principally to a £4.6m increase in contributions for the Unlocking the Severn project and £2.4m for Titford Pools near Oldbury.

**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 68 to 69. The core amount received in 2019/20 was £41.9m, with an additional £10.0m received due to satisfactory performance against these performance conditions.

**Boating 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, and from business boating (income received from businesses undertaking trading activities on or in facilities connected to the waterways, or premises leased from the Trust):

	2019/20 £m	2018/19 £m	change %
Boat licences	21.6	21.1	+2.4
Mooring permits	8.1	7.7	+5.2
Boating trade *	10.3	9.7	+6.2
Other	1.6	1.7	-5.9
<b>Total **</b>	<b>41.6</b>	<b>40.2</b>	<b>+3.5</b>

\* Boating trade income includes both business licences and boating property rents

\*\* Excluding £6.2m income from BWML in 2018/19

Boat licence income increased by 2.4% in line with inflation, with the volume of boats remaining broadly constant. Income from mooring permits increased 5.2% due to general inflationary price rises and improved occupancy levels. Boating trade has increased due to new leases and increases in income from rent reviews. BWML was disposed of in December 2018.

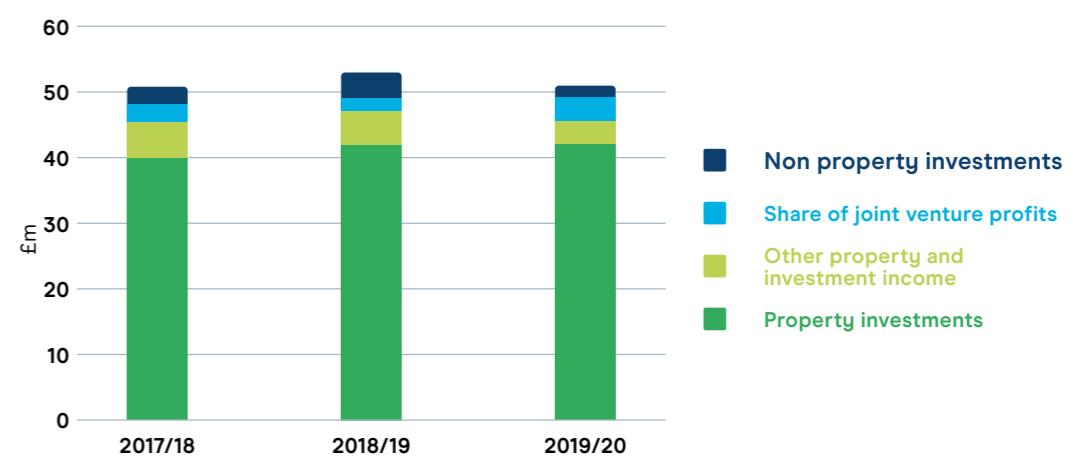


**Utilities and water development income.** Utility income is received from third parties who use the towpaths or bridges for their infrastructure cables for data, telecoms or electricity. Income from water development arises through extraction of water from the canal as well as discharges of excess water into the canal and the use of water for heating and cooling of buildings. This income has increased by 11.4% in the year due both to inflationary increases and a revised water abstraction agreement on the River Lee in London.



**Investment income** including joint ventures is derived from the Trust's protected asset Fund (previously named protected endowment fund).

Total income has reduced by 3.2% to £51.7m, with each key area considered separately below.



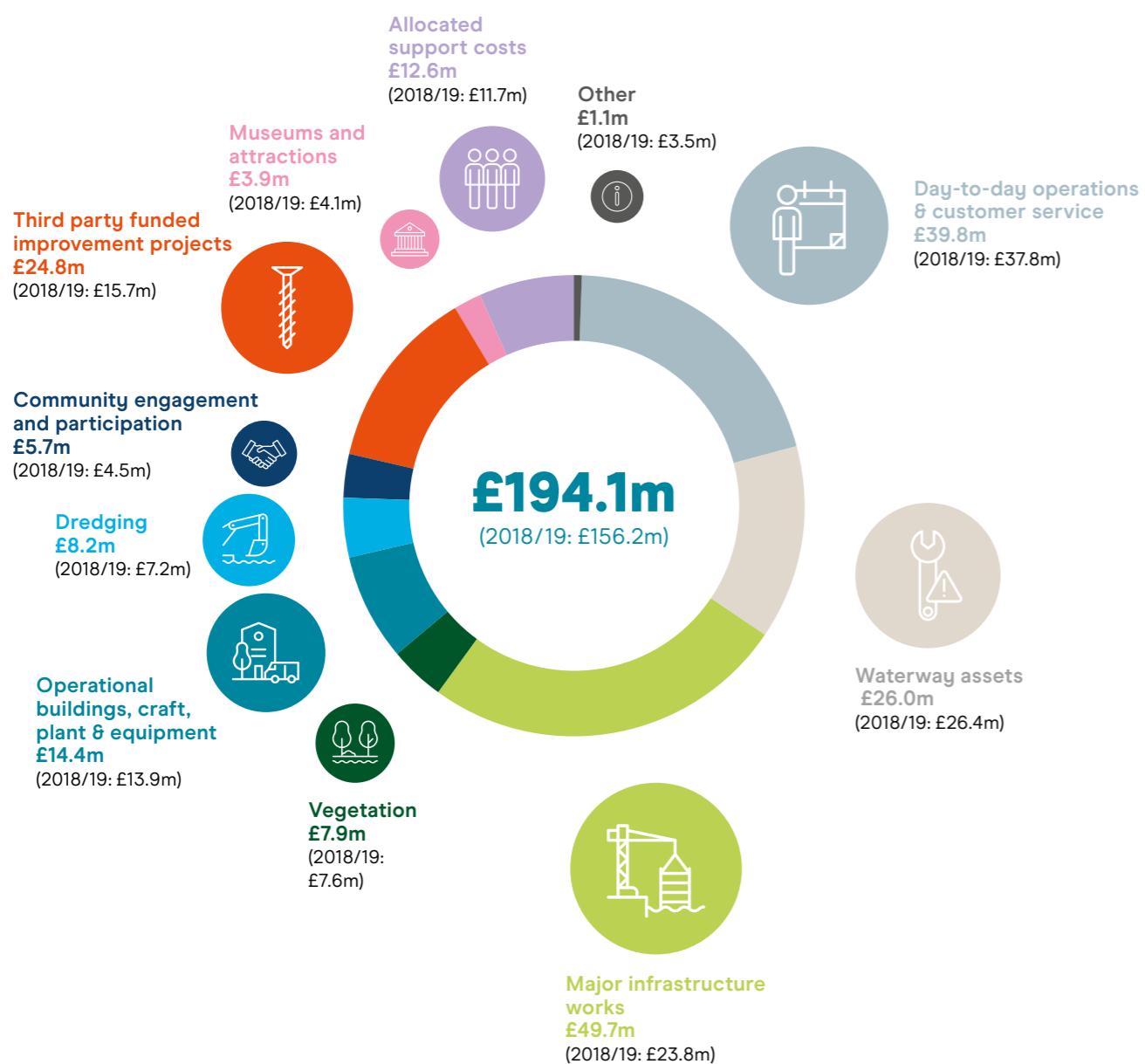
**Non-property investments:** Dividend income from the non-property portfolio was £2.0m lower than 2018/19 due to dividends being retained due to economic uncertainty in the wake of the Coronavirus pandemic.

**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. The increase in income of £1.6m is due to completion of residential sales at schemes in Brentford, Tottenham Hale and Manchester.

**Other property and investment income:** This income includes wayleaves and interest receipts and has remained in line with 2018/19.

**Property investments:** These form the largest part of investment income, being rents and premiums from our large property portfolio which has performed consistently well over the past three years. The slight decrease in investment income against the prior year is due to fewer one-off premiums and some rebalancing of capital from property to diversified investments to meet strategic asset allocation targets in the group's investment policy.

## Expenditure on charitable activities



Spend on charitable activities increased from 2018/19 with underlying expenditure on core maintenance, repairs and infrastructure works continuing to grow.

**Major infrastructure works** The increase on the prior year is largely due to costs of £27.0m, mainly for the restoration of Toddbrook Reservoir, as previously explained.

**Third party funded regeneration projects** The increase in cost is largely due to the Unlocking the Severn project. Further information on this project can be found on page 14.

## Gains on investments

The property portfolio produced valuation gains of £12.2m (2018/19: £15.1m) which, combined with £0.6m (2018/19: £5m) of realised gains on disposals, produced a 1.6% positive capital return for the year. This was comfortably ahead of the MSCI UK all commercial property quarterly benchmark which was negative at -4.8% capital return for the year. The Trust has limited exposure to some of the sectors expected to be most affected by the Coronavirus pandemic e.g. retail and leisure as well as having defensive assets such as ground rents which are sought after in times of uncertainty for their secure income. Avison Young independently valued 94% of our property by value as at 31 March 2020. Note 15 to the financial statements includes further information including the potential impact of Coronavirus on the property valuations.

Our non-property portfolio of investments produced capital losses before fees of £8.4m (2018/19: capital gains of £5.1m). The valuation at 31 March 2020 coincided with extreme market volatility as the potential impact of Coronavirus on the global economy weighed on investor sentiment. Subsequent large interventions by governments and central banks are expected to provide some stability although the outlook remains uncertain.

## Pension actuarial gains

The defined benefit Waterways Pension Fund (WPF) was closed to future benefit accrual on 30 September 2016. The pension deficit decreased by £46.8m to £22.3m during the year mainly due to a reduction in expected inflation. Inflation assumptions impact the cash value of future pension payments. Lower inflation means these payments are expected to be lower in future.

The Trust has placed investment property within a pension funding partnership, Canal & River Pension Investments LP (SLP), 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 arrangements mature on 8 July 2031. At the same time, the SLP pays a contribution of £5m p.a. to WPF until 31 March 2031. On consolidation, the WPF's interest in the partnership does not represent a plan asset for the purposes of the Group consolidated financial statements 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 as at 31 March 2019. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £584m and the value placed upon the benefits that had accrued to members was £590m. The Scheme was therefore £6m in deficit and 99% funded on an ongoing basis. The market value of the Fund's investment in the SLP is included within the valuation of the Fund's assets. As the arrangements could give rise to proceeds above market value at valuation date, additional contributions were not deemed necessary to eliminate the deficit at 31 March 2019.

## Summary Consolidated Balance Sheet

	Unrestricted Funds £m	Restricted Funds £m	Total 31 March 2020 £m	Total 31 March 2019 £m	Variance £m
Tangible fixed assets	30.7	25.2	55.9	53.8	2.1
Investments	26.7	983.8	1,010.5	993.5	17.0
Current assets	84.9	19.5	104.4	105.3	(0.9)
Current liabilities	(86.5)	(6.2)	(92.7)	(80.9)	(11.8)
Long-term liabilities	(2.3)	(150.1)	(152.4)	(152.8)	0.4
Provisions	(26.6)	(0.6)	(27.2)	(4.4)	(22.8)
Pension liability	(0.1)	(22.3)	(22.4)	(69.2)	46.8
<b>Total net assets</b>	<b>26.8</b>	<b>849.3</b>	<b>876.1</b>	<b>845.3</b>	<b>30.8</b>

### Overview

The Trust's group balance sheet position is strong with the majority of the net assets being held in the restricted Protected Asset Fund. Unrestricted funds have total net assets of £26.8m which is £26.9m lower than 2018/19, due mainly to the major infrastructure costs of £27.0m previously explained. The Trust holds cash, other current assets and has access to committed overdraft facilities in the general fund sufficient to support our current liabilities as they fall due.

Within restricted funds is a long-term, fixed rate loan of £150m. This is explained in further detail in note 19 to the financial statements. These funds have been invested in accordance with the Trust's investment strategy.

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

**Tangible fixed assets** have increased principally due to a number of additions including £1.1m on pumps, pipes, fittings and pontoons used at Toddbrook Reservoir.

**Investments** increased as cash held over from 2018/19 was invested. Capital growth on investment properties also contributed towards the increase.

**Current assets** have decreased primarily due to investment of short-term funds held at 31 March 2019 into long-term investments.

**Current liabilities** have increased primarily due to the timing of expenditure on major projects, emergency flooding works, and the Unlocking the Severn project, as well as deferred income of £4.8m relating to the Thames Water abstraction agreement on the River Lee.

**Long-term liabilities** have remained broadly similar to last year. 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.

**Provisions** have increased due to expected future costs of restoring Toddbrook Reservoir.

**Pension fund liability** has decreased mainly due to lower expectations of future inflation.

## Investment policy, powers and performance

Currently, all of our long-term investments, with the exception of £26.8m held for the Pension Contingency Fund (previously named Pension Accumulation Fund, see note 16), are held within the Protected Asset Fund. The Protected Asset Fund 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 and protected operational buildings and is net of any liabilities that are effectively secured on, or due for payment from, the assets in the Protected Asset Fund as transferred to the Trust under the Statutory Transfer Scheme on 2 July 2012.

The Protected Assets 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 Defra Grant agreement.

The Grant agreement covers the period to 2027 and states that the Trust should aim to grow the Protected Asset 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.

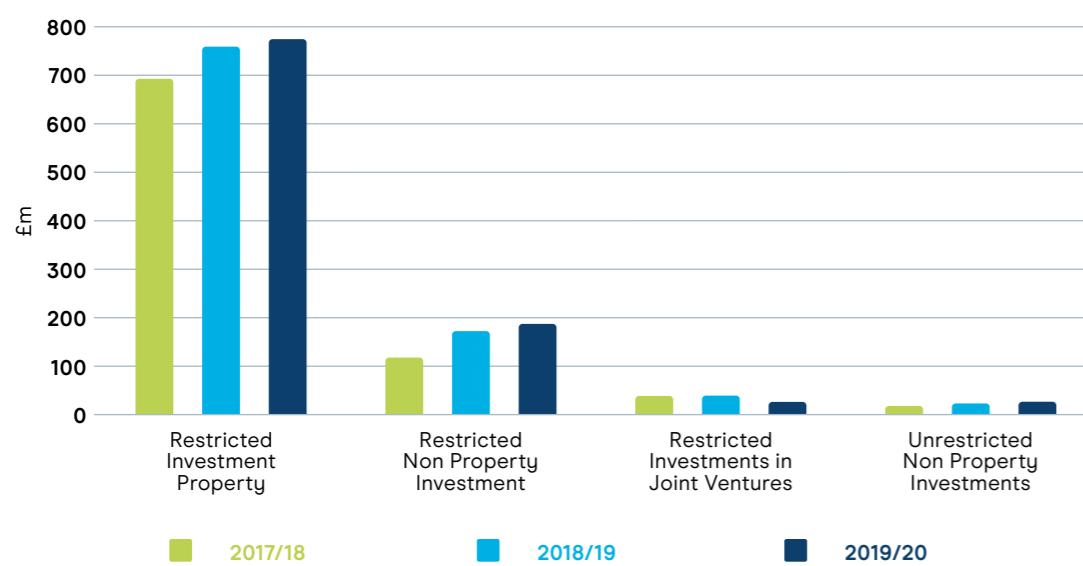
The Trust's investment policy is to allow withdrawal of capital from the Protected Asset Fund to fund expenditure provided it has first retained at least CPI+1% growth measured over the medium to long term (5 to 10 years).

In normal circumstances, for property assets, the Trust spends the net property rents received and accumulates the capital gains. For non-property assets the Trust spends dividends and interest received and accumulates capital gains. Capital can be withdrawn subject to the minimum retained growth of CPI+1% being achieved over the medium to long term (5 to 10 years).

The primary purpose of the Investment Assets is to fund and support the charitable objects of the trust. However, the Trust believes that by engaging in the broad set of extra-financial considerations – including environmental, social and governance issues – the long-term financial performance of the Investment Assets as well as the alignment between the objectives of the Trust and society at large can be improved. Therefore, where extra-financial considerations can be promoted without compromising investment returns and the Trust's charitable objectives, then the Trust will favour such investments.

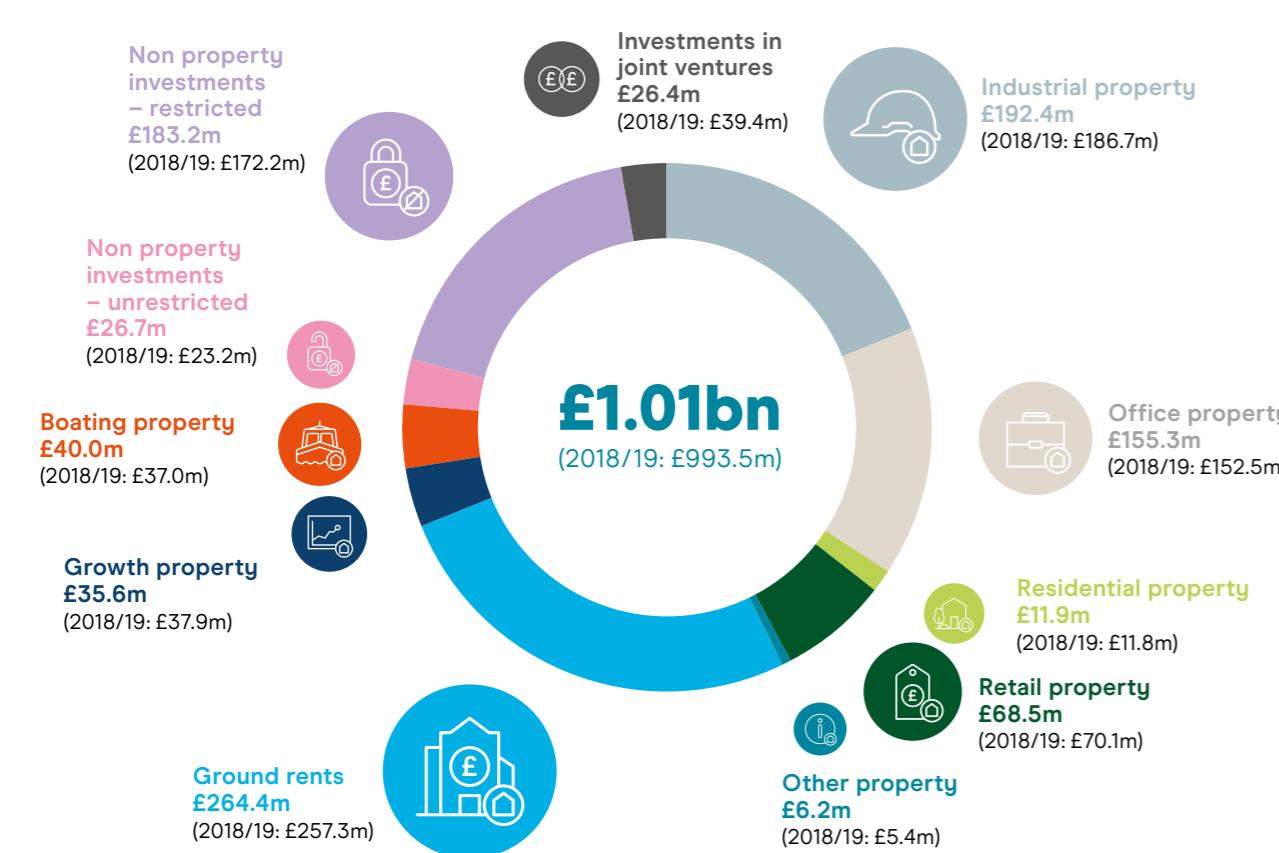
### Total Investments

The total investment portfolio is £17.0m higher than the position at 31 March 2019 and stands at £1,010.5m. The increase in value is due to a combination of investment of cash held over from 2018/19 and capital gains achieved during the year. The investment portfolio is made up as follows:



These investments generated £51.7m of income to spend on charitable activities.

### Investment by Type



### Property investments

	Actual		Benchmark*		Variance	
	2019/20	5 year annualised	2019/20	5 year annualised	2019/20	5 year annualised
Total return	6.3%	9.5%	-0.5%	5.9%	6.8%	3.6%
Income return	4.6%		4.5%		0.1%	

\* MSCI UK all commercial property quarterly benchmark

The Trust's investment property portfolio produced a total return of 6.3% for 2019/20 compared to -0.5% benchmark. Of this capital return was +1.6% comprising +0.1% realised gain from sales and +1.5% revaluation on properties held. This compares favourably with the benchmark of -4.8% capital return due principally to the Trust's low exposure to the retail sector (which performed badly) and its holdings in the sought-after ground rent 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 9.5% p.a. compared to 5.9% p.a. for the benchmark.

Avison Young, our independent property valuation experts, who valued 94% of our property by value at 31 March 2020, have provided the disclosure in note 15 to the financial statements, as part of their valuation report.

### Non-property investments

	Actual		Benchmark*		Variance	
	2019/20	5 year annualised	2019/20	5 year annualised	2019/20	5 year annualised
Total return (including foreign currency exchange effects)	-1.4%	4.9%	-0.5%	3.8%*	-0.9%	+1.1%

\* 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.

The above table shows performance of the non-property investment portfolio as at 31 March 2020. The valuation for the private equity component is based on valuations as at 31 December 2019. The amount included in the Balance Sheet at year end has been updated to include private equity valuations as at 31 March 2020, including a £4.0m reduction from the value used in the table above.

Our non-property investment manager's objective over the medium term has been achieved with annualised nominal returns since inception of 4.9% compared to our target of 3.8% over the same period. The 2019/20 return of -1.4% was 0.9% lower than the market benchmark for the year. The effects of overweight tactical allocation to credit assets and underweight to government bonds detracted from performance.

Investments related to the designated Pension Contingency Fund are £26.7m (see note 23). 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 1% but to retain all capital growth for the future to help protect against potential income volatility.

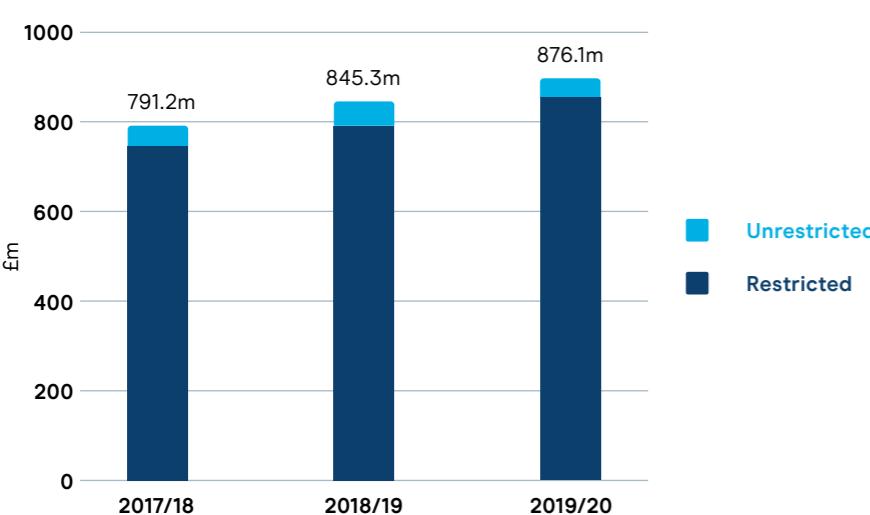
The Trust's Investment Policy supports the social, environmental and ethical objectives of the Trust, whereby individual investments may be excluded from the portfolio if they are perceived to conflict with the Trust's objects and purposes.

## Reserves

### Total Reserves

The total reserves of the Trust have increased from £845.3m at 31 March 2019 to £876.1m at 31 March 2020 as shown in the chart below. This is principally due to actuarial gains on the defined benefit pension scheme of £43.5m and unrealised gains on investments of £4.0m. These were partially offset by the net expenditure for the year.

### Funds Movement



### Reserves policy

All charities are required to consider how much funds (if any) they need to hold in reserves. This consideration is based on a number of factors such as the scale and nature of the charity's activities, the charity's age, the stability of its income and so forth.

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.

In 2012 when the Trust was formed the Government transferred the Trusteeship of Waterways and related infrastructure assets to the Trust under the terms of a Trust settlement. These infrastructure assets have no market value and cannot be sold but the income earned from them can be applied to the Trust's charitable purposes.

In 2012 the government also transferred investments and other non-infrastructure assets to the Trust subject to the conditions of the Defra Grant agreement. The Trust refers to these assets as the Protected Assets and whilst the capital value is required to grow in real terms the Trust can apply the income from them to its charitable purposes. The financial strategy for the Trust is therefore to maximise net income from all sources and to increase the contribution to the Trust's activities through volunteering and local engagement, whilst ensuring the value of the Protected Assets grows in real terms.

The Trust aims 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 income is applied to the charitable purpose after providing for the costs of administering and managing the Trust's income generating activities.

In formulating a reserves policy, the Trust must balance the need to maintain the waterways in a safe condition, with the need to have sufficient financial resources to carry on its activities. In addition, unlike many other charities, the Trust has the resilience of being able to utilise capital within the Protected Asset Fund as a source of funds or a source of collateral for borrowings, provided it replaces those funds over time.

The Trust is also a relatively young charity, and has not had the benefit of building up substantial free reserves. Consequently, the reserves policy of the Trust is to maintain free reserves close to zero over the long term (note that free reserves exclude the value of the Protected Asset Fund). The Trustees take this into account when formulating the Trust's long term strategic plan. To the extent that these forecasts indicate significant positive reserves, they will be transferred to a major asset failure fund to meet unexpected infrastructure failure. Conversely where significant negative reserves are forecast the Trustees will develop an action plan to bring free reserves back to zero over the long term through increased income or reduced costs.

Notwithstanding this long-term policy, in the short term the impact of coronavirus, together with the costs of repair of Toddbrook Reservoir, means the Trust anticipates negative free reserves in the short term. In order to offset these impacts, the Trustees have set challenging growth assumptions for the Trust's various income streams over the longer term coupled with retention of unrestricted premium receipts from our property holdings.

**Unrestricted Funds**

*General Fund – £0.1m (2019: £29.6m)*

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 financial statements) or the carrying value of functional assets which the charity considers a commitment of the reserves they hold.

As a young charity with a 2,000 mile heritage waterway network to maintain the Trust has not yet had an opportunity to accumulate free reserves. With the £21.9m one-off major infrastructure provision for future repairs, mainly for Toddbrook Reservoir, and once £30.7m of unrestricted fixed assets are excluded, then free reserves would be negative by £30.6m. The implication being that some fixed assets would need to be sold to meet the repair costs. However, the reservoir repairs will be carried out over a number of years funded from income generated in future periods and it is not expected any asset sales will be needed. As the repairs are completed and the provision is released the level of free reserves should return to zero over the long term.

The Trustees have designated funds for two specific purposes:

*Pension Contingency Fund – £26.7m (2019: £23.4m)*

The Trust has created a designated fund, the Pension Contingency Fund, with the purpose of enabling the Trust to meet potential future obligations to the Waterways Pension Fund. The Pension fund has a significant deficit which is expected to be eliminated by the pension funding partnership arrangements in the period to 2031. However there is a risk that deficits may increase in future and the employer will need to increase contributions or make payments under the pension funding partnership guarantee. The Trust is not obligated to maintain this fund and the amount paid in each year is at the Trust's discretion.

The Pension Contingency Fund has increased during the year due to the £4.1m annual transfer, although in common with most other investment funds there was a reduction in capital valuation at the end of the year due to market volatility caused by Coronavirus.

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 contained in the Pension Contingency Fund referred to above.

*Major Asset Failure Fund – £Nil (2019: £0.7m)*

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 Toddbrook Reservoir incident at Whaley Bridge.

Whilst the Trust considers it desirable to hold a reserve available to meet unexpected infrastructure failure, at the moment there are insufficient free reserves available for this.

The opening balance on the Major Asset Failure Fund of £0.7m has been transferred to general reserves to help fund the Toddbrook restoration works.

**Restricted Funds**

*Protected Asset Fund – £848.7m (2019: £790.9m)*

The Protected Asset Fund has increased by £57.8m during the year, primarily as a result of decreases in the Waterways Pension Fund deficit due to actuarial gains driven by lower inflation assumptions.

*Restricted Income Fund – £0.6m (2019: £0.7m)*

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied.

**Cash Flow**

Cash and cash equivalents reduced by £14.9m in the year to 31 March 2020 as shown and explained below.

	2019/20 £m	2018/19 £m
Net cash used in operating activities	(56.6)	(59.6)
Net cash provided by investing activities	41.7	37.9
Cash flows from financing activities	-	37.1
<b>Change in cash and cash equivalents</b>	<b>(14.9)</b>	15.4
Cash and cash equivalents at 1 April	38.0	22.6
<b>Cash and cash equivalents at 31 March</b>	<b>23.1</b>	38.0

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

**Investing activities:** the property portfolio remains a major source of income for the Trust and the net revenue generated is integral to supplementing the costs of maintaining the waterways and delivering the Trust's objectives. Net cash generated from our investing activities has increased by £3.8m in the year, primarily due to loan repayments received from one of the Trust's joint venture interest, Waterside Places. Amidst persistent uncertainty around Brexit, earlier in the year, a greater proportion of current assets were held in cash through a combination of fixed term deposits and notice accounts with high street banks. This liquidity has allowed the Trust to meet costs associated with Toddbrook Reservoir and damages caused by storm Ciara, in addition to capitalising on attractive property acquisitions and making further investments into its non-property portfolios.

**Financing activities:** In the prior year, the Trust received the final £50m of loan note funding as part of its private placing. This was 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 to 31 March 2019.

## 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 2020.	120 (2019: 120)
<b>Safety</b>		
Number of reported incidents involving customers relating to infrastructure failure	The numbers of injuries for the year ended 31 March 2020.	17 (2019: 34) 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 2020.	164 <sup>1</sup> (2019: 53) total employee recorded injuries of which 8 were HSE Riddor reportable (4 (2019:6) were "over 7 day" absences).
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 12.94% as at 31 March 2020 (2019: 13.20%).
<b>Towpaths</b>		
Number of towpath visitors <sup>2</sup> (based on annual survey data)	Number of visits and visitors for the year ended 31 March 2020. This is based on a survey of members of the public, expressed in millions.	Total visits 677m (2019: 349m) Average visitors during a two week period 9.2m (2019: 4.1m)
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 2020.	Number of closures 20 (2019: 17) Number of closure days 347 (2019: 262)

<sup>1</sup> During 2019/20 our increased promotion of reporting matched a rise in reported incidents involving employees. This was as a result of the launch of our "Back To Basics" campaign – focused on the safety of our employees as well as visitors.

<sup>2</sup> 2019/20 saw a change in our measurement methodology – to reflect more accurately visitors to our network.

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 81.24% as at 31 March 2020 (2019: 80.84%).
<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 0.75% as at 31 March 2020 (2019: 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% (2019: 38.3%) Unfavourable recovering 34.2% (2019: 34.2%)
<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.	83.78% (2019: 97.2%)
<b>Volunteer participation</b>		
Number of volunteer days contributed to the Trust	Number of volunteer days for the year ended 31 March 2020.	94,093 days (2019: 89,579 days)
<b>Trust owned housing forecast figures</b>		
	Based on the property development activity on the Trust's sites (including joint ventures) – actual for the year ended 31 March 2020 and forecast for the year ending 31 March 2021.  (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)	2019/20: 124 residential units completed  2020/21: Over 535 units under construction currently. Over 530 units anticipated to commence construction in 2020/21. Approximately 882 units forecast to be completed in 2020/21.

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 2020 and accordingly the Trust will apply for payment of the conditional portion of the Defra Grant funding for the year ending 31 March 2020 which comprises £10m.

## Section 172(1) Statement

As directors of a large company limited by guarantee, registered as a charity, the Trustees are required (for the first time in the Trust's Annual Report and Accounts, following new reporting requirements which apply for financial years beginning on or after 1 January 2019) to report how they have performed their duty under section 172(1) ("s.172(1)") of the Companies Act 2006.

S172(1) provides that (for charitable companies where the purposes of the company is something other than the benefit of its members), the Trustees must act in the way they consider, in good faith, would be most likely to achieve its charitable purposes specifically, they must have regard (amongst other matters) to the following factors (contained in s172(1) (a) to (f)):

- a) the likely consequences of any decision in the long term;
- b) the interests of the Trust's employees;
- c) the need to foster the Trust's business relationships with suppliers, customers and others;
- d) the impact of the Trust's operations on the community and the environment;
- e) the desirability of the Trust maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Trust.

Guidance issued by the Department for Business, Energy and Industrial Strategy (BEIS) suggests that companies should include information on some or all of the following:

- the issues, factors and stakeholders the Trustees consider relevant in complying with section 172(1) and how they have formed that opinion;
- the main methods the Trustees have used to engage with stakeholders (i.e. employees, suppliers, customers and others) and understand the issues to which they must have regard; and
- information on the effect of that regard on the Trust's decisions and strategies during the financial year.

The Trust complies with s.172 of the Companies Act 2006. Trustees recognise the crucial role of the various stakeholders listed above in supporting the Trust to achieve its charitable purpose. The Trust believes strong working relationships with partners and wider stakeholders to be of paramount importance; by working together, the Trust can achieve its long-term goals more effectively.

Trustees receive reports at each board meeting from the Executive Team which include details of the Trust's external relations and engagement with partners. The views of key stakeholders are relayed to Trustees to enable them to consider the impact of their decision making upon such stakeholders.

The Trust has a wide range of stakeholders. The engagement with key stakeholders within the reporting period and the outcomes, are described below. This section includes the Trust's statement on employee engagement and its engagement with beneficiaries, services users, suppliers, customers, the wider community and others in business relationships with the Trust.

Stakeholders	How they were engaged with	Outcomes
<b>Customers and Visitors (including waterway users, towpath users, heritage and environment groups, and any other customers)</b>	Customer views and requirements are gained through a range of mechanisms with regular surveys to provide insight on customer satisfaction and other measures of service. A widely-promoted customer service function gathers comments and complaints. The flagship event is the Trust's Annual Public Meeting which is open to all. At this event, presentations are delivered on the Trust's performance in the past year and customers are able to ask questions of the Chair and Chief Executive. The event is livestreamed (and recorded) to encourage engagement from customers unable to attend. In addition, Regional Advisory Boards also hold local Annual Public Meetings, giving local stakeholders further opportunity to engage with the Trust, in addition to the regular user forums that Regional teams organise. Trustees hold informal regional receptions around the country 4-5 times per year, providing further opportunity to interact with customers. The Trust also has a range of National Advisory Groups, made up of customer and user representatives which help inform Trust policy in particular areas such as navigation, heritage and the environment.	Key examples of significant decisions where customer views and requirements were considered: <ul style="list-style-type: none"> <li>• Trustees are provided with a high level summaries of the Trust's Boat Owners' Views Survey and Waterways Experience Survey results and take this into consideration the views of customers when discussing relevant proposals (e.g. annual increases in boat licence fees) (the fee increase took effect from 01 April 2020).</li> <li>• Trustees are also provided with updates on results from the Trust's Waterways Engagement Monitor through regular KPI reporting at each Board meeting and this helps inform decision-making in terms of expenditure on marketing and awareness/ engagement raising, as well as the development of Trust strategy, as detailed elsewhere in this Annual Report.</li> <li>• The needs of customers and visitors were specifically taken into account in the outsourced customer contact tender award, particularly through the extension of contact availability on weekends.</li> <li>• The Trust's ongoing response to the incident at Toddbrook Reservoir: The impact on customers and visitors was taken into account by Trustees, both in the initial emergency response to events at Toddbrook but also in the long-term planning for Toddbrook.</li> <li>• Views of customers and visitors in the Trust's response to Covid-19, particularly the need to keep towpaths open for local access to open space and exercise during the initial phase of lockdown.</li> </ul>

### **Suppliers and Businesses**

Trustees recognise that the Trust's relationship with its suppliers and other businesses is of significance to the Trust's charitable objects and long-term success.

The Trust has regular contract meetings with key suppliers and other contractor for on common issues such as health & safety. By entering into long-term framework contracts, the Trust encourages collaborative working with suppliers. An approved Procurement Policy is in place which defines for suppliers the Trust's standards of business ethics and conduct. Trustees have approved the Trust's Modern Slavery Statement and Anti-Fraud and Bribery Policy which suppliers must adhere to. The Trust has a policy to ensure its compliance with competition law in terms of its activities in areas where it is the network operator and a commercial participant (e.g. waterside moorings).

### Trustees considered suppliers and businesses when:

- Determining the awarding of contracts, as specified in the delegation schedule;
- Putting in place an emergency response to the Toddbrook Reservoir incident;
- Extending the scope of its Whistleblowing Policy, to include individuals working for Trust suppliers; and
- Considering the Trust's response to Covid-19, through the exchange of suitable risk assessments with suppliers prior to commencing work and engagement and lobbying with Government for relief for waterways-based businesses.

### **Colleagues**

Our valued colleagues (employees and volunteers) are key to the successful delivery of our strategy and charitable purpose.

Trustees engage with colleagues through a variety of methods such as colleague engagement surveys (with an annual survey open to all employees and volunteers and a smaller, selective survey undertaken quarterly), regional site visits as part of their bi-monthly board programme and reports upon the performance of People metrics to each Trust Board meeting. Regular trade union consultation etc which is reported via People report.

In November 2019 the Board discussed the results of the annual colleague engagement survey and the issues raised by employees and volunteers. Trustees considered those views and provided strategic direction to the Executive in addressing areas for improvement.

Further detail on workforce engagement is included in the Governance section of this Annual Report.

### **Communities and the Environment**

Trustees engage with the communities we operate within – nationally and regionally – to understand the issues that are of importance to them.

The impact of the Trust's activities on the environment is also a key area of focus for the Board.

Views of communities are sought through a number of methods including site visits and receptions in the regions prior to Board meetings.

In addition, the Trust has established Regional Advisory Boards who 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. Elsewhere, the Trust puts a significant amount of resource into community-based activities, such as its Community Roots, Education and Youth programmes.

Regular updates to the Board are given on the environmental state of the Trust's network and the Trust's impact on the wider environment. The Environment National Advisory Group provides stakeholder input to the Trust in this area.

During the year community views were sought through:

- Annual reports from the Regional Advisory Boards and Advisory Groups;
- A Trustee chaired the Awards Assessment Panel for the Trust's Living Waterways Awards which recognise the most exciting and inspiring waterway-based improvement projects across the UK; and
- Site visits by Trustees in the regions to help inform their understanding of local issues and priorities.

The section of this Annual Report on caring for our heritage and the environment details the Trust's environmental activities across the year, with particularly Trustee input through the following:

- Approval of the Trust's 'Plastic Challenge' campaign; and
- Audit & Risk Committee Deep dives into areas such as water abstraction licensing and Water Framework Directive compliance.

### **Government and Regulators**

Trustees uphold the Trust's adherence to legislation and regulation.

Trustees engage with government and regulators. During this financial year, the key areas of focus for Trustees were the incident at Toddbrook Reservoir and the commencement of negotiations with Defra regarding the grant review. Trustees are updated on legal and regulatory developments including health and safety at each board meeting and take these into account when considering future actions.

During the year, the Trustees:

- Proactively engaged with multiple agencies as part of the emergency response to the events at Toddbrook Reservoir;
- Continued engagement with regulators regarding Toddbrook Reservoir, with specific reference to the government's independent report;
- Provided strategic direction to executive management on the Grant Review discussions with Defra; and
- Received frequent reporting upon health and safety matters.

# Governance

## 1. Governance Overview

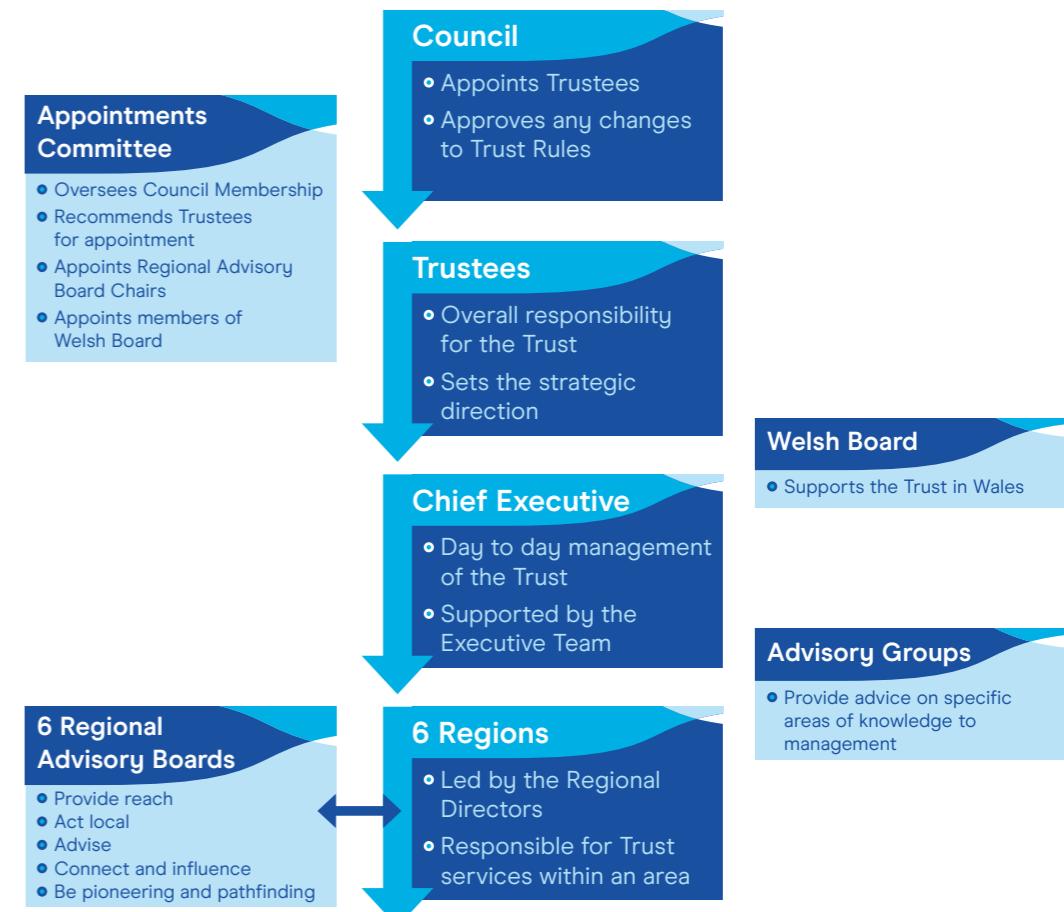
The Canal & River Trust is a charity registered with the Charity Commission in England and Wales (charity number 1146792). It is also a company limited by guarantee (company number 07807276) and does not have share capital. The Trust's governing documents are its Articles of Association and Trust Rules which are available on the Trust's website.

In 2019/20, the Trust had one principal wholly owned trading subsidiary, Canal & River Trading CIC. The 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 Trust's subsidiaries, including the proceeds from the People's Postcode Lottery, are donated to the Trust. In turn, the Trust uses the revenues in support of its charitable purpose of maintaining and operating the inland waterway network and carrying out other charitable work in relation to inland waterways, such as conservation and education work. A summary of the Trust's subsidiaries and results appears in note 17 in these accounts.

In setting objectives and planning our activities the Trustees have given due consideration to the Charity Commission's guidance on public benefit. Further details on our strategy and public benefit can be found on pages 49 to 52.

As a charitable company, the Trust upholds the highest standards of governance. The Trust applies the 2017 Charity Governance Code (for larger charities) which sets out the principles and recommended practice for good governance. In addition, the Trust voluntarily endeavours to follow both the UK Corporate Governance Code and the Wales Corporate Governance Principles, insofar as both Codes are relevant to the Trust's governance structures. The Trust publishes its adherence to the Codes on the Trust's website, on a comply or explain basis. This section of the report is structured around the UK Corporate Governance Code.

The Trust's governance arrangements are:



## 2. The Council

### Role

The Council comprises the members of the Trust. The Council has a number of duties including being responsible for appointing and removing Trustees. The role of a Council member is voluntary and unremunerated, although reasonable expenses may be paid.

### Membership

The Council has up to 50 members. As at 31 March 2020 it had 36 members drawn from the different communities that use or benefit from the waterways, including boaters, canoeists, walkers, cyclists, heritage, local government, environment and community groups. 11 members are elected and a further 15 nominated by specified organisations. 3 Council members are co-opted on the recommendation of the Joint Appointments Committee to provide the Council with the full complement of skills and expertise required. The 6 Regional Advisory Board Chairs sit on Council as ex-officio members along with 1 member of Bwrdd Glandŵr Cymru (Welsh Board). A list of membership can be found at page 160.

**Elections**

During late 2019 and early 2020 elections were run for representatives from the following constituencies:

- 4 private boating representatives
- 2 business boating representatives
- 1 employee representative
- 2 volunteer representatives
- 1 fisheries/angling representative
- 1 Friends of the Trust representative

All posts were successfully elected to with new representatives joining Council in March 2020.

**Key Activities**

The Council ordinarily meets twice a year, in September (which is the Trust's Annual General Meeting), and in March. Unfortunately, the meeting scheduled for March 2020 was postponed in adherence to the government's advice on Covid-19.

The Council undertook the following key activities at the September 2019 Annual General Meeting:

- Approved amendments to the Trust's Articles of Association to increase the length of Trustee terms of appointment from two consecutive terms (six years in total) to a maximum of three consecutive terms (nine years in total). This change was made to ensure parity between the terms served by Trustees and the Chair and to reflect common practice in other similar organisations. The Chair's term of office remains unchanged at three consecutive terms (nine years in total);
- Approved the re-appointment of five Trustees, namely, Allan Leighton (Chair), Dame Jenny Abramsky (Deputy Chair), Nigel Annett CBE, Janet Hogben and Tim Reeve;
- Received an update on the upcoming election for new Council members;
- Approved changes to the Trust Rules to amend the elected constituencies and nominating bodies to Council;
- Approved the Trustees' Annual Report and Accounts 2018/19 and received the Auditor's Report;
- Approved the re-appointment of BDO UK LLP as External Auditors to the Trust and authorised Trustees to agree the External Auditor's remuneration; and
- Participated in a youth engagement debate and identified actions to further youth engagement with the Trust.

**3. The Board of Trustees****Role of the Board**

The Trust Board is the principal governing body of the Canal & River Trust. The Board is responsible for governing or directing the Trust and for approving strategy and policy, to deliver the Trust's charitable objects. Trustees have ultimate responsibility for the Trust's funds and assets, including its reputation. The Board has three committees, to which it has delegated specific decisions through its Scheme of Delegation:

- Audit & Risk Committee
- Investment Committee
- Remuneration Committee

In addition, three Trustees are also members of the Joint Council & Trustees Appointments Committee, which acts as the Trust's Nomination Committee.

The Board has approved a Scheme of Delegation which identifies matters delegated to committees or postholders within the Trust. Responsibility for certain matters is retained by the Trustees, which generally fall within four areas:

- Structure and governance, including making changes to governance, overseeing risk management, approving the formulation of subsidiaries and the initiation of any major litigation;
- Planning and reporting, including approving the annual budget and long-term plans, recommending the Annual Report and Accounts and monitoring performance against plans;
- Financial aspects, including approving a framework of financial controls, expenditure or certain commitments over a limit, and novel or contentious projects; and
- Certain matters related to pensions.

In addition to the Scheme of Delegation, specific matters are reserved to Committees or individuals by the Trust's Articles of Association, Trust Rules and Terms of Reference for Committees. These documents are available on the Trust's website.

**Board Membership**

Trustees are appointed by the Council, which is supported in this process by the Joint Council & Trustees Appointments Committee. The Trustees are the Directors of the charitable company. The term Trustees has been used throughout this report but refers to both roles.

Ten Trustees have been appointed, drawn from a variety of different backgrounds. Their biographies can be found on pages 156 to 159. All Trustees are Non-Executive appointments. Trustees may serve a maximum of three terms (nine years in total) and are subject to re-election by Council at the conclusion of their term of office. Trustee appointments are voluntary and unremunerated.

The Trust has appointed a Company Secretary, who Trustees are able to access for advice. The responsibilities of the Chair, Deputy Chair and Executive Team are clearly set out. In addition, each Committee has approved Terms of Reference which are subject to regular review.

**Meetings**

The Trust Board meets, together with the Executive team, six times a year to review progress and ensure that the Trust is on track to meet its objectives. Meetings are usually held around the country, with one meeting ordinarily held in each of the Trust's six regions over the financial year. In addition to a board meeting, the two-day board programme includes a site visit and, where possible, a regional reception (although this was not possible for the last Board meeting of the year, in March, due to Covid-19 restrictions). At the end of each meeting the Trustees hold a private session, without the Executive team present.

The Board held six scheduled meetings and one ad-hoc meeting during the financial year. Attendance of Trustees, and co-opted members of Committees, can be found below.

**Board Evaluation**

During the 19/20 financial year the Trustees conducted an internal annual effectiveness review. The review considered how effectively members worked together along with diversity and composition of the Board. The Trustees do not presently undertake individual evaluations, but performance and attendance are monitored by the Chair. The Trustees meet at least annually to appraise the Chair's performance.

In line with the Charity Governance Code, an external review of the Board's effectiveness will be undertaken in the 2020/21 financial year.

**Attendance**

Where Trustees could not attend meetings, they received papers and submitted questions/ comments to the Chair in advance of the meeting.

	Board <sup>^</sup>	ARC	Appointments Committee	Investment Committee <sup>^^</sup>	Remuneration Committee
Allan Leighton	7/7		0/5	6/8	
Dame Jenny Abramsky	7/7	5/5	5/5		
Nigel Annett CBE	7/7	5/5		3/4	
Ben Gordon	7/7				2/2
Janet Hogben	3/7		5/5		2/2
Sir Chris Kelly	7/7	5/5			
Jennie Price CBE	5/7	5/5			
Tim Reeve	5/7			4/8	
Sarah Whitney	4/7			8/8	
Susan Wilkinson	5/7				2/2
Robert Milburn*		2/2			
Ian McCarthy*			5/5		
Andrew Phasey*			5/5		
Phil Prettyman*			5/5		
Nick Ritblat*				8/8	
Tim Sketchley*				7/8	
Manish Chande*				1/3	

<sup>^</sup> Board meetings include one ad hoc meeting

<sup>^^</sup> Investment Committee meetings include four ad hoc meetings

\* Committee Member but not a Trustee

**Board Induction and Training**

The Trust provides appropriate resources for Trustees' professional development. Within the financial year, the Company Secretary has issued briefing notes to Trustees. Deep-dive sessions are arranged as and when required. New Trustees receive a tailored induction upon their appointment.

**Independence and Conflicts**

As a matter of good governance, it is important that the Trustees are independent.

The Trustee Board is constituted solely of non-executive Trustees. All Trustees, including the Chair, are considered to be independent, as defined in the UK Corporate Governance Code.

The Trustees have ensured there are adequate processes in place to prevent conflicts of interests arising. All Trustees and co-opted members of committees complete an annual declaration of interests return and are under a further duty to identify any conflicts at the start of a meeting. When considering any conflict, real or potential, Trustees are able to draw upon the advice of their Company Secretary but the decision rests with the Chair of the Committee or Board.

**Key Decisions in the Year**

The Trustees meetings covered a number of matters, with the events at Toddbrook Reservoir dominating much of the year's work. Other key strategic activities (not exhaustive) undertaken with the year include:

- Defra grant review discussions and planning
- Business plan modelling
- Colleague engagement survey
- Health and safety of Trust colleagues and visitors to the network
- "Life's Better by Water" campaign and delivery plan
- Museum update
- Boat licence fee review
- Awarding of contracts
- Key Performance Indicator reviews
- Reviewing the Trust's financial position
- Covid-19: March's meeting considered the Trust's response to Covid-19 and the long-term impact of Covid-19 on the Trust

**Trust Culture and Values**

Trustees recognise the importance of setting high business standards, including culture, and embedding this across the Trust. Trustees, upon appointment, confirm their adherence to a Code of Conduct that confirms the high standards of office. The Trust's standards are communicated to new employees upon recruitment and are promoted through internal colleague communications.

The Trust's culture and values have been articulated through the Trust's strategy. Our vision is for living waterways to transform places and people's lives through caring for the waterways, security for their future, and improving the wellbeing of the nation. Details of our strategy can be found on pages 49 to 52.

Trustees have assessed and monitored the Trust's culture through a variety of methods. Of particular note is the Trust's continued safety campaign to endorse a culture of safe working for colleagues and contractors, which has been active throughout the financial year. Trustees have reviewed the performance of this campaign at each board meeting. Trustees also measure and monitor culture through performance against the Trust's policy framework, internal audit reports and whistleblowing. The Audit & Risk Committee is responsible for monitoring whistleblowing incidents and receives an annual report on whistleblowing.

In addition, Trustees have measured and reviewed culture through reports to each Trust Board meeting on Key Performance Indicators, strategy and people, health and safety reporting, the annual colleague engagement survey results and quarterly smaller-scale colleague pulse survey results.

#### **Stakeholder Engagement**

A summary of how the Trust has engaged with Stakeholders is contained in the section 172(1) statement at page 71. This includes the Trust's supplier statement.

#### **Workforce Engagement**

The Board uses a variety of methods to ensure that there is effective engagement with colleagues from across the Trust. The Board receives a report at each meeting which details the people metrics, to provide Trustees with an overview of key matters affecting the workforce. The Trust undertakes an annual colleague engagement survey, the results of which are presented to the Board. The Board is able to review the results and gain perspective on colleague satisfaction with working at the Trust and the matters important to Trust colleagues. In addition, the Trust undertakes quarterly colleague pulse surveys, with Trustees receiving the results. Trustees have taken this perspective into consideration as part of their decision making, regarding Trust policies and in shaping the Trust's response to the events including the recent response to Covid-19.

Trustees also have opportunities to meet and have discussions with colleagues within the Trust as part of the visits programme that accompanies the bi-monthly Board meetings, particularly at site visits and regional receptions.

The Trust is committed to transparency, as far as is reasonably practicable, and publishes its board minutes and papers on its website. Colleagues, along with members of the public, are able to access these papers. This, combined with the Trust's regular internal communications, enables colleagues to gain a common awareness of the political, social, financial and economic factors affecting the Trust's performance.

Options for further mechanisms to bolster workforce engagement in line with the UK Corporate Governance Code have been presented to the Board and further proposals are being developed this year.

The Trustees support the active engagement with the recognised trade unions (Unite and Unison) on matters that would impact or concern Trust employees.

The Trust's employer statement is contained in the section 172(1) statement at page 72.

#### **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 promote and facilitate access to our services and waterways by all sections of society whilst recognising the challenges our infrastructure and environments can present due to their age, heritage and relatively inaccessible design. We commit to providing accessible services as far as practicable at our main attractions, museums and key offices. We also try to involve a range of users to help shape our services. Embracing diversity and inclusion is imperative to the success and sustainability of the Trust to ensure we reflect the involvement of the communities around us and access the widest possible talent base, enhancing our overall capability whilst also providing a richer range of experiences and perspectives, improving the quality of our plans and decision-making.

The Trust has four employee network groups relating to various aspects of diversity to give colleagues the opportunity to share a great place to work. The Trust is committed to supporting people with mental health issues and has established a team of Mental Health First Aiders from all areas of the Trust to support colleagues as needed.

Trustees have agreed an Equality and Diversity Statement which sets out our commitment to promoting the fair treatment of all colleagues, notably those with protected characteristics, including through our approach to recruitment, selection, training, development and promotion. The Trust's commitment to equal opportunities is also supported by the Diversity, Equality and Inclusion Policy, published on the Trust's website, and displayed in all Trust properties.

#### **Gender Pay Reporting**

The Trust firmly believes in gender equality across all aspects of our employment. In March 2020 the Trust published the Gender Pay Gap Report for 31 March 2019, which showed that, on average, women employed at the Trust are paid slightly more than men. Our mean gender pay gap shows female salaries to be 3.9% higher than men. During the 12 month reference period, the Trust operated an annual performance award that was paid to approximately a third of the full pay relevant population. Although our mean bonus pay gap was 12.5% in favour of men, this largely reflects the greater proportion of low value 'Thank You' awards given to women, bringing the average award to female colleagues down. Performance-related bonus award are made to a very small number of employees in our Investment and Commercial Directorate, to reflect their role in generating income for the Trust, and these are largely males, which also affects the average bonus awards.

#### **Safeguarding**

The safeguarding of children, young people and adults at risk is a legal and organisational priority for the Trust. The Trust takes 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. The Trust operates safe and transparent recruitment practices, which incorporate appropriate DBS checks. The Trust risk assesses criminal records, and does not engage anyone who is deemed to present an unacceptable level of risk. The Trust has an approved Safeguarding Policy, which sets out the mandatory standards and provides clear details of the Trust's reporting process. The Safeguarding Policy is supplemented by written guidance documents and training.

The Trust's Safeguarding Steering Group, which is responsible for key strategic safeguarding decisions, is chaired by our Chief Executive and – since January 2020 – now includes a Safeguarding Trustee, Susan Wilkinson. 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 organisational developments and Charity Commission Guidance; effective management of safeguarding cases; providing advice and guidance; and reporting to the Trust's Safeguarding Steering Group.

All employees and relevant volunteers receive safeguarding training. Enhanced training is provided for certain roles. The Safeguarding Trustee, Susan Wilkinson, received safeguarding training as part of the induction to her role (and has previous experience in a large charity).

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 is committed to ensuring that our fundraising practices go above and beyond guidance and regulation. The Trust is a member of the Institute of Fundraising and registered with the Fundraising Regulator. The Trust adheres to the Code of Fundraising Practice and is committed to the Fundraising Promise. This section of the annual report covers the requirements charities must follow as set out in the Charities (Protection and social investment) Act 2016.

The Trust requires a significant amount of funds to fulfil its charitable purpose. Further details on resources, both income and sources, can be found in notes 3 to 6 of the accounts.

The Trust's fundraising effort involves encouraging donations and gifts in wills. The Trust's in-house fundraising team sometimes engage professional fundraisers to help deliver face-to-face fundraising and the Trust uses third-party suppliers to help deliver fundraising activity where the Trust does not have the expertise in-house. The Trust aims to ensure those agencies also observe the highest standards in terms of fundraising practice. The Trust, when working with suppliers and agencies, ensures that they are registered with all the appropriate regulatory bodies, reviewing all their policies as part of the procurement process. The Trust is actively involved with the training that agency fundraisers undertake, investigates any complaints and takes necessary action. The Trust continually monitors its agencies to ensure they adhere to the strict guidelines set by the Trust.

The Trust does not pressure supporters to make gifts and respects supporters decisions to stop giving. The Trust has a Fundraising & Adults in Vulnerable Circumstances Policy which all of our fundraisers adhere to.

The Trust's website outlines the complaints policy and clearly explains how an individual can complain. Complaints resulting from any fundraising practices are monitored and recorded. Trustees are given oversight of these complaints by way of an annual report to the Audit & Risk Committee. In addition, we submit these complaints to the Fundraising Regulator. In the 2019/20 financial year 18 complaints were received (2018/19: 12 complaints).

The Trust has also signed up to the Fundraising Preference Service to enable individuals to opt out from receiving fundraising communications from us. The Trust actioned 1 request from this service last year.

## 4. The Executive Team

Reporting to the Board of Trustees is the Chief Executive who has been delegated the direct responsibility for the day-to-day management of the Trust, as well as the implementation of the Trust's strategy and policies, assisted by his Executive team. There is a clear division of responsibilities between the Board and the Executive, with clear role descriptions in place. Biographies of each member of the Executive team and their areas of responsibility can be found at page 158.

## 5. Joint Council and Trustees Appointments Committee

#### Role

The purpose of the Committee, as stated in the Trust's Articles of Association, is to oversee Council membership, help the Council appoint Trustees, appoint Regional Advisory Board Chairs and appoint the Chair of the Bwrdd Glandŵr Cymru.

#### Membership

The membership of the Committee is determined by the Trust's Articles which stipulates there to be an equal number of Council members and Trustees, with a minimum of two drawn from each constituency group.

Each member's appointment to the Committee runs alongside their appointment to Council or Trust Board. Trustees are recruited to the Committee dependent upon their skills and experience. Council members are recruited to the Committee by an open election. The three Council posts on the Committee are to be refreshed during 2020/21. During 2019/20, the membership of the Committee comprised of:

Dame Jenny Abramsky	Trustee (Chair)
Janet Hogben	Trustee
Allan Leighton	Trustee
Andrew Phasey	Council Member
Ian McCarthy	Council Member
Phil Prettyman	Council Member

**Key activities**

During the 2019/20 financial year, the Committee met five times. The Committee's work was dominated within the year by the Council Elections. The Committee undertook the following key activities:

- Reviewed the arrangements for the 2020 Council elections and approved the Election Rules;
- Discussed and recommended to Council an amendment to the Trust's Articles of Association to increase Trustee terms from two to three terms, in line with the Chair of the Trust Board;
- Reviewed and recommended to Council the re-appointment of five Trustees at the 2019 Annual General Meeting;
- Considered and recommended to Council changes to the Trust Rules regarding the composition of elected and nominated constituencies of Council;
- Recommended a further amendment to the Trust Rules allowing the Chair of Bwrdd Glandŵr Cymru to join Council's membership. This recommendation was to be considered by Council in March 2020 but the meeting was subsequently postponed. This recommendation will be presented to the next Council meeting; and
- Appointed two co-opted members to Council, with effect from 26 March 2020.

**Succession Planning, Recruitment & Diversity**

Council membership is comprised of elected, co-opted and members nominated by organisations identified within the Trust Rules. Upon the Committee's recommendation, five Trustees were re-appointed by Council at the Annual General Meeting held on 19 September 2019. Allan Leighton was re-appointed as Chair for a third and final term. Dame Jenny Abramsky, Nigel Annett CBE, Janet Hogben and Tim Reeve were all re-appointed for a second term. There were no other changes to the membership of the Trust Board. The Committee does not have a role in recruitment and appointment of the Executive Team.

When undertaking recruitment activities, the Joint Council and Trustees Appointment Committee takes diversity and inclusion into consideration within the search criteria.

The constitution of Council membership for elected and nominated members has the effect that the Committee has no direct role in the appointment of such members. The Committee welcomes nominations of candidates from a diverse background and considers diversity when appointing the posts to Council for which it is responsible.

Where a Trustee vacancy occurs, the Committee uses a skills audit to inform the search process. The Trust's focus upon diversity is interwoven through the recruitment process. A standard recruitment process is used with vacancies advertised widely. Individual applications are assessed upon merit and against objective criteria, to identify a short-list of candidates. The Committee undertakes interviews, and can invite others to join the interviews, as appropriate. The Committee proposes the preferred candidate, usually to the September AGM of that year.

The Trust voluntarily complies with Hampton-Alexander Review which has set a target of at least 33% of Board membership to be female. The Trust currently performs well above target, with a gender balanced Board of 50% male and female members.

**6. Audit & Risk Committee****Role of the Audit & Risk Committee**

The main responsibilities of the Audit & Risk Committee are to provide assurance and recommendations to the Trustees on the effectiveness of its governance, internal control and risk management framework. The Committee's Terms of Reference can be found on the Trust's website.

**Membership**

The membership of the Committee is mainly comprised of independent Trustees. In November 2019 a co-opted member, Robert Milburn, joined the Committee, bringing recent and relevant financial experience to the Committee's extensive professional skills and experience. The Chair of the Trust Board is not a member of the Committee.

Sir Chris Kelly	Trustee & Chair
Dame Jenny Abramsky	Trustee
Nigel Annett	Trustee
Jennie Price CBE	Trustee
Robert Milburn	Co-opted member

The Committee held four scheduled meetings during the financial year. In addition to the scheduled meetings, the Committee held an ad-hoc meeting in August 2019 in response to the incident at Toddbrook Reservoir.

**Key Activities**

At each meeting the Committee receives and discusses a number of standing items such as the Chief Executive's report, risk reporting and internal audit progress reports. Much of the Committee's work over the year was dominated by the incident at Toddbrook Reservoir. In addition, the Committee also undertook the following key activities within the year:

- Reviewed the Annual Report and Accounts prior to their presentation to the Trust Board;
- Undertook a strategic review of risk;
- Reviewed high risk non-reservoir assets;
- Received an annual subsidiary review;
- Assessed the Trust's compliance with voluntary governance codes; and
- Approved the updated Whistleblowing Policy and an Acceptance and Refusal of Donations Policy.

#### **Review of Systems of Internal Controls**

The Trust Board has overall responsibility for the Trust's risk management and internal control systems but has delegated specific areas of oversight to the Committee. There is continual review of risks and internal control in place at the Trust. The Trust Board, via the Audit & Risk Committee, monitors internal controls. In addition, assurance is provided by Grant Thornton, the Trust's internal auditors.

#### **External Audit**

The Committee undertook the following activities in relation to External Audit:

- Assessed the effectiveness, engagement and remuneration of BDO, the Trust's external auditors;
- Reviewed and monitored BDO's independence. Approved a policy for non-audit services by the External Auditors; and
- Held a private meeting with BDO, without the executive team present.

The Trust has in place a non-audit services policy which safeguards BDO's independence and objectivity. This is also reflected in the Terms of Reference for the Committee. The Trust has voluntarily adopted the Financial Reporting Council's 70% cap on fees for non-audit services provided by the External Auditors. Proposed fees in excess of £20k require the Committee's prior approval. Non-audit fees are reported to the Committee, at least annually, to ensure oversight from the Committee.

#### **Internal Audit**

The Committee undertook the following activities in relation to Internal Audit:

- Reviewed internal audit reports;
- Assessed effectiveness, engagement and remuneration of Grant Thornton, the Trust's internal auditors;
- Approved the internal audit charter and plan 20/21; and
- Held a private meeting with Grant Thornton, without the executive team present.

#### **Audit & Risk Committee's Performance & Training**

During the year the Committee completed an effectiveness review and undertook 'deep-dive' sessions on OPS2 Abstraction licensing and POS11 Water Framework Directive, cyber security and Toddbrook Reservoir. The Committee also undertook a refresher training session on the Charities SORP. The Committee's new member, Robert Milburn, received a tailored induction programme.

#### **Risk Management**

The Trustees are responsible for defining the Trust's overall risk tolerance and maintaining a sound risk management system. The Trust operates an approach to risk which seeks to minimise all public safety risks, given the potential for our historic waterway infrastructure to harm people and communities if not well managed and maintained. The Trust recognises that these risks can never be completely removed given the inherent age and condition of the assets, together with the relatively open and easily accessible nature of the network and the more extreme weather conditions we are increasingly exposed to, associated with the changing climate. The incident at Toddbrook Reservoir on 1 August 2019, when the auxiliary spillway suffered a partial failure after heavy rainfall, was a tangible demonstration of the risks to people, assets, community and the environment that are being managed by the Trust on a daily basis. The increase in the frequency of severe weather events makes the possibility of such impacts ever more likely and the Trust regularly reviews its risk assessment and assurance regime.

The Trust also seeks to create a safe environment and safe ways of working for all our people, as well as the general public, and those partners who help us in our stewardship of the waterways. Trustees identify and assess risks and opportunities for the organisation and decide how best to manage and mitigate them. The Trust may generally accept a higher risk tolerance in other areas, for example in seeking investment returns and income generation.

The Trust faces significant risks associated with:

- ***The condition of our waterway assets***, many of which date back to the eighteenth century and 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, meeting our public environmental and heritage obligations, including the prioritisation of those assets where failure would have the most significant consequences.
- ***The resilience of our assets to hydrological extremes***. Periods of drought and flood can adversely impact 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 safety of customers, contractors, colleagues and volunteers on the waterways and the general public*** who can freely access our network. 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 financial sustainability of the Trust***, including the deficit on the Waterway Pension and uncertainty over the long-term Defra grant. Events such as the damage to Toddbrook Reservoir and Covid-19 have the potential to significantly impact the Trust's financial position. The Trust addresses this risk through operating diverse income sources and carefully managing its investment assets. The Trust allocates its resources carefully, prioritising its expenditure to address the most urgent and critical works in line with good asset management. Furthermore, the Trust continues to work closely with the Trustees of the Waterway Pension Fund and their investment advisers to minimise the financial impact on the Trust.

## 7. Investment Committee

### **Role of the Investment Committee**

The Investment Committee provides non-executive oversight and assurance for the Board in respect of the Trust's investments and other commercial activities of the Trust, including the Group Investment Policy for the Protected Asset Fund Portfolio, investments in subsidiaries and joint ventures, as well as its own property estate and utilities activities. 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.

### **Membership**

The Committee's membership is drawn from Trustees and two co-opted members. During the reporting period, the following were members of the Committee:

Sarah Whitney	Trustee (Chair)
Allan Leighton	Trustee
Tim Reeve	Trustee
Nigel Annett	Trustee
Nick Ritblat	Co-optee
Tim Sketchley	Co-optee
Manish Chande	Co-optee

Manish Chande, a co-opted member since stepping down as a Trustee in September 2018, retired from the Committee in late 2019. Nigel Annett, a Trustee, was appointed in early 2020. The Committee met eight times during the financial year, four of which were ad-hoc meetings.

### **Key Activities**

#### **General**

The Committee reviews at each scheduled meeting a number of standing items relating to financial performance, joint ventures and non-property updates.

#### **Key activities completed within the year**

The Committee's work over the year was dominated by the review of the Group Investment Policy, which occurs at three-yearly intervals.

In addition, during the year, the Committee undertook the following key activities:

- Reviewed the Trust's liquidity;
- Reviewed and approved the Treasury Management Policy;
- Received the Protector's report;
- Received the MSCI Morgan Stanley Capital International (MSCI) report for 2018/19 performance; and
- Discussed and commented upon the Investment Directorate's business plan.

Ad-hoc meetings were held during the year to consider the purchase or disposal of property and to discuss the impact of Covid-19.

### **Investment Committee's Performance & Training**

During the year the Committee reviewed its performance against its terms of reference. Training for members is available as and when required.

## 8. Remuneration Committee

### **Role of the Remuneration Committee**

Remuneration Committee oversees 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 is able to take independent advice, as necessary, to inform those judgements.

When making decisions the Committee also takes into account 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.

### **Membership**

Membership of the Remuneration Committee is constituted solely of independent Trustees. During 2019/20 the following served on the Remuneration Committee during the year:

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

The Executive Team are not present when any decisions regarding their remuneration are made.

The Committee met once in person and once by tele-conference in the 2019/20 financial year. The March 2020 meeting was cancelled in adherence to the government's advice on Covid-19.

### **Key activities of the Remuneration Committee**

The Committee considered whether it was appropriate to pay bonus awards to any of the Trust's Executive Team in respect of the performance year 2018/19 and approved the payment of an award to the Chief Investment Officer.

It undertook a review of Executive remuneration, benchmarking Trust roles against general market data and specific comparator organisations and as a result, recommended small base pay increases to two members of the Executive Team.

The Trust intends to review the governance and other organisational arrangements for the Committee in the 2020/21 financial year.

## 9. Other governance arrangements

The Trust has a number of committees which sit outside its central decision-making framework. These Committees are advisory in nature and help the Trust embed and develop its strategy.

### Bwrdd Glandŵr Cymru (Welsh Board)

The Bwrdd Glandŵr Cymru ("the Bwrdd") 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 Bwrdd 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 Bwrdd was chaired by a Trustee, Nigel Annett, until late 2019. Since September 2019, Steve Thomas OBE has joined and chaired the Bwrdd. The membership of the Bwrdd can be found at page 162.

### Regional Advisory Boards

The Trust has six Regional Advisory Boards in England which mirror the Trust's operational regional structure. Within the Trust's Articles of Association and Trust Rules, these are referred to as Waterways Partnerships. The Regional Advisory Boards are advisory in nature. They 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. The membership of the Regional Advisory Boards can be found at page 162.

### Advisory Groups

The Trust's work is supported by Advisory Groups. These sit outside the formal governance structure of the Trust and are advisory in nature. Their role is to help develop specific aspects of the Trust's strategy. Members of the Advisory Committees are drawn for their skills and experience in specific areas. At present the Trust has Advisory Committees in the following areas: Environmental, Museums, Fisheries & Angling, Navigation and Youth Engagement. The Arts Advisory Group and the Freight Advisory Group are currently dormant. The Heritage Advisory Group and Volunteering Advisory Group were both disbanded during the financial year. The membership of the Advisory Groups can be found at page 161.

## 10. Trustees' Responsibilities Statement

The Trustees, who also act as Directors of the Canal & River Trust for the purposes of company law, are responsible for preparing the Trustees' report, 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 the 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 judgements 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; and
- 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 of 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 24 September 2020 and signed on their behalf by:

**Allan Leighton**

Chair of the Board  
24 September 2020

## Independent Auditor's Report to 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 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated cash flow statement and the 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 31 March 2020 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.

### Emphasis of matter: Property valuations

We draw attention to note 1 j(i), which explains that as a result of the impact of the outbreak of the Novel Coronavirus (COVID-19) on the market, the Charity's property valuers have advised that less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case and that in the view of the trustees, this uncertainty concerns expected occupancy and risk of tenant default which is difficult to predict in the current environment. Our opinion is not modified in respect of this matter.

### 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 introduction from Chair and Chief Executive, Trustees' Report and Directors 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 Trustees' 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

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

## Consolidated statement of financial activities

(incorporating the income and expenditure account)  
for the year ended 31 March 2020

		2019/20			2018/19
		Restricted funds			
	Note	Unrestricted funds £m	Restricted income funds £m	Protected Asset Fund £m	Funds Total £m
<b>Income from:</b>					
Donations and legacies	3	-	3.5	2.9	6.4
Charitable activities	4	82.4	0.6	0.1	83.1
Trading activities	5	74.9	-	-	74.9
Investments	6	41.8	-	9.9	51.7
Other		-	-	-	0.2
<b>Total Income</b>		<b>199.1</b>	<b>4.1</b>	<b>12.9</b>	<b>216.1</b>
<b>Expenditure on:</b>					
Raising funds	7	(35.8)	-	(2.9)	(38.7)
Charitable activities	8	(189.8)	(4.2)	(0.1)	(194.1)
<b>Total expenditure</b>		<b>(225.6)</b>	<b>(4.2)</b>	<b>(3.0)</b>	<b>(232.8)</b>
Net (expenditure)/income before gains on investments		(26.5)	(0.1)	9.9	(16.7)
Net (losses)/ gains on investments	11	(0.4)	-	4.4	4.0
<b>Net (expenditure)/income</b>		<b>(26.9)</b>	<b>(0.1)</b>	<b>14.3</b>	<b>(12.7)</b>
<b>Other recognised gains</b>					
Actuarial gains on defined benefit schemes	26	-	-	43.5	43.5
<b>Net movement in funds</b>		<b>(26.9)</b>	<b>(0.1)</b>	<b>57.8</b>	<b>30.8</b>
Reconciliation of funds:					
Total funds brought forward		53.7	0.7	790.9	845.3
<b>Total funds carried forward</b>		<b>26.8</b>	<b>0.6</b>	<b>848.7</b>	<b>876.1</b>
					845.3

The above amounts represent all gains and losses recognised during the year. All 2019/20 activities are continuing activities. The Trust disposed of its 100% owned subsidiary, British Waterways Marinas Limited, on 14 December 2018. These activities were disclosed as discontinued in 2018/19. See note 2 for further detail.

The accompanying notes on pages 100 to 151 form part of these financial statements.

## Balance Sheets as at 31 March 2020

	Note	Group	Canal & River Trust		
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Fixed assets</b>					
Tangible assets	13	55.9	53.8	55.9	53.8
Heritage assets	14	-	-	-	-
Investments:					
Property	15	774.2	758.7	605.8	594.0
Diversified investment funds	16	209.9	195.4	209.9	195.4
Subsidiaries	17	-	-	94.3	91.5
Joint ventures	17	26.4	39.4	-	-
		1,066.4	1,047.3	965.9	934.7
<b>Current assets</b>					
Stock		1.0	1.3	1.0	1.3
Debtors	18	77.3	61.4	77.9	66.6
Investments	16	3.0	4.6	-	0.2
Cash at bank and in hand		23.1	38.0	11.0	31.6
		104.4	105.3	89.9	99.7
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	19	(92.7)	(80.9)	(87.8)	(76.1)
<b>Net current assets</b>		11.7	24.4	2.1	23.6
<b>Total assets less current liabilities</b>		1,078.1	1,071.7	968.0	958.3
Creditors: Amounts falling due after one year	19	(152.4)	(152.8)	(152.9)	(153.3)
Provisions for liabilities	21	(27.2)	(4.4)	(26.6)	(3.3)
<b>Net assets excluding pension fund (liability)/asset</b>		898.5	914.5	788.5	801.7
Pension fund (liability)/asset	26	(22.4)	(69.2)	76.8	21.1
<b>Net assets including pension fund (liability)/asset</b>		876.1	845.3	865.3	822.8
<b>Funds</b>					
Unrestricted funds:					
General fund	23	0.1	29.6	0.0	29.4
Designated fund	23	26.7	24.1	26.7	24.1
		26.8	53.7	26.7	53.5
Restricted funds:					
Protected asset fund	23	848.7	790.9	838.0	768.6
Restricted income funds	23	0.6	0.7	0.6	0.7
		849.3	791.6	838.6	769.3
<b>Total funds</b>		876.1	845.3	865.3	822.8

The Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2016 and has not presented its own profit and loss account in these financial statements. The group net (expenditure)/income for the year includes net expenditure of £7.7m (2019: net income of £31.1m).

Approved and authorised by the Board of Trustees on 24 September 2020 and signed on their behalf by:

Allan Leighton  
Chair

## Consolidated statement of cash flows for the year ended 31 March 2020

	2019/20	2018/19
	£m	£m
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(56.6)	(59.6)
<b>Cash flows from investing activities</b>		
Net interest paid	(3.8)	(4.5)
Rental proceeds from property and utilities investments	58.4	56.1
Purchase of tangible fixed assets	(6.9)	(6.5)
Purchase of investment property	(14.8)	(75.6)
Proceeds from sale of tangible fixed assets	0.3	0.4
Proceeds from sale of investment property	12.1	27.1
Net inflow of cash from disposal of subsidiaries*	-	29.4
Net investment in diversified funds	(23.4)	(54.2)
Receipts from diversified funds	1.7	3.8
Repayments from joint ventures	16.3	0.5
Dividends from joint ventures	0.2	0.7
Receipts from short term deposits	1.6	60.7
<b>Net cash provided by investing activities</b>	41.7	37.9
<b>Cash flows from financing activities</b>		
Receipt from loan notes	-	50.0
Loan from Port of London Properties (repayment)	-	(12.9)
<b>Net cash provided by financing activities</b>	-	37.1
<b>Change in cash and cash equivalents in the year</b>	(14.9)	15.4
Cash and cash equivalents at 1 April	38.0	22.6
<b>Cash and cash equivalents at 31 March</b>	23.1	38.0

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

**a) Reconciliation of net (expenditure)/income to net cash used in operating activities**

	<b>2019/20</b>		<b>2018/19</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Net (expenditure)/income</b>		<b>(12.7)</b>		<b>38.2</b>
<b>Adjustments for:</b>				
Realised gains on disposals of investment assets		<b>(0.6)</b>		<b>(5.0)</b>
Net unrealised gains on revaluation of investment assets		<b>(3.2)</b>		<b>(21.5)</b>
Net finance expense		<b>3.8</b>		<b>4.5</b>
Rents from property and utilities investments		<b>(57.1)</b>		<b>(56.8)</b>
Share of net income from joint ventures		<b>(3.5)</b>		<b>(1.9)</b>
Depreciation		<b>4.7</b>		<b>5.2</b>
Diversified funds investment return: dividend income		<b>(1.8)</b>		<b>(3.8)</b>
Gain on sale of tangible fixed assets		<b>(0.2)</b>		<b>(0.2)</b>
Difference between payments to defined benefit scheme and amount charged to expenditure		<b>(3.3)</b>		<b>(2.6)</b>
		<b>(61.2)</b>		<b>(82.1)</b>
Decrease/(increase) in stock		<b>0.3</b>		<b>(0.2)</b>
(Increase) in debtors		<b>(15.9)</b>		<b>(8.3)</b>
Increase/(Decrease) in creditors		<b>10.1</b>		<b>(7.5)</b>
Increase in provisions		<b>22.8</b>		<b>0.3</b>
<b>Net cash used in operating activities</b>		<b>(56.6)</b>		<b>(59.6)</b>

**b) Analysis of changes in net debt**

	<b>2019/20</b>			
	<b>At 1 April 2019</b>	<b>Cash flows</b>	<b>Other non-cash changes</b>	<b>At 31 March 2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Cash and cash equivalents</b>				
Cash				<b>38.0</b>
				<b>(14.9)</b>
				<b>-</b>
				<b>23.1</b>
<b>Borrowings</b>				
Debt due within one year				-
				-
				-
Debt due after one year				(150.0)
				-
				(150.0)
				(150.0)
<b>Total net debt</b>				<b>(112.0)</b>
				<b>(14.9)</b>
				<b>-</b>
				<b>(126.9)</b>
<b>2018/19</b>				
	<b>At 1 April 2018</b>	<b>Cash flows</b>	<b>Other non-cash changes</b>	<b>At 31 March 2019</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Cash and cash equivalents</b>				
Cash				<b>22.6</b>
				<b>15.4</b>
				<b>-</b>
				<b>38.0</b>
<b>Borrowings</b>				
Debt due within one year				(12.9)
				12.9
				-
Debt due after one year				(100.0)
				(50.0)
				-
				(150.0)
				(150.0)
<b>Total net debt</b>				<b>(90.3)</b>
				<b>(21.7)</b>
				<b>-</b>
				<b>(112.0)</b>

## Notes to the accounts

### 1. Accounting policies

#### i) 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 statements have been prepared in accordance with Charities SORP (FRS102) – Second edition October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in March 2018 (FRS102) and the Companies Act 2006. The Trust has adopted IAS39 in relation to its financial assets and liabilities.

The Trust meets the definition of a public benefit entity under FRS102. 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 23 of the financial statements.

#### ii) Going concern

The Trust's annual financial planning process, including financial projections, has taken into consideration the current economic climate, as well as the significant financial resources required in order to maintain and repair the canal network, especially in light of climate change. In particular, the Trust has taken into account the potential impact of Coronavirus which was declared a global pandemic on 11 March 2020. As a consequence, the annual budgeting cycle has been revised to incorporate the most likely impacts of Coronavirus.

The course of the pandemic, the consequent restrictions, and broader macroeconomic performance could follow a number of trajectories and, accordingly, the planning process and financial projections have included scenario analysis using most likely case as well as a stress test which assumes a significant reduction in income and little cost mitigation. Even under this extreme stress test the Trust is able to structure its liquidity and continue in operation whilst meeting its debt covenants. In reality, where the Trust's income is materially impacted, costs can in some cases be reduced to offset the reduction in income, which would reduce liquidity requirements even further. In this stress test scenario, the Protected Assets are assumed to be utilised in order to support liquidity in the short term.

Consequently, in view of these significant resources available to the Trust, whilst the Trustees recognise that uncertainty exists they consider that there are adequate resources to continue in operation for the foreseeable future which is at least 12 months from the signing of the accounts and audit report. In particular, as at 31 March 2020, the Trust had £23.1m in cash and £15m in available overdraft facilities. In addition, the Trust had access to £25.3m in liquid funds within 60 days within the Diversified Income Fund. In the longer term, the value of property and non-property assets could fund the activities of the Trust for several years. Accordingly, the Trustees have adopted the going concern basis in preparing the financial statements.

#### iii) Significant judgements and sources of estimation uncertainty

Judgements and estimates are continually evaluated and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below.

##### a) Revenue recognition

The Trust often receives payments for right of access to its water space and surrounding areas which are classified as either revenue receipts or lease premiums and accounted for in accordance with FRS102, depending upon the circumstances of the particular agreement. This classification requires some judgement. 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 income 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 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 financial statements as this is considered to be a non-transferable financial instrument issued by the Group (IAS 19 Employee Benefits is referred to, as FRS102 is silent on the definition of scheme assets). An asset is recognised in Canal and River Trust, the entity, as the Trust's investment in the pension fund is recognised as an investment in the pension scheme accounts, reducing the funding deficit. Judgements and estimates are also made, using actuarial guidance, regarding key assumptions in valuing scheme assets and liabilities, and in recognising a scheme asset at entity level. Page 145 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 carrying value which has been evaluated based on recent accounts, access to joint venture board papers and discussions with our partners.

##### d) 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. This derivative has been valued at £nil at the year-end (2019: £nil) as it is not material.

##### e) 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. 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.

##### f) Major infrastructure provision

Following the incident at Toddbrook Reservoir in August 2019, and in light of both an independent report commissioned by the Trust and a Government report into the matter published in March 2020, the Trust has publicly stated its intention to restore the reservoir. Accordingly, the Trust has made a provision of £19.3m comprising a best estimate of the costs to complete those restoration works. These costs will be incurred over the coming years; £2.8m within 2020/21 and the remainder thereafter.

## 1. Accounting policies (continued)

### g) Property investments

Independent professionally qualified surveyors (Avison Young) 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 as at 30 September and 31 March (covering more than 90% of the portfolio by value) plus 25% of the volume of the remainder as at 31 March, such that all properties are valued externally at least once in the four-year window prior to full valuation exercises, ensuring property values are materially correct. 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.

### h) Protected Asset Fund (formerly named the protected endowment fund)

Legal advice obtained during the year has confirmed that the Protected Asset Fund (PAF) is not held on legal trust, rather it is the corporate property of the Trust, subject to contractual restrictions imposed by the Department for Environment, Food & Rural Affairs (Defra) Grant Agreement which permit capital to be used for funding revenue in certain circumstances. In prior years this was presented as an endowment fund. Considering the advice our judgement is that it should be categorised as a restricted fund rather than part of the general funds of the Trust. However, the income generated from the fund is not subject to the same restrictions and can be applied to all of the charitable objectives of the Trust. Such income therefore forms part of the unrestricted income available to the Trust.

### i) Infrastructure Trust Property Capital Receipts

The Trust received legal advice in early 2020 that receipts from capital disposals of Infrastructure Trust Property (a permanent endowment) should be accounted for as restricted funds. In previous years, the Trust has accounted for capital receipts as unrestricted funds, even though, in practice, the proceeds of such receipts have been more than offset by expenditure on improvements to the Infrastructure Trust Property. Hence, although there has been no misallocation of funds, the Trust believes that this historic accounting treatment is not strictly compliant with the Waterways Infrastructure Trust and Charities SORP (FRS102).

Whilst the Trust Settlement Agreement with Defra is clear that 'income' from Infrastructure Trust Property is unrestricted and can be allocated for broad purposes, 'income' is not defined, save that 'capital disposals' are not 'income'. 'Capital Disposals' are defined as a sale of freehold or a grant of a leasehold interest (or option to extend) for a term in excess of 60 years, however the Settlement Agreement does not specify how receipts from these disposals should be applied.

Hence the Trust wrote to Defra in February 2020 to seek an amendment to the Trust Settlement, to include wording which makes clear that capital receipts are to be held and accounted for on a restricted basis, in line with its understanding of the law and Charities SORP (FRS102).

The Trust is also seeking to obtain further clarity in the Trust Settlement on the precise nature of capital disposals, again in line with its understanding of the law, Charity SORP and FRS102, to exclude operating leases and other grants of right where the Trust retains a certain level of interest and obligation.

Largely owing to the Covid-19 pandemic, Defra were only able to respond to the Trust substantively in August, with a number of further questions of clarification and confirming that any amendment to the Trust Settlement will require Ministerial Consent. Therefore, this issue was not resolved in time for the publication of this year's accounts. We continue to seek agreement from Defra that this accounting treatment is appropriate.

i) Freehold sales and leases that qualify as finance leases are capital disposals and as the Infrastructure property is held on Trust, are restricted funds of the charity. The Trust is permitted to accumulate such funds and invest them to earn income or to spend them on improvements to the Infrastructure assets themselves. The Charity has significant demands for improvements to the infrastructure property and so the Trust's policy is to expend such funds in the year of receipt so there is always a nil balance remaining on the restricted fund.

ii) Operating leases are not capital disposals and income generated therefrom is treated as unrestricted income of the charity as permitted under the terms of the settlement agreement.

iii) Income from incidental exploitation of the Infrastructure property where the Trust retains an obligation (e.g. income from agreements for surface water discharge), are recognised as unrestricted income over the life of the agreement per para 23.A34 of FRS102.

iv) One-off Income from incidental exploitation of the Infrastructure property where the Trust retains no obligations (e.g. airspace rights for bridge crossings or rights to install pipes or cables) is recognised as unrestricted income in the year of sale per para 23.A35 of FRS102.

### j) Coronavirus

Coronavirus was declared as a global pandemic on 11 March 2020 and has been considered in the results for the year end balance sheet at 31 March 2020. As a result of this pandemic, there is some uncertainty in relation to the valuation of certain assets at 31 March 2020.

#### i) Investment Property

As described in note 1 iii) g) above, the Trust has obtained an independent third-party property valuation from Avison Young, who have taken into account Coronavirus in their assessment of the market value of Trust properties at 31 March 2020. They have however accompanied their valuation with additional note disclosure, which we have included *verbatim* in note 15. The Trustees have considered the implications of this material uncertainty on the amounts reported in respect of investment property. On the basis of the information provided, the Trustees consider that there is sufficient information to measure investment properties at the value notified by the valuer as it represented the best estimate of the value of the investment property at the balance sheet date. However, the Trustees acknowledge that the valuation relies on application of certain assumptions, in particular concerning expected occupancy and risk of tenant default which is difficult to predict in the current environment. Should actual outcomes be significantly different from those expected, this could have a material impact on the valuation of affected properties. As a result of this, our auditors in their report, which is unqualified, have noted an emphasis of matter.

#### ii) Diversified Investment Fund

As noted in note 16, our Diversified Investment Fund is managed on our behalf by Partners Capital. At the year-end we have obtained a valuation from them, which has taken into account Coronavirus. However, for illiquid investments which form part of this portfolio, an estimate has been made by Partners Capital of the impact of Coronavirus on their valuation.

#### iii) Joint Ventures

As described in note 17, the Trust has a number of investments in joint ventures. Coronavirus has been assessed as an indicator of impairment and as a consequence the Trust has carried out an impairment test on each joint venture investment as a separate cash generating unit. Though this has not highlighted any impairment charges, it remains the case that a number of assumptions used in the impairment test are critically dependent on broader macro-economic indices, which are currently subject to uncertainty in the future.

#### iv) Debtors

Certain trade and other debtors have been assessed for recoverability at the year end, with any developments post year end which provide further evidence on circumstances which existed at the balance sheet date being taken into account. The recoverability of debtors however continues to be a source of uncertainty dependent on the performance of the broader macro-economy.

## 1. Accounting policies (continued)

### iv) Basis of consolidation

The Group comprises the Canal & River Trust and its subsidiaries which are set out in note 17 to these financial statements. The principal subsidiaries are Canal & River Trading CIC, a community interest company, and the Canal & River Pension Investments LP (SLP). British Waterways Marinas Limited (BWML) 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 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 FRS102, 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 FRS102 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 financial statements.

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.

### v) Income recognition

#### 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 funds until 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 it is probable that the legacy will be received, and the value is measurable with sufficient reliability. For pecuniary legacies this is the point when 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. The gross amounts are disclosed in note 3.

#### b) Charitable activities

- i) Waterway infrastructure income is income to maintain an area of the waterway network and is recognised on a straight-line basis over the term of the agreement.
- ii) Third party funded project income is contributions towards restoring and improving the waterways network and is accounted for as a contract for services. Income is unrestricted income to the extent that the service has been delivered. 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.

Funding received for restricted purposes is recognised as restricted income when conditions of Trust entitlement are met.

iii) Museums and attractions income from entrance fees and sale of goods from museums and visitor centres are recognised at point of sales.

iv) Defra funding is accounted for as a government grant and is recognised 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 over the term of the licence or permit, with amounts relating to future periods shown as deferred income.
- ii) Utilities and water development income is received in return for access to the Trust's land, e.g. for underground pipes. Where 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.

#### d) Investments

- i) Investment property income (including lease premiums) is income received from operating leases and is recognised 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 unless another systematic basis is representative of the time pattern of the benefit from the use of the leased asset. The lease term is the non-cancellable period for which the lessee has contracted to rent the property. This only includes optional extensions where it is reasonably certain that the lessee will exercise such an option.

Where lease incentives are provided, the fair value of the incentive is deferred and recognised in line with this accounting policy.

- 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.

#### vi) 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.

#### vii) 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 Trustees' 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.

## 1. Accounting policies (continued)

### viii) 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 land, at rates calculated to write off the cost, less estimated residual value, 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

### ix) 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, including any rent-free periods.

#### b) Group as a lessee

Costs in respect of operating leases are charged on a straight-line basis over the lease term, including any rent-free periods.

#### c) Grant of long lease over investment property

In transferring property rights for consideration there may be instances where the Trust wishes to retain a level of control over the use of property where this issues onto or borders the waterway. This is achieved through the grant of a finance lease, and profit or loss is recognised at inception of the lease. The freehold reversion whilst initially an insubstantial value 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 described further in Note 1 v)d) above.

### x) 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 financial statements. 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 waterways infrastructure 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.
- for public benefit, the conservation, protection and improvement of the natural environment and landscape of the Infrastructure Property.

Also included within this category are a number of assets which the Trust doesn't own, but for which agreements are in place which transfer responsibility for maintenance and inspection to the Trust. The Trust acts as Trustee for these assets.

#### 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 (FRS102), that obtaining a meaningful valuation of these assets would not be achievable at a cost commensurate with the benefit to the users of the financial statements. 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 financial statements.

## 1. Accounting policies (continued)

### xi) 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.

### xii) 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. 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 investment' in the Protected Asset Fund.

### xiii) Investment in subsidiaries

The investment in Canal & River Pension Investments LP (SLP) is shown at fair value. All other investments are stated at cost less impairment.

### xiv) 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 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.

### xv) 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 company Canal and River Trading CIC has adopted a policy of paying all taxable profits to the charity as qualifying charitable donations. These payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in these subsidiaries.

### xvi) Pension schemes

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.

The pension liabilities and assets are recorded in line with FRS102 section 28 'Employee Benefits,' with a valuation undertaken by an independent actuary. FRS102 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 Canal & River Pension Investments LP (SLP), which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated financial statements 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 SLP is included in the valuation of the Scheme in the 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 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.

#### xvii) 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.

A major infrastructure provision is included in the accounts. For further details, see page 101.

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.

## 1. Accounting policies (continued)

### xviii) 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 means 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 the SLP is measured at fair value within the company only financial statements. 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 the SLP 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) Loan notes are assessed on issue as to whether they should be classified as 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.

### xix) Fund accounting

Reserve policies are set out on pages 65 to 67 of the Finance Review as well as here in the accounting policies.

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

### a) Protected Asset Fund

The Protected Asset Fund is a restricted reserve subject to the terms of the Defra 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 protected 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 Protected Asset Fund includes the net value of any unrealised revaluation surpluses that have arisen on the protected assets 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 Asset Fund. As agreed with the fund's Protector, it also includes long-term loan notes, and associated assets acquired using these funds.

The Protected Assets are not held on legal Trust rather they are the corporate property of Canal & River Trust, subject to contractual restrictions imposed by the Grant Agreement which permits capital to be used for funding revenue in certain circumstances.

The assets of the Waterways Infrastructure Trust are a permanent endowment held in perpetuity and are heritage assets shown with no value in the financial statements. The investment and operational assets transferred from government in 2012 are classed as restricted funds for the purposes of fund accounting.

### b) General Fund

The General Fund comprises unrestricted funds that are accumulated from surpluses of net income 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.

### c) 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.

#### i) Pension Contingency Fund (formerly named the Pension Accumulation Fund)

The Pension Contingency 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 SLP comes to an end. Funds are transferred from the General Fund to the Pension Contingency Fund during the year. Any income arising from this designated fund is accumulated within the fund.

#### ii) 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 was set up so that once fully established it can allow for such additional expenditure without adversely impacting on our annual financial plans.

### d) Restricted Income Fund

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied imposed by donors or by the nature of an appeal or endowment. The purpose of each restricted fund is set out in the notes to the financial statements. Restricted donations of less than £100,000, unless part of a larger project, are reported in aggregate.

### e) Transfers between funds

Transfers between funds include gift aid payments from surplus profits and dividends from subsidiary companies to the Trust from the Protected Asset Fund to the general fund.

## 2. Comparative consolidated statement of financial activities

	2018/19					
	Restricted funds					
	Unrestricted funds Note	Restricted income £m	Protected Asset Fund £m	Discontinued operations £m	Funds Total £m	
<b>Income from:</b>						
Donations and legacies	3	-	3.4	1.9	-	5.3
Charitable activities	4	74.4	0.4	-	-	74.8
Other trading activities	5	70.1	-	-	6.2	76.3
Investments	6	44.4	-	9.0	-	53.4
Other trading activities		0.2	-	-	-	0.2
<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>Expenditure on:</b>						
Raising funds	7	(31.8)	-	(7.8)	(5.2)	(44.8)
Charitable activities	8	(152.1)	(4.1)	-	-	(156.2)
<b>Total expenditure</b>		<b>(183.9)</b>	<b>(4.1)</b>	<b>(7.8)</b>	<b>(5.2)</b>	<b>(201.0)</b>
Net income/(expenditure) before gains on investments		5.2	(0.3)	3.1	1.0	9.0
Net gains on investments	11	1.2	-	28.0	-	29.2
<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>Transfers between funds</b>	23	2.4	-	(0.4)	(2.0)	-
Other recognised gains						
Actuarial gains on defined benefit schemes	26	-	-	15.9	-	15.9
<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>
Reconciliation of funds:						
Total funds brought forward		44.9	1.0	744.3	1.0	791.2
<b>Total funds carried forward</b>		<b>53.7</b>	<b>0.7</b>	<b>790.9</b>	<b>-</b>	<b>845.3</b>

## 3. Income from donations and legacies

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Donations and legacies	-	3.5	-	3.5
Lottery income	-	-	2.9	2.9
<b>Total donations and legacies</b>	-	<b>3.5</b>	<b>2.9</b>	<b>6.4</b>
	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Donations and legacies	-	3.4	-	3.4
Lottery income	-	-	1.9	1.9
<b>Total donations and legacies</b>	-	<b>3.4</b>	<b>1.9</b>	<b>5.3</b>
<b>Lottery Income</b>				
The net lottery income proceeds received are analysed as follows:				
	2019/20		2018/19	
	£m	£m	£m	£m
Ticket value		9.1	5.9	
Prize fund		(3.6)	(2.4)	
Management fee		(2.6)	(1.6)	
<b>Net lottery income in the year</b>		<b>2.9</b>	<b>1.9</b>	

#### 4. Income from charitable activities

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway infrastructure income	7.9	-	-	7.9
Third party funded projects	21.1	0.6	-	21.7
Museums and attractions	1.5	-	0.1	1.6
Third party income from charitable activities	30.5	0.6	0.1	31.2
Defra grant funding	51.9	-	-	51.9
<b>Total charitable activities</b>	<b>82.4</b>	<b>0.6</b>	<b>0.1</b>	<b>83.1</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway infrastructure income	8.7	-	-	8.7
Third party funded projects	12.8	0.4	-	13.2
Museums and attractions	1.6	-	-	1.6
Third party income from charitable activities	23.1	0.4	-	23.5
Defra grant funding	51.3	-	-	51.3
<b>Total charitable activities</b>	<b>74.4</b>	<b>0.4</b>	<b>-</b>	<b>74.8</b>

#### 5. Income from trading activities

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Boating and moorings	41.6	-	-	41.6
Utilities and water development	33.3	-	-	33.3
<b>Total trading activities</b>	<b>74.9</b>	<b>-</b>	<b>-</b>	<b>74.9</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Discontinued operations £m
Boating and moorings	40.2	-	-	6.2
Utilities and water development	29.9	-	-	-
<b>Total trading activities</b>	<b>70.1</b>	<b>-</b>	<b>-</b>	<b>6.2</b>
				<b>76.3</b>

## 6. Income from investments

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Investment Property	39.3	-	6.3	45.6
Dividends from diversified investment fund	1.8	-	-	1.8
Other investment income	0.4	-	-	0.4
Share of net income from joint ventures	-	-	3.5	3.5
Interest receivable	0.3	-	0.1	0.4
<b>Total investments</b>	<b>41.8</b>	-	<b>9.9</b>	<b>51.7</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Investment Property	39.9	-	7.1	47.0
Dividends from diversified investment fund	3.8	-	-	3.8
Other investment income	0.4	-	-	0.4
Share of net income from joint ventures	-	-	1.9	1.9
Interest receivable	0.3	-	-	0.3
<b>Total investments</b>	<b>44.4</b>	-	<b>9.0</b>	<b>53.4</b>

## 7. Expenditure on raising funds

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Voluntary income	3.1	-	-	3.1
Boating and moorings	12.2	-	-	12.2
Utilities and water development	2.9	-	-	2.9
Investment and property income	8.5	-	1.2	9.7
Interest payable	4.2	-	-	4.2
Recoverable service charges	4.9	-	-	4.9
Net interest cost on pension liabilities	-	-	1.7	1.7
<b>Total expenditure on raising funds</b>	<b>35.8</b>	-	<b>2.9</b>	<b>38.7</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Discontinued operations £m
Voluntary income	3.9	-	-	-
Boating and moorings	12.2	-	-	5.2
Utilities and water development	3.0	-	-	-
Investment and property income	3.8	-	5.1	-
Interest payable	4.2	-	0.6	-
Recoverable service charges	4.7	-	-	-
Net interest cost on pension liabilities	-	-	2.1	-
<b>Total expenditure on raising funds</b>	<b>31.8</b>	-	<b>7.8</b>	<b>5.2</b>
				<b>44.8</b>

## 8. Expenditure on charitable activities

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway operation, maintenance and repair	159.6	3.5	-	163.1
Third party funded regeneration projects	25.6	0.7	-	26.3
Museums and attractions	4.6	-	0.1	4.7
<b>Total expenditure on charitable activities</b>	<b>189.8</b>	<b>4.2</b>	<b>0.1</b>	<b>194.1</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Waterway operation, maintenance and repair	131.0	3.7	-	134.7
Third party funded regeneration projects	16.3	0.4	-	16.7
Museums and attractions	4.8	-	-	4.8
<b>Total expenditure on charitable activities</b>	<b>152.1</b>	<b>4.1</b>	<b>-</b>	<b>156.2</b>

## 9. Support costs

	2019/20				
	Governance £m	Finance & IT £m	Human Resources £m	Other £m	Total £m
Voluntary income	-	0.3	-	0.1	0.4
Boating and moorings	0.1	1.4	0.2	0.5	2.2
Utility income and water sales	0.1	0.5	-	0.2	0.8
Investment and property income	0.2	1.5	0.1	0.4	2.2
Waterway operation, maintenance and repairs	0.4	6.5	2.0	2.1	11.0
Third party funded regeneration projects	0.1	0.6	-	0.1	0.8
Museums and attractions	-	0.4	0.1	0.2	0.7
<b>Total support costs</b>	<b>0.9</b>	<b>11.2</b>	<b>2.4</b>	<b>3.6</b>	<b>18.1</b>

	2018/19				
	Governance £m	Finance & IT £m	Human Resources £m	Other £m	Total £m
Voluntary income	-	0.4	-	0.2	0.6
Boating and moorings	0.1	1.4	0.1	0.5	2.1
Utility income and water sales	0.1	0.5	0.1	0.2	0.9
Investment and property income	0.2	1.6	0.1	0.4	2.3
Waterway operation, maintenance and repairs	0.4	5.8	1.7	2.1	10.0
Third party funded regeneration projects	0.1	0.6	0.1	0.2	1.0
Museums and attractions	-	0.4	0.1	0.2	0.7
<b>Total support costs</b>	<b>0.9</b>	<b>10.7</b>	<b>2.2</b>	<b>3.8</b>	<b>17.6</b>

Auditors fees and expenses include the following:

	2019/20 £000	2018/19 £000
Fees payable to the auditors of Canal & River Trust:		
in respect of the charity audit	164	150
in respect of the subsidiary audits	11	10
in respect of other audit services	12	-
Other non-audit services:		
in respect of taxation compliance	13	12
in respect of taxation advisory	18	25
in respect of other advisory	14	651
Fees payable to other auditors of subsidiary companies:		
in respect of audit	13	13
in respect of taxation compliance	7	2
in respect of taxation advisory	2	7
<b>Total fees payable to auditors</b>	<b>254</b>	<b>870</b>

Fees payable to the auditors of Canal & River Trust in respect of other advisory services in 2018/19 were for advice on a one-off transaction to dispose of the Trust's subsidiary, BWML.

## 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 £8,747 (2019: £11,510). These expenses were for travel, subsistence and accommodation incurred by 10 trustees (2019: 12).

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

	<b>Group</b>	
	<b>2019/20 Number</b>	<b>2018/19 Number</b>
Investment management	57	54
Engineering, projects and repairs	458	457
Operations, customer service and engagement	914	*950
Museums and attractions	54	60
Support functions	126	133
<b>Total number of persons</b>	<b>1,609</b>	<b>1,654</b>

\* 2018/19 includes 50 full-time equivalents in BWML which was sold in December 2018.

The average number of employees is calculated using the full-time equivalent method. The actual average number of employees is 1,674 (2019: 1,736).

**Total employment costs were:**

	<b>Group</b>	
	<b>2019/20 £m</b>	<b>2018/19 £m</b>
Wages and salaries	51.5	52.2
Car cash allowances	2.8	2.9
Social security costs	5.0	5.3
Defined benefit pension costs (see note 26)	0.9	1.2
Defined contribution pension costs	4.3	4.4
Redundancy and termination costs	(0.1)	2.1
<b>Total employment costs</b>	<b>64.4</b>	<b>68.1</b>

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:

	<b>2019/20</b>		<b>2018/19</b>	
	<b>Including redundancy payments Number</b>	<b>Excluding redundancy payments Number</b>	<b>Including redundancy payments Number</b>	<b>Excluding redundancy payments Number</b>
£60,000-£70,000	30	28	28	29
£70,001-£80,000	13	12	18	16
£80,001-£90,000	17	13	12	9
£90,001-£100,000	7	5	10	6
£100,001-£110,000	8	3	5	1
£110,001-£120,000	3	-	2	-
£120,001-£130,000	3	1	2	1
£130,001-£140,000	3	3	6	4
£140,001-£150,000	1	1	2	-
£150,001-£160,000	-	-	1	-
£160,001-£170,000	-	-	-	-
£170,001-£180,000	-	-	1	1
£180,001-£190,000	-	-	-	-
£190,001-£200,000	-	-	-	-
£200,001-£210,000	-	-	-	-
£210,001-£220,000	1	1	1	1
£220,001-£230,000	-	-	1	1
£230,001-£240,000	1	1	-	-
	<b>87</b>	<b>68</b>	<b>89</b>	<b>69</b>

The employee bandings do not include amounts payable to employees in respect of termination payments provided for in the financial statements but not paid at the year-end; the bandings above therefore exclude termination payments for five employees (2018/19: 34). Contributions from the Trust to the defined contribution pension scheme in respect of 70 of the 75 (2018/19: 84 of 89) higher paid employees amounted to £440,000 (2018/19: £511,000).

### Key management personnel

The key management personnel are the Trustees and Executive team (listed on pages 156 to 159). The remuneration costs relating to key management personnel are:

	<b>2019/20 £m</b>	<b>2018/19 £m</b>
Salary (including pensions)	1.3	1.3
Social security costs	0.2	0.1
<b>Total</b>	<b>1.5</b>	<b>1.4</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 £188,456 (2018/19: £184,784), pension allowance of £16,239 (2018/19: £15,928), car allowance of £9,768 (2018/19: £9,768), payment in lieu of previous years' banked holidays not taken £nil (2018/19: £2,135) and benefits in kind of £1,746 (2018/19: £1,540), totalling £216,209 (2018/19: £214,155).

There was one employee whose remuneration during the year was higher than the chief executive. Stuart Mills, Chief Investment Officer, received a salary of £172,254 (2018/19: £168,875), pension allowance of £14,848 (2018/19: £14,557), car allowance of £9,768 (2018/19: £9,768), performance related pay of £33,975 (2018/19: £33,575) and benefits in kind of £2,656 (2018/19: £2,217), totalling £233,501 (2018/19: £228,992).

## 11. Net gains on investment

	2019/20			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Realised gains on disposals of investment assets	-	-	0.6	0.6
Unrealised gains on revaluation of investment assets	(0.5)	-	3.7	3.2
Gains on disposal of tangible fixed assets	0.1	-	0.1	0.2
<b>Net (losses)/gains on investment</b>	<b>(0.4)</b>	-	<b>4.4</b>	<b>4.0</b>

	2018/19			
	Unrestricted funds £m	Restricted funds £m	Protected Asset Fund £m	Funds Total £m
Realised gains on disposals of investment assets	-	-	5.0	5.0
Unrealised gains on revaluation of investment assets	1.2	-	20.3	21.5
Net gain on disposal of subsidiary	-	-	2.5	2.5
Gains on disposal of tangible fixed assets	-	-	0.2	0.2
<b>Net gains on investment</b>	<b>1.2</b>	-	<b>28.0</b>	<b>29.2</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.

## 13. Tangible fixed assets

Group & Canal & River Trust	Operational land and buildings		Boats, vehicles, plant and equipment	Total £m
	Freehold £m	Leasehold £m	£m	
<b>Cost</b>				
At 1 April 2019	29.3	0.1	49.7	79.1
<b>Additions</b>	<b>0.9</b>	-	<b>6.0</b>	<b>6.9</b>
<b>Disposals</b>	-	-	(0.9)	(0.9)
<b>At 31 March 2020</b>	<b>30.2</b>	<b>0.1</b>	<b>54.8</b>	<b>85.1</b>
<b>Depreciation</b>				
At 1 April 2019	4.3	0.1	20.9	25.3
<b>Charge for the year</b>	<b>0.7</b>	-	<b>4.0</b>	<b>4.7</b>
<b>Disposals</b>	-	-	(0.8)	(0.8)
<b>At 31 March 2020</b>	<b>5.0</b>	<b>0.1</b>	<b>24.1</b>	<b>29.2</b>
<b>Net book value</b>				
At 1 April 2019	25.0	0.0	28.8	53.8
<b>At 31 March 2020</b>	<b>25.2</b>	<b>0.0</b>	<b>30.7</b>	<b>55.9</b>

## 14. Heritage assets

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.

## 14. Heritage assets (continued)

### 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 2,707 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:

Asset description	31 March 2020 Length/number	31 March 2019 Length/number
Canals (1)	1,568 miles	1,567 miles
Rivers	345 miles	345 miles
Feeders	120 miles	120 miles
Towpaths	1,926 miles	1,926 miles
Aqueducts	278	278
Bridges - Accommodation (2)	1,643	1,650
Bridges - Public Road (2)	871	873
Bridges - Turnover (2)	458	451
Culverts (3)	1,962	1,956
Major cuttings (4)	829	825
Major embankments (5)	772	769
Docks	13	13
Dry docks (6)	29	27
Permitted waste sites	22	22
Locks (7)	1,582	1,581
Pumping stations	73	73
Reservoirs (8)	71	73
Sluices (9)	519	516
Stop/Safety/Flood Gates	66	66
Tunnels	55	55
Canal weirs (10)	662	663
River weirs	132	132
Weir-ed locks	84	84
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 (11)	2,707	2,708
Scheduled ancient monuments	46	46
Sites of Special Scientific Interest (SSSIs)	63	63

- (1) Canals – Gloucester and Sharpness lengths reviewed and increased.
- (2) Bridges – Changes are due to reclassification of bridge type or validation of ownership.
- (3) Culverts – Seven newly found culverts and one culvert reassigned as a sluice.
- (4) Major Cuttings – Five new cuttings have been identified and one reclassified.
- (5) Major Embankments – Changes are due to the re-categorisation of assets between principal and non-principal assets and new embankments identified (eight additional embankments and five removed).
- (6) Dry Docks – Two new assets have been identified.
- (7) Locks – One disused lock reclassified as a Lock.
- (8) Reservoirs – This is the number of Reservoirs the Trust has statutory responsibilities for under the Reservoirs Act. The number has fallen by two due to clarification of responsibility.
- (9) Sluices – Six new assets have been identified, two reclassified as abandoned and one as a culvert.
- (10) Canal Weirs – one new weir identified and two removed.
- (11) Listed Buildings – A bridge previously identified as belonging to the Trust, belongs to the local authority.

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 cares for many thousands of artefacts which are designated by the Arts Council as of national significance. The collection contains over 70 historic boats – many of which are listed on the Historic Ships Register – tools, machinery, memorabilia, decorative arts, paintings and social history items. These items are held for public display at the National Waterways Museums (Ellesmere Port & Gloucester) and other Canal & River Trust attractions and locations.

The Waterways Archive consists of historic records, images, maps, plans, oral history, film and digital media and has historical, scientific and technological significance.

Both collections are maintained by the Trust to preserve the culture, knowledge and enjoyment of our inland waterways for the public benefit today and for generations to come.

## 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 2019	672.4	86.3	758.7	508.3	85.7	594.0
<b>Additions</b>	<b>11.8</b>	<b>3.0</b>	<b>14.8</b>	<b>11.8</b>	<b>2.8</b>	<b>14.6</b>
<b>Disposals</b>	<b>(11.5)</b>	<b>-</b>	<b>(11.5)</b>	<b>(10.7)</b>	<b>-</b>	<b>(10.7)</b>
<b>Revaluation</b>	<b>12.6</b>	<b>(0.4)</b>	<b>12.2</b>	<b>8.3</b>	<b>(0.4)</b>	<b>7.9</b>
<b>At 31 March 2020</b>	<b>685.3</b>	<b>88.9</b>	<b>774.2</b>	<b>517.7</b>	<b>88.1</b>	<b>605.8</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 the top 100 properties by value as well as a quarter of all other properties (together approximately 90% by value in total) as at 31 March 2020. The remaining properties 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. Within these valuations, assumptions are made based on comparable yield values, taking into account, where property is let, the current and reversionary rental income along with the lease terms; and where property is vacant, holding costs, market rents and lease incentives.

In light of the Coronavirus pandemic which took hold in the first quarter of 2020 and has continued since the financial year end, in line with guidance set out by RICS and in common with many other organisations, Avison Young issued the following '*material valuation uncertainty*' clause within their 31 March 2020 valuation report issued to the Trustees of Canal & River Trust on 6 April 2020:

*"Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is a disclosure, not a disclaimer."*

## 16. Diversified investment funds

### a) Movement on diversified income funds

	Group & Canal & River Trust			
	Non property income portfolio	Pension Contingency Fund	2019/20 £m	2018/19 £m
At 1 April	172.2	23.2	117.8	18.1
Additions	20.4	4.1	50.2	4.0
Withdrawals	(1.7)	-	(3.8)	-
Dividend income	1.8	-	3.8	-
Investment management costs	(1.1)	(0.1)	(0.9)	(0.1)
Revaluation	(8.4)	(0.5)	5.1	1.2
<b>At 31 March</b>	<b>183.2</b>	<b>26.7</b>	<b>172.2</b>	<b>23.2</b>

During the year, the Investment Committee oversaw the sixth year of implementation of the Investment Strategy for the Trust involving a diversification of the Trust's investment portfolio held in the Protected Asset Fund 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 £170.0m on behalf of the Trust in non-property investments towards the overall objective of around 20-40% diversification away from property. The Trust achieved the minimum 20% position following additions of £20m investments in the year 2019/20.

Partners Capital have also invested £4.1m from the Pension Contingency Designated Fund (see note 23) into separate investment funds.

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

	Group & Canal & River Trust			
	Non property income portfolio	Pension Contingency Fund	31 March 2020 £m	31 March 2019 £m
Multi asset funds	68.2	17.6	63.6	16.0
Bonds	52.5	5.4	53.5	4.6
Global equities	26.1	-	23.7	-
Private equity funds	34.4	3.7	29.7	2.0
Cash	2.0	-	1.7	0.6
<b>At 31 March</b>	<b>183.2</b>	<b>26.7</b>	<b>172.2</b>	<b>23.2</b>

## 16. Diversified investment funds (continued)

### c) Current asset investments

	Group		Canal & River Trust	
	31 March 2020 £m	31 March 2019 £m	31 March 2020 £m	31 March 2019 £m
Funds held on short-term deposit	3.0	4.6	-	0.2

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.

## 17. Investments

### Subsidiaries

	Canal & River Trust	
	2019/20 £m	2018/19 £m
Investments in subsidiaries:		
At 1 April	91.5	158.7
Fair value adjustment for investment in SLP	2.8	(48.9)
Disposal of subsidiaries	-	(18.3)
<b>At 31 March</b>	<b>94.3</b>	<b>91.5</b>

### 2019/20

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2020 was as follows:

Company number		Net income before other recognised gains and losses*			Net assets at 31 March 2020 £m
		Income £m	Expenditure £m		
Canal & River Trading CIC	8069602	3.4	(0.4)	3.0	38.3
Canal & River Pension Investments LP (SLP)	SL010965**	6.1	(5.0)	6.0	162.5
Canal & River Pension Partner Limited	SC426937	-	-	-	34.5
Canal & River Reinsurance Designated Activity Company	384229	0.3	(0.1)	0.1	2.5
Other minor subsidiaries		-	(0.1)	-	(1.8)
		<b>9.8</b>	<b>(5.6)</b>	<b>9.1</b>	<b>236.0</b>

### 2018/19

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

Company number	Income £m	Expenditure £m	Net income before other recognised gains and losses* £m	Net assets at 31 March 2019 £m
Canal & River Trading CIC	08069602	2.9	(0.3)	2.6
British Waterways Marinas Ltd	04930453	6.2	(5.2)	1.0
Canal & River Pension Investments LP (SLP)	SL010965**	6.9	(5.0)	1.9
Canal & River Pension Partner Limited	SC426937	18.4	(18.4)	-
Canal & River Reinsurance Designated Activity Company	384229	0.4	-	0.4
Other minor subsidiaries		-	(0.1)	(0.1)
		<b>34.8</b>	<b>(29.0)</b>	<b>5.8</b>
				<b>238.2</b>

\* Amount shown is before qualifying charitable donations to parent.

\*\* Limited partnership registration number.

The above 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 registered in and operates in Ireland).

### Joint Ventures

	Group	
	2019/20 £m	2018/19 £m
Investments in joint ventures:		
At 1 April	39.4	38.7
Loans made	3.8	0.8
Loans repaid	(20.1)	(1.3)
Share of net income	3.5	1.9
Dividends paid	(0.2)	(0.7)
<b>At 31 March</b>	<b>26.4</b>	<b>39.4</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 2020 £m	31 March 2019 £m
Fixed assets	0.5	0.2
Current assets	39.2	46.5
<b>Share of gross assets</b>	<b>39.7</b>	46.7
Current liabilities	(4.2)	(1.4)
Long term liabilities	(9.1)	(5.9)
<b>Share of gross liabilities</b>	<b>(13.3)</b>	(7.3)
<b>Share of net assets</b>	<b>26.4</b>	39.4

Loans to joint ventures are valued at fair value in the SoFA and in the above table. The nominal value of the loans to the joint ventures total £28.0m (2019: £44.3m) of which £23.6m (2019: £41.0m) is in respect of Waterside Places.

The Group's share of income from joint ventures was £33.6m (2019: £31.8m) and share of expenditure was £30.1m (2019: £28.9m). All income arises from investment in property developments.

### Investments in joint ventures

All joint ventures 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 and all have year ends of 31 December.

The profit and loss for the year ended 31 March 2020 is calculated based on financial statements prepared by the joint ventures adjusted using management accounts. The Trust's share of profit and loss for the year of each joint venture was as follows:

	Profit/(loss) for the year  £m	Equity interest held*  %	Main activity		
				31 March 2020 £m	31 March 2019 £m
<b>Joint ventures</b>					
Waterside Places LP	3.3	50	Property development		
City Road Basin Limited	-	49	Property development		
H2O Urban LLP	0.3	50	Property development		
Paddington Basin Business Barges Ltd	-	49	Office management		
Icknield Port Loop LLP	-	25	Property development		
Roundhouse Birmingham	(0.1)	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. Debtors

	Group		Canal & River Trust	
	31 March 2020 £m	31 March 2019 £m	31 March 2020 £m	31 March 2019 £m
Trade debtors	48.9		33.3	
Other amounts owed from Group undertakings	-		1.2	
Prepayments and accrued income	18.4		19.5	
Value added tax	2.2		2.5	
Other debtors	7.8		5.7	
	77.3		61.4	
			77.9	
			66.6	

## 19. Creditors

### Amounts falling due within one year

	Group		Canal & River Trust	
	31 March 2020 £m	31 March 2019 £m	31 March 2020 £m	31 March 2019 £m
Trade creditors	19.1		12.5	
Accruals	12.8		15.7	
Deferred income (Note 20)	56.0		49.3	
Taxation and social security	1.4		1.5	
Other creditors	3.4		1.9	
	92.7		80.9	
			87.8	
			76.1	

### Amounts falling due after more than one year

	Group		Canal & River Trust	
	31 March 2020 £m	31 March 2019 £m	31 March 2020 £m	31 March 2019 £m
Loan notes	150.0		150.0	
Deferred income (Note 20)	2.3		2.8	
Other creditors	0.1		-	
	152.4		152.8	
			152.9	
			153.3	

## 19. Creditors (continued)

£150.0m (2019: £150.0m) 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. At 31 March 2020, the Group share of total bank borrowings in joint ventures was £8.5m (2019: £4.1m).

## 20. Deferred income

	<b>Group</b>		
	<b>At 1 April 2019</b> £m	<b>Released</b> £m	<b>Deferred</b> £m
			<b>At 31 March 2020</b> £m
Rental income in advance	17.4	(16.1)	16.7
Boat licences and moorings in advance	17.7	(16.7)	16.7
Defra grant received in advance	10.5	(10.5)	10.7
Other deferred income	6.5	(6.0)	11.9
<b>Total current and long term</b>	<b>52.1</b>	<b>(49.3)</b>	<b>55.5</b>
			<b>58.3</b>

	<b>Group</b>		
	<b>At 1 April 2018</b> £m	<b>Released</b> £m	<b>Deferred</b> £m
			<b>At 31 March 2019</b> £m
Rental income in advance	17.2	(15.3)	15.5
Boat licences and moorings in advance	19.7	(18.7)	16.7
Defra grant received in advance	10.3	(10.3)	10.5
Other deferred income	7.3	(7.5)	6.7
<b>Total current and long term</b>	<b>54.5</b>	<b>(51.8)</b>	<b>49.4</b>
			<b>52.1</b>

	<b>Canal &amp; River Trust</b>		
	<b>At 1 April 2019</b> £m	<b>Released</b> £m	<b>Deferred</b> £m
			<b>At 31 March 2020</b> £m
Rental income in advance	15.9	(14.6)	15.3
Boat licences and moorings in advance	17.7	(16.7)	16.7
Defra grant received in advance	10.5	(10.5)	10.7
Other deferred income	5.7	(5.2)	10.5
<b>Total current and long term</b>	<b>49.8</b>	<b>(47.0)</b>	<b>53.2</b>
			<b>56.0</b>

	<b>Canal &amp; River Trust</b>		
	<b>At 1 April 2018</b> £m	<b>Released</b> £m	<b>Deferred</b> £m
			<b>At 31 March 2019</b> £m
Rental income in advance	15.5	(13.6)	14.0
Boat licences and moorings in advance	16.8	(15.8)	16.7
Defra grant received in advance	10.3	(10.3)	10.5
Other deferred income	6.4	(6.2)	5.5
<b>Total current and long term</b>	<b>49.0</b>	<b>(45.9)</b>	<b>46.7</b>
			<b>49.8</b>

## 21. Provisions for liabilities

	Group				
	At 1 April 2019 £m	Paid £m	Charged £m	Released £m	At 31 March 2020 £m
Major infrastructure provision	-	-	21.9	-	21.9
Other provisions	4.4	(1.0)	3.4	(1.5)	5.3
	4.4	(1.0)	25.3	(1.5)	27.2

	Group				
	At 1 April 2018 £m	Paid £m	Charged £m	Released £m	At 31 March 2019 £m
Other provisions	4.1	(1.2)	2.7	(1.2)	4.4

	Canal & River Trust				
	At 1 April 2019 £m	Paid £m	Charged £m	Released £m	At 31 March 2020 £m
Major infrastructure provision	-	-	21.9	-	21.9
Other provisions	3.3	(0.9)	3.3	(1.0)	4.7
	3.3	(0.9)	25.2	(1.0)	26.6

	Canal & River Trust				
	At 1 April 2018 £m	Paid £m	Charged £m	Released £m	At 31 March 2019 £m
Other provisions	2.4	(0.8)	2.3	(0.6)	3.3

### Major infrastructure provision

Following the incident at Toddbrook Reservoir in August 2019, and in light of both an independent report commissioned by the Trust and a Government report into the matter published in February 2020, the Trust has publicly stated its intention to restore the reservoir. Accordingly, the Trust has made a provision of £19.3m comprising a best estimate of the costs to complete those restoration works. These costs will be incurred over the coming years; £2.8m within 2020/21 and the remainder thereafter. A further £2.6m has been provided for other reservoirs where inspections have been published before 31 March 2020, but work has not concluded and where the costs can be reliably estimated.

### Other provisions

These are provisions which are principally for property, motor and public liability claims against the Trust, including those accounted for within the Trust's captive reinsurance company.

## 22. Financial instruments

	Group		Canal & River Trust	
	31 March 2020 £m	1 March 2019 £m	31 March 2020 £m	1 March 2019 £m
<b>Financial assets that are debt instruments measured at amortised cost:</b>				
Cash	23.1	38.0	11.0	31.6
Current asset investments	3.0	4.6	-	0.2
Trade debtors	48.9	33.3	48.7	33.2
Other amounts owed from Group undertakings	-	-	1.2	4.1
Other debtors	7.8	5.7	7.3	5.6
	82.8	81.6	68.2	74.7

### Financial liabilities measured at amortised cost:

Trade creditors	19.1	12.5	18.9	12.4
Accruals	12.8	15.7	10.3	13.2
Other creditors	3.5	1.9	4.1	2.5
Loan notes	150.0	150.0	150.0	150.0
	185.4	180.1	183.3	178.1

### Financial assets measured at fair value through profit and loss:

Investment property	774.2	758.7	605.8	594.0
Diversified investment funds	209.9	195.4	209.9	195.4
	984.1	954.1	815.7	789.4

### 23. Movement in funds

	Group 2019/20				
	Unrestricted funds		Restricted funds		
	General fund £m	Designated funds £m	Restricted income funds £m	Protected Asset Fund £m	Total £m
At 1 April 2019	29.6	24.1	0.7	790.9	845.3
Income	<b>199.1</b>	-	<b>4.1</b>	<b>12.9</b>	<b>216.1</b>
Expenditure	(224.6)	(1.0)	(4.2)	(3.0)	(232.8)
Gains/(Losses)	0.1	(0.5)	-	4.4	4.0
Gift aid receivable, dividends and other transfers from subsidiaries	5.0	-	-	(5.0)	-
Transfer to Designated Funds	(4.1)	<b>4.1</b>	-	-	-
SLP contribution to Pension Fund	(5.0)	-	-	5.0	-
Actuarial gains on defined benefit pension schemes	-	-	-	<b>43.5</b>	<b>43.5</b>
<b>At 31 March 2020</b>	<b>0.1</b>	<b>26.7</b>	<b>0.6</b>	<b>848.7</b>	<b>876.1</b>

	Canal & River Trust 2019/20				
	Unrestricted funds		Restricted funds		
	General fund £m	Designated funds £m	Restricted income funds £m	Protected Asset Fund £m	Total £m
At 1 April 2019	29.4	24.1	0.7	768.6	822.8
Income	<b>199.2</b>	-	<b>4.1</b>	-	<b>203.3</b>
Expenditure	(224.6)	(1.0)	(4.2)	(0.6)	(230.4)
Gains/(Losses)	0.1	(0.5)	-	2.3	1.9
Gift aid receivable, dividends and other transfers from subsidiaries	5.0	-	-	12.5	17.5
Transfer to Designated Funds	(4.1)	<b>4.1</b>	-	-	-
SLP contribution to Pension Fund	(5.0)	-	-	5.0	-
Actuarial gains on defined benefit pension schemes	-	-	-	<b>50.2</b>	<b>50.2</b>
<b>At 31 March 2020</b>	<b>0.0</b>	<b>26.7</b>	<b>0.6</b>	<b>838.0</b>	<b>865.3</b>

	Group 2018/19				
	Unrestricted funds		Restricted funds		
	General fund £m	Designated funds £m	Restricted income funds £m	Protected Asset Fund £m	Discontinued operations £m
At 1 April 2018	26.7	18.2	1.0	744.3	1.0
Income	189.1	-	3.8	10.9	6.2
Expenditure	(183.9)	-	(4.1)	(7.8)	(5.2)
Gains	-	1.2	-	28.0	-
Gift aid receivable and dividends from subsidiaries	7.4	-	-	(5.4)	(2.0)
Transfer to Designated Funds	(4.7)	4.7	-	-	-
SLP contribution to Pension Fund	(5.0)	-	-	5.0	-
Actuarial gains on defined benefit pension schemes	-	-	-	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>

	Canal & River Trust 2018/19				
	Unrestricted funds		Restricted funds		
	General fund £m	Designated funds £m	Restricted income funds £m	Protected Asset Fund £m	Total £m
At 1 April 2018	26.2	18.2	1.0	742.3	787.7
Income	189.1	-	3.8	-	192.9
Expenditure	(183.6)	-	(4.1)	(0.7)	(188.4)
Gains	-	1.2	-	19.7	20.9
Gift aid receivable and dividends from subsidiaries	7.4	-	-	(1.7)	5.7
Transfer to Designated Funds	(4.7)	4.7	-	-	-
SLP contribution to Pension Fund	(5.0)	-	-	5.0	-
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>

### 23. Movement in funds (continued)

The designated fund includes the following designated reserves which have been set aside for specific purposes:

	2019/20		
	Major Asset Failure Fund £m	Pension Contingency Fund £m	Total Designated Funds £m
At 1 April 2019	0.7	23.4	24.1
New designations	-	4.1	4.1
Losses	-	(0.5)	(0.5)
Expenditure	(0.7)	(0.3)	(1.0)
<b>At 31 March 2020</b>	<b>-</b>	<b>26.7</b>	<b>26.7</b>

	2018/19		
	Major Asset Failure Fund £m	Pension Contingency Fund £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
<b>At 31 March 2019</b>	<b>0.7</b>	<b>23.4</b>	<b>24.1</b>

#### Restricted Income Funds

	2019/20		
Fund name	Balance at 1 April 2019 £000	Income £000	Expenditure £000
<b>Canal &amp; River Trust funds:</b>			
Friends Fund	-	2,997	(2,997)
<b>Specific Project Funds</b>			
Brent Reservoir Project	-	169	-
London STEM Project	-	138	-
Coast to Coast Canoe Trail	311	-	(303)
Super Slow Way 2	-	614	(614)
Unlocking the Severn	50	50	(100)
Other Specific Project Funds	349	174	(178)
<b>Total Group</b>	<b>710</b>	<b>4,142</b>	<b>(4,192)</b>
			<b>Balance at 31 March 2020 £000</b>
			660

	2018/19		
Fund name	Balance at 1 April 2018 £000	Income £000	Expenditure £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)
Super Slow Way 2	-	367	(367)
Other Specific Project Funds	605	379	(585)
<b>Total Group</b>	<b>967</b>	<b>3,883</b>	<b>(4,140)</b>
			<b>Balance at 31 March 2019 £000</b>
			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 £100,000 are shown in one aggregate total as "Other Specific Project Funds". At 31 March 2020 there were 62 (2019: 55) 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.

## 24. Analysis of net assets by fund

Net assets are analysed between funds as follows:

As at 31 March 2020

	Group			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2020 £m
Tangible fixed assets	30.7	-	25.2	55.9
Investments	26.7	-	983.8	1,010.5
Current assets	84.9	0.6	18.9	104.4
Current liabilities	(86.5)	-	(6.2)	(92.7)
Creditors – amounts falling due after more than one year	(2.3)	-	(150.1)	(152.4)
Provisions	(26.6)	-	(0.6)	(27.2)
Pension liability	(0.1)	-	(22.3)	(22.4)
<b>Total net assets</b>	<b>26.8</b>	<b>0.6</b>	<b>848.7</b>	<b>876.1</b>

As at 31 March 2019

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

As at 31 March 2020

	Canal & River Trust			
	Unrestricted Funds £m	Restricted Funds £m	Protected Asset Fund £m	Total 31 March 2020 £m
Tangible fixed assets	30.7	-	25.2	55.9
Investments	27.2	-	882.8	910.0
Current assets	84.9	0.6	4.4	89.9
Current liabilities	(86.5)	-	(1.3)	(87.8)
Creditors – amounts falling due after more than one year	(2.9)	-	(150.0)	(152.9)
Provisions	(26.6)	-	-	(26.6)
Pension liability	(0.1)	-	76.9	76.8
<b>Total net assets</b>	<b>26.7</b>	<b>0.6</b>	<b>838.0</b>	<b>865.3</b>

As at 31 March 2019

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

## 25. 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:

	<b>Group</b>		<b>Canal &amp; River Trust</b>	
	<b>31 March 2020</b>	<b>£m</b>	<b>31 March 2020</b>	<b>£m</b>
<b>Leasehold properties</b>				
Within one year	1.0	1.0	1.0	1.0
Within two to five years	2.8	3.0	2.8	3.0
In more than five years	101.3	101.7	101.3	101.7
	<b>105.1</b>	<b>105.7</b>	<b>105.1</b>	<b>105.7</b>

During the year £1.4m (2019: £1.5m) was charged to the SoFA in respect of leasehold property rentals.

	<b>Group</b>		<b>Canal &amp; River Trust</b>	
	<b>31 March 2020</b>	<b>£m</b>	<b>31 March 2020</b>	<b>£m</b>
<b>Leasehold plant and equipment</b>				
Within one year	0.1	0.1	0.1	0.1
Within two to five years	-	0.1	-	0.1
In more than five years	-	-	-	-
	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>

During the year £0.3m (2019: £0.4m) 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:

	<b>Group</b>		<b>Canal &amp; River Trust</b>	
	<b>31 March 2020</b>	<b>£m</b>	<b>31 March 2020</b>	<b>£m</b>
<b>Investment Properties</b>				
Within one year	43.1	36.5	37.0	29.5
Within two to five years	142.8	120.9	118.5	96.7
In more than five years	2,586.2	2,520.8	1,153.4	1,081.4
<b>Other</b>				
Within one year	8.3	11.1	8.3	11.1
Within two to five years	28.3	33.1	28.3	33.1
In more than five years	472.3	736.7	472.3	736.7
	<b>3,281.0</b>	<b>3,458.1</b>	<b>1,817.8</b>	<b>1,988.5</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.

## 26. Pension and other post – retirement benefits

	<b>Group</b>		<b>Canal &amp; River Trust</b>	
	<b>31 March 2020</b>	<b>£m</b>	<b>31 March 2019</b>	<b>£m</b>
(a) Defined benefit pension fund (deficit)/surplus		(22.3)	(69.1)	76.9
(c) Other post-retirement benefits		(0.1)	(0.1)	(0.1)
<b>Employee benefit liability</b>		<b>(22.4)</b>	<b>(69.2)</b>	<b>76.8</b>

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

The defined benefit scheme, known as the Waterways Pension Fund (WPF or the 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) and OCS Group UK Limited. The Scheme closed to future accrual on 30 September 2016 for employees of the Trust and other participating employers.

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.

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 2019. As at that date the market value of the Scheme's assets (excluding members' additional voluntary contributions) amounted to £584m and the value placed upon the benefits that had accrued to members was £590m. The Scheme was therefore £6m in deficit and 99% funded on an on-going basis. The market value of the Fund's investment in Canal & River Pension Investments LP (SLP) (see below for more details) is included within the valuation of the Fund's assets.

As the SLP provides an annual income of £5m until 31 March 2021 and a lump sum on cessation, which could give rise to proceeds over and above the market value at valuation date, and as there is potential for the returns on the Scheme's existing assets to outperform the prudent assumptions made as part of the valuation, additional contributions were not deemed to be required to eliminate the deficit at the valuation date. The next triennial actuarial valuation will be carried out as at 31 March 2022.

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 (SLP) with the Trust. The Scheme invested £106.0m in the SLP, 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 2020 the Scheme received £5.0m of income from the SLP investment.

## 26. Pension and other post – retirement benefits (continued)

An accounting judgement has been taken that the Scheme's £99.2m interest in the SLP, which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated financial statements 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 SLP from the Scheme's assets results in a deficit of £22.4m in the Group financial statements. The Scheme's interest in the SLP 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 SLP 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 FRS102, section 28 'Retirement benefits' disclosures has been based on the most recent actuarial valuation of the WPF at 31 March 2019 and updated to 31 March 2020 by independent qualified actuaries from Lane Clark & Peacock LLP. The liabilities attributed to the Trust reflect the Trust's share of liabilities in the WPF.

**The key assumptions used are as follows:**

	31 March 2020	31 March 2019
Discount rate	2.50%	2.50%
Rate of increase in salaries	2.50%	3.05%
Rate of increase for majority of pensions in payment and deferred pensions*	1.80%	2.35%
Rate of CPI inflation	1.80%	2.35%
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	95% of S3PMS heavy (males) 95% of S3PFA heavy (females) CMI 2019 model, long term rate of improvement 1.25% (smoothing factor 7.0)	108% of S2PMA (males) 104% of S2PFA (females) CMI 2018 model, long term rate of improvement 1.25% (smoothing factor 7.0)

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

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

	31 March 2020	31 March 2019
Male currently aged 43	23.3	24.1
Female currently aged 43	26.8	26.5
Male currently aged 63	21.8	22.7
Female currently aged 63	25.2	24.9

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

Assumption	Change in assumption	Impact on scheme liabilities
Decrease in discount rate	Increase/decrease by 0.1%	Decrease/increase by 1.5% (£7.8m)
Increase in CPI rate of inflation	Increase/decrease by 0.1%	Increase/decrease by 1.3% (£6.8m)
Increase in life expectancy	Increase/decrease by one year	Increase/decrease by 4.7% (£23.9m)

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

	Group	
	Year to 31 March 2020 £m	Year to 31 March 2019 £m
Administration expenses	(0.9)	(0.7)
Past service cost	-	(0.5)
Interest cost	(13.9)	(13.8)
Interest on assets	12.2	11.7
Amount charged within net income	(2.6)	(3.3)
Actuarial gains	43.5	15.9
Amount charged within net movement in funds	40.9	12.6

The actuarial gains for the year to 31 March 2020 are driven by strong performance on the scheme's diversified assets and lower expectations of future inflation reducing the value of the scheme's liabilities.

The £0.5m past service cost in the year to 31 March 2019 is a liability created by the requirement to equalise benefits for the effect of unequal guaranteed minimum pensions between men and women.

## 26. Pension and other post – retirement benefits (continued)

Amounts recognised in the balance sheet at 31 March 2020:

	Group		Canal & River Trust	
	2020 £m	2019 £m	2020 £m	2019 £m
Equities	50.4	72.4	50.4	72.4
Corporate bonds	140.4	139.8	140.4	139.8
LDI (Liability Driven Investment)	193.5	162.7	193.5	162.7
Property funds	51.0	50.6	51.0	50.6
Diversified growth funds	20.0	38.0	20.0	38.0
Investment in property interest in the SLP	-	-	99.2	90.3
Other growth assets	13.0	13.7	13.0	13.7
Cash	14.1	10.4	14.1	10.4
<b>Total fair value of assets</b>	<b>482.4</b>	<b>487.6</b>	<b>581.6</b>	<b>577.9</b>
Present value of scheme liabilities	(504.7)	(556.7)	(504.7)	(556.7)
<b>(Deficit)/surplus in the scheme</b>	<b>(22.3)</b>	<b>(69.1)</b>	<b>76.9</b>	<b>21.2</b>

The actual return on the Scheme's assets during the year was a £9.1m gain (2019: £49.1m gain) for the Group and a £18.0m gain (2019: £39.7m gain) for the Trust.

FRS102 requires all Scheme assets to be valued at fair value for accounting purposes. As at 31 March 2020, the fair value of the Scheme's investment in the SLP was £99.2m (2019: £90.3m).

### Changes in scheme assets

	Group		Canal & River Trust	
	2019/20 £m	2018/19 £m	2019/20 £m	2018/19 £m
At 1 April	487.6	452.1	577.9	551.8
Interest on scheme assets	12.2	11.7	14.4	14.2
Principal employer contributions	5.9	5.9	5.9	5.9
Member contributions	-	-	-	-
Benefits paid and expenses	(20.2)	(19.5)	(20.2)	(19.5)
Actuarial (loss)/gain	(3.1)	37.4	3.6	25.5
<b>At 31 March</b>	<b>482.4</b>	<b>487.6</b>	<b>581.6</b>	<b>577.9</b>

### Changes in scheme liabilities

	Group & Canal & River Trust	
	2019/20 £m	2018/19 £m
At 1 April	(556.7)	(539.7)
Past service cost	-	(0.5)
Interest cost	(13.9)	(13.8)
Benefits paid	19.3	18.8
Actuarial gain/(loss)	46.6	(21.5)
<b>At 31 March</b>	<b>(504.7)</b>	<b>(556.7)</b>

## 26. Pension and other post – retirement benefits (continued)

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

	Group		Canal & River Trust	
	2019/20 £m	2018/19 £m	2019/20 £m	2018/19 £m
At 1 April	(69.1)	(87.6)	21.2	12.1
Expenses recognised in SoFA	(2.6)	(3.3)	(0.4)	(0.8)
Contributions	5.9	5.9	5.9	5.9
Actuarial gain recognised in SoFA	43.5	15.9	50.2	4.0
<b>At 31 March</b>	<b>(22.3)</b>	<b>(69.1)</b>	<b>76.9</b>	<b>21.2</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 financial statements. There were no material amounts owing or prepaid at 31 March 2020.

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 97 (2019: 100) 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 2020 by independent qualified actuaries using discount rates consistent with those required for pension liabilities under FRS102.26.

Movement in other post-retirement benefit provision during the period

	Group & Canal & River Trust	
	2019/20 £000	2018/19 £000
At 1 April	(119.0)	(127.0)
Expenses recognised in SoFA	(3.0)	(3.0)
Contributions	15.0	15.0
Actuarial loss recognised in SoFA	(3.0)	(4.0)
<b>At 31 March</b>	<b>(110.0)</b>	<b>(119.0)</b>

## 27. Capital commitments

Capital expenditure for which the Trust had contracted at 31 March 2020 was £1.1m (2019: £0.7m) relating to tangible fixed assets and £0.9m (2019: £10.0m) relating to the commitment to purchase investment property. These commitments fall due within one year.

## 28. Post Balance Sheet Events

Since the year end, the value of Diversified Investment Funds has increased to £227.0m as at 30 June 2020.

## 29. Related party transactions

The Trust has considered the disclosure requirements of the SORP for charities and FRS102, 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:

Stuart Mills, Chief Investment Officer, is a director of Sustrans Ltd. In 2019/20 the Trust received £1.3k (2019: £nil) from Sustrans for services provided. As 31 March 2020, the amount owing to the Trust from Sustrans was £1.0k (2019: £nil). There were no other related party transactions between the Trust and any of the Trustees or Executive Directors during the year.

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 throughout the prior year until September 2018) is a partner. Clearbell provided the following investment services in 2018/19:

Service	Investment fund and relationship	2018/19			Beneficiary
		Net Investment made during 2018/19	Investment value at 31 March 2019	Fees earned in 2018/19	
		£m	£m	£	
Investment management	Partners Capital Master Portfolio C invested into Clearbell Core Property Real Estate Fund	-	1.8	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	0.3	0.6	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 were aware of these transactions and agreed to their continuation. There were no amounts written off in relation to the above transactions.

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

	Amount receivable during the year to 31 March 2020 £m	Amount receivable during the year to 31 March 2019 £m	Amount receivable/(payable) at 31 March 2020 £m	Amount receivable/(payable) at 31 March 2019 £m
Transactions with joint ventures				
Property sales and investment activity with joint ventures	1.1	2.4	-	(0.2)
Other significant transactions with joint ventures	0.1	0.1	-	-
	1.2	2.5	-	(0.2)

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

	Amount receivable during the year to 31 March 2020 £m	Amount receivable during the year to 31 March 2019 £m	Amount receivable at 31 March 2020 £m	Amount receivable/(payable) at 31 March 2019 £m
Transactions with subsidiaries				
<b>Canal &amp; River Trading CIC</b>				
Qualifying charitable donations	10.4	1.9	1.2	4.1
<b>Canal &amp; River Pension Investments LP (SLP)</b>				
Profit share payments	2.0	1.5	-	(1.4)
	12.4	3.4	1.2	2.7

Further details on our subsidiaries can be found in note 17 to these financial statements.

## SECR (Streamlined energy & carbon reporting)

In accordance with the requirements of Streamlined Energy & Carbon Reporting (SECR), imposed by the 2018 SECR Regulations, we are required to disclose energy and carbon information including:

- Our UK energy use (as a minimum gas, electricity and transport, including UK offshore area)
- The associated greenhouse gas emissions
- At least one emissions intensity ratio
- Previous year's figures for energy use and GHG emissions (except in this first reporting year)
- Methodologies used in calculation of disclosures
- Information about energy efficiency action taken in the organisation's financial year

Within this report, prepared for the Trust by Consultus International, is a summary of our energy and transport consumption, emissions along with requirements of intensity ratio, methodologies and a narrative on energy efficiency action.

### Total Emissions Scope Summary

Emission Type	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Scope 1 (direct)	13,537,566	3,066
Scope 2* (indirect)	16,533,983	4,226
Scope 3 (indirect)	942,875	1,049
<b>Total</b>	<b>31,014,424</b>	<b>8,341</b>

\* Note on Scope 2 emissions – the Trust purchases all of its electricity on green tariffs fully backed by REGO (Renewable Energy Guaranteed Origin) certificates issued by energy market regulator OFGEM – guaranteeing that our electricity has been generated from renewable sources (as such the estimated emissions for this element would effectively be zero) however we report the emissions here in line with Government guidance on the average emissions mix of UK grid electricity.

### Scope 1 emissions (direct)

These are emissions from activities owned or controlled by the Trust that emit direct to the atmosphere.

Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Gas	Emissions from combustion of gas	4,107,432	758
Transport	Emissions from combustion of fuel for transport purposes	9,430,134	2,307
<b>Total</b>		<b>13,537,566</b>	<b>3,065</b>

### Scope 2 emissions (indirect)

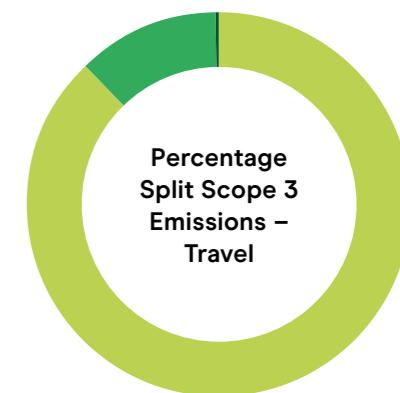
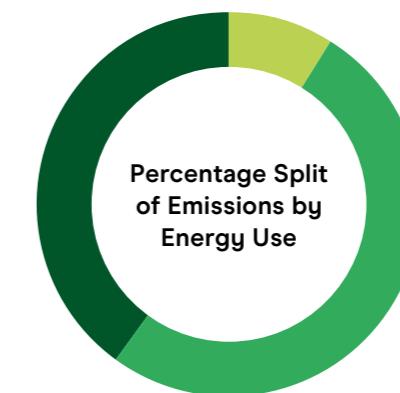
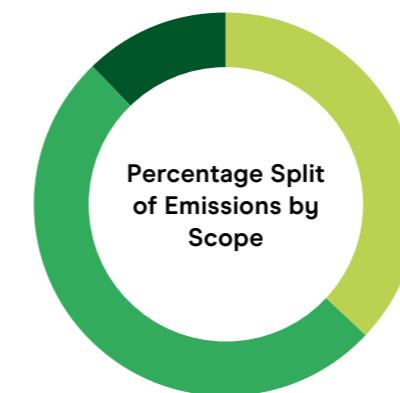
These are emissions from the generation of electricity etc purchased by the Trust.

Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Electricity	Emissions from purchased electricity	16,533,983	4,226
<b>Total</b>		<b>16,533,983</b>	<b>4,226</b>

### Scope 3 emissions (in-direct)

These are other indirect emissions not included in Scope 2 – examples include travel by means not owned by the Trust.

Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> e)
Employee Owned Cars	Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory)	371,709	909
Business Travel – Air	Emissions from business travel via flights where the company is responsible for purchasing the fuel (voluntary)	35,997	9
Business Travel – Rail	Emissions from business travel via rail where the company is responsible for purchasing the fuel (voluntary)	535,169	131
<b>Total</b>		<b>942,875</b>	<b>1,049</b>



- Scope 1 (direct) 37%
- Scope 2 (indirect) 51%
- Scope 3 (indirect) 12%

- Gas 9%
- Electricity 51%
- Transport 40%

- Employee Owned Cars 87%
- Business Travel – Rail 12%
- Business Travel – Air 0.004%

#### "Out of scope" emissions

Biofuels (including the statutory proportion blended with all diesel and petrol fuels) are reported as out of scope – they do not count towards total emissions (as the carbon released was recently captured rather than being from fossil fuels) but are reported for completeness.

Energy Type	Total Volume (kWh)	Calculated Emissions (Tonnes of CO <sub>2</sub> )
Transport (e.g. cars)	-	84
<b>Total</b>		<b>84</b>

#### How does this compare to previous years?

The Trust has not reported under SECR rules previously as this is the first year of the requirement.

We did report previously under the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and The Energy Savings Opportunity Scheme (ESOS) but the parameters for what is included in the reporting requirements are significantly different between the previous schemes and SECR so it is not possible to make a direct comparison.

#### Intensity ratio

Under SECR rules, the Trust is required to report emissions against an intensity of output measure, so that decreases or increases in output in future years do not disguise changes in energy efficiency.

The best measure of the Trust's output is our expenditure on charitable activities (as presented on page 118 of this Annual Report) so we have chosen to report tonnes of CO<sub>2</sub> equivalent per £million:

Intensity Measurement	Expenditure (£million)	Intensity Ratio (tCO <sub>2</sub> e/£m Expenditure)
Expenditure on Charitable Activities	194.1	42.97

#### Quantification & reporting methodology:

The organisation has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the Greenhouse Gas Protocol (GHG) Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions.

Energy usage information (gas and electricity) has been obtained directly from their energy suppliers and half hourly meter reading (HH) and automated meter reading (AMR) data, where available, for those supplies with HH/AMR meters. For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption (applicable only to the NHH and gas supplies). There was also one supply where billing information was not easily obtainable for this reporting year therefore the organisation utilised usage from previous years.

Transport mileage and/or fuel usage data was provided for their company-owned vehicles, grey fleet, rail and air travel. CO<sub>2</sub>e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the organisations Data File for reference where required.

We have utilised all verifiable data that has been made available to us however in the rare occasions where this has not been possible we have estimated data by using approved approaches as recommended in the SECR Guidelines such as direct comparison, pro-rata extrapolation or benchmarking.

#### Energy Efficiency Action:

There have been ongoing measures to improve water pumping efficiency (our biggest single use of electricity) through pump refurbishment and installation of new Variable Speed Drive pumps; plus involvement in EU-funded Greener Waterways Infrastructure project collaborating with other operators.

Roll-out of smart meters to our buildings and facilities has continued so we have better data on energy usage across all our sites.

Ongoing investment in energy efficiency in buildings has also been taking place – refurbishing with modern appliances; fitting only LED lighting; and gaining greater control of heating / cooling.

A review of operational property requirements is underway; and investment to ensure our tenanted commercial estate complies with new Government requirements on Energy Performance Certificate standards for let estate.

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

### Trustees

#### Allan Leighton, Chair

**Appointed as Chair:** September 2015  
**Term:** Third  
**Committee Membership:** Joint Council & Trustees Appointments Committee, Investment Committee  
**Skills and Experience:** Allan is the Chair of the following Boards: Co-operative Group, Allbright Group Limited, C&A Cofra Holding AG, Simba Sleep, Northern Bloc Ice Cream Limited, and Element Materials Technology. He was formerly the CEO of Asda plc, Chairman of the Royal Mail, Pandora AS and has also held a number of Non-Executive Chairmanships including lastminute.com, Dyson Ltd and BskyB Group plc. Allan 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, was awarded a Doctor of Letters from York St John University and an Honorary Fellowship from the University of Lancashire. He is a keen canal runner.

#### Dame Jenny Abramsky, Deputy Chair

**Appointed:** September 2016  
**Term:** Second  
**Committee Membership:** Joint Council & Trustees Appointments Committee (Chair), Audit & Risk Committee  
**Skills and Experience:** Jenny is Chair of the Royal Academy of Music. She served six years as Chair of the Heritage Lottery Fund/National Heritage Memorial Fund, among other voluntary roles. Jenny has also been the BBC's director of radio and music after running the BBC's 24 hour news service. Jenny sits on the Trust's Audit & Risk Committee and is Chair of the Joint Council and Trustee Appointments Committee.

#### Nigel Annett, CBE, Trustee

**Appointed:** September 2016  
**Term:** Second  
**Committee Membership:** Audit & Risk Committee, Investment Committee  
**Skills and Experience:** Nigel was the Chair of the Bwrdd Glandŵr Cymru until September 2019. He is a member of the Audit and Risk Committee and the Investment 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 in 2001, a move which resulted in the water industry in Wales being owned on behalf of its customers.

#### Ben Gordon, Trustee

**Appointed:** September 2014  
**Term:** Second  
**Committee Membership:** Remuneration Committee (Chair)  
**Skills and Experience:** Ben is Chair of Heal & Son Limited 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 a Non-Executive Director of Britvic plc and of St Ives plc. Prior to that he had senior management positions in WHSmith plc and L'Oréal SA in the UK, USA and France. Ben has an MBA from INSEAD and is a Member of the Institution of Civil Engineers. Ben is Chair of the Trust's Remuneration Committee.

#### Janet Hogben, Trustee

**Appointed:** September 2016  
**Term:** Second  
**Committee Membership:** Joint Council & Trustees Appointments Committee, Remuneration Committee  
**Skills and Experience:** 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. Janet is a member of the Trust's Appointments Committee and Remuneration Committee and also the Board's representative on the Waterways Ombudsman Committee.

#### Sir Chris Kelly, Trustee

**Appointed:** September 2017  
**Term:** First  
**Committee Membership:** Audit & Risk Committee (Chair)  
**Skills and Experience:** Chris is the Senior Independent Director 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. Chris is the Chair of the Trust's Audit & Risk Committee.

#### Jennie Price, CBE, Trustee

**Appointed:** September 2018  
**Term:** First  
**Committee Membership:** Audit & Risk Committee  
**Skills and Experience:** Jennie is a Barrister by training and was formerly CEO of Sports 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. Jennie is a member of the Trust's Audit & Risk Committee.

#### Tim Reeve, Trustee

**Appointed:** September 2016  
**Term:** Second  
**Committee Membership:** Investment Committee  
**Skills and Experience:** Tim is the 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 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 studies at the Institute of Archaeology (UCL) and INSEAD on its International Executive Programme. He is also a Trustee of Paintings in Hospitals. Tim is a member of the Trust's Investment Committee.

#### Sarah Whitney, Trustee

**Appointed:** September 2018  
**Term:** First  
**Committee Membership:** Investment Committee  
**Skills and Experience:** Sarah 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 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. Sarah is the Chair of the Trust's Investment Committee.

**Susan Wilkinson, Trustee****Appointed:** September 2017**Term:** First**Committee Membership:** Remuneration Committee**Skills and Experience:** Susan 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 Navy

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 and the Trust's nominated Safeguarding Trustee.

**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 portfolio of investments in property, joint ventures and diversified assets. Stuart also looks after the utilities, commercial water, business boating and direct managed moorings activities which generate significant income for the Trust along with our nationally significant collection and archive. 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 joining the Executive Team in 2008. Stuart is additionally a Trustee of Sustrans.

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

Julie is responsible for the operations 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.

**Steve Dainty****Finance Director**

(from September 2019)

Steve is responsible for finance including all matters relating to taxation and pensions. He also looks after audit and risk, IT and procurement. Steve spent over sixteen years in the commercial sector at GKN where he held several senior finance and general management positions with global responsibility including Finance Director of the Wheels & Structures division. Prior to this, he was employed by KPMG as part of the UK audit and advisory team, where he qualified as a Chartered Accountant.

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

Heather has executive accountability for: developing, driving & communicating the Trust's overall strategic direction; building the Trust's strategic plans, campaigns and evidence base; growing our supporter base and our statutory and voluntary income; engaging with key policy and decision makers, partners and stakeholders at different spatial levels; as well as influencing outcome generation and placemaking through planning and design. She oversees: strategy; marketing and supporter development; policy and public affairs; insight and evidence; strategic performance and reporting; spatial and statutory planning functions; and planning and urban design consultancy functions within the Trust. Heather joined British Waterways (the predecessor to the Trust) in 1997, after working for an urban development corporation which was charged with delivering large scale area-based urban regeneration in the Black Country.

A chartered town and regional planner, with a MSC in Historic Conservation and postgraduate diploma qualification in urban design, she has gained extensive experience in strategic and statutory planning, property-based urban regeneration, place-making and partnership working with the Trust. Heather is an appointed member representative on the Board of H2O Urban and is a Trustee Director of the Roundhouse in Birmingham.

**Departed Executive Team Members****Sandra Kelly****Finance Director**

Sandra retired from the Trust in October 2019.

**Mike Gooddie****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.

## Council Membership at 31 March 2020

### Elected Members

Boating Business	Heather Duncan	Business boating
	Carl Onens	Business boating
	Tim Allen	Private Boating
	Phil Prettyman	Private Boating
Private Boating (elected)	Helen Hutt	Private Boating
	Dave Mendes da Costa	Private Boating
Volunteers	Ian McCarthy	Volunteers
	David Williams	Volunteers
Angling/Fishery	David Kent	Angling/Fisheries
Friends	Stella Ridgway	Friends
Employee	John Ellis	Employees

### Nominated Members

Co-opted	Duncan Mackay	Co-opted
	Tracey Clarke	Co-opted
	Louis Howell	Co-opted
Private Boating (nominated)	Richard Atkinson	British Canoeing
	Andrew Phasey	Assoc. of Waterway Cruising Clubs
Inland Waterways Association	Neil Edwards	Inland Waterways Association
	Mark Riches	Country Land & Business Assoc.
Other supporters	Gemma Cantelo	Ramblers
	Sophie Gordon	Cycling UK
	Tim West	CBOA
Historic Environment	Nigel Crowe	Institute of Historic Building Conservation
	Patrick Moss	Railway & Canal Historical Society
Natural Environment	Jim Lamb	CIWEM
	Ali Morse	The Wildlife Trusts
Local Government	Cllr Peter Thornton	Local Government Association
	Graeme McDonald	Society of Local Chief Execs
Wales	Steve Thomas	Wales
Health and Wellbeing	Gavin Atkins	Mind
Youth Engagement	Joe Porter	Step Up to Serve

### Regional Advisory Boards, Ex Officio

East Midlands	Anil Majitha	N/A
London & South East	Sir William Atkinson	N/A
North West	Prof. Nigel Weatherill	N/A
South West	David Hagg	N/A
West Midlands	John Hudson	N/A
Yorkshire & North East	Vacant	N/A

### Departed Council Members

David Kent (until March 2020)	Angling Trust (from March 2020 the Angling Trust post was replaced with an elected fisheries/angling post)	Cllr Roger Lawrence (until March 2020)	Local Government Association
Peter Hugman (until July 2019)	Co-opted member, Freight	Peter Brown (until March 2020)	Railway & Canal Historical Society
Caroline Schwaller (until November 2019)	Chair, Yorkshire & North East Regional Advisory Board	David Gibson (until March 2020)	Ramblers Association
Charles Trotman (until March 2020)	Country Land & Business Association	Paul Wilkinson (until December 2019)	The Wildlife Trusts
Matt Mallinder (until September 2019)	Cycling UK	Vaughan Welch (until March 2020)	Private Boating Elected Representative
John Yates (until March 2020)	Institute of Historic Building Conservation	Nigel Hamilton (until March 2020)	Business Boating Elected Representative

## National Advisory Group Membership at 31 March 2020

### Advisory Groups

Environmental	Ed Mitchell (Chair) Rafid Al Khaddar Caroline Essery Lindsay Frost Bruce Lascelles Duncan Mackay Matt Buckler	Navigation	Mike Carter (Chair) Sue Cawson Kevin East David Fletcher Gareth Jones Nigel Stevens Lee Wilshire Stephen Wood
Museums	Sam Mullins (Chair) Jonathan Bryant Emma Chaplin Bill Ferris Rob Lansdown Andrew Lovett Marilyn Scott Dr Matthew Tanner MBE Robert Turner	Youth Engagement	Louis Howell (Chair) Ellie Alvarez Frances Craven Chloe Donovan John Downes Michelle Hemmingfield Vanessa Joseph Lisa Putnam Kristen Stephenson Kayleigh Wainwright
Fisheries & Angling	Professor Ian Trayer (Chair) David Kent Michael Heylin Alan Hughes Dennis Hunt Kye Jerrom David Ottewell Mark Parry Andy Strickland Andy Wedgbury		

**Regional Advisory Board at 31 March 2020**

East Midlands	Anil Majithia (Chair) Kathryn Dodington Ahtesham Mahmood Andy Oughton Shirley Rogers Jane Stubbs	South West	David Hagg (Chair) Chris Brierley David Fearn Lois Francis Edward Helps Bryony Houlden Mary Hutton
London & South East	Sir William Atkinson (Chair) Jenny Ballinger David Brough Jim Crooks Louis Howell Matthew Hunt Dick Pilkinton Dominic Pinto	West Midlands	John Hudson (Chair) Philip Bateman Campbell Boyle Ewan Hamnett John McNicholas Imran Mirza Helen Paterson John Yates Waseem Zaffar
North West	Professor Nigel Weatherill (Chair) Tayo Adebawale John Hatton Peter Jordan Nick Mead Gerry Proctor Peter Rowlinson Keith Sexton Audrey Smith Iain Taylor	Yorkshire & North East (Chair vacant)	Hilary Brooke Adrian Curtis Trevor Roberts Robin Stonebridge Caroline Thorogood

**Bwrdd Glandŵr Cymru Membership at 31 March 2020**

Bwrdd Glandŵr Cymru	Steve Thomas (Chair) (from September 2019) Ruth Hall Carys Howell Phil Hughes Peter Ogden Paul Thomas Celia Jenkins
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**Supporters of the Canal & River Trust**

Thank you to everyone that has donated, volunteered or supported our work. Volunteers, youth and community groups, canal societies and clubs have joined with us to help transform our canals and rivers, these unpaid hours have made our work possible. We are very grateful 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 etc (£1,000+)**

Aim Association of Independent Museums	Manchester City Council
The Angling Trust	Maritieme Academie Harlingen
Arts Council England	Mellor Mill Heritage Park
Bath & North East Somerset Council	Millie's Watch Trust
Blackburn With Darwen Borough Council	National Arts Collection Fund
Bristol City Council	National Assembly for Wales
Burnley Borough Council	Oxfordshire County Council
Calderdale Council	Pendle Borough Council
Calderdale MBC	People's Powerhouse
Centro	Powys County Council
Cheshire East Council	Royal Borough of Kensington & Chelsea
Cheshire West & Chester Council	Rural Payments Agency
Cotton Industry War Memorial	Severn Rivers Trust
Cumbria County Council	Shropshire Union Canal Society
Denbighshire County Council	Sport England
Derbyshire County Council	Stoke-on-Trent City Council
Drapers charitable grant	Sustainable Eel Group
East Hertfordshire District Council	Swansea Canal Society
Environment Agency	Thames Water
Gloucester City Council	The Aloisia Trust
Gloucester County Council	The Waterloo Foundation
Grantham Canal Society	Transport for London
Heritage Lottery Fund	University of Manchester
Highways Agency	University of Hull
Hyndburn Borough Council	Visit Wales
John Heap Charitable Trust	Walsall Metropolitan Borough
Leeds City Council	Weavers Benevolent Fund
Leicester City Council	Wellesley
Liverpool Biennial	West Berkshire District Council
The Boltons Trust	West Yorkshire Passenger Transport Executive
London Borough of Brent	Wiltshire County Council
London Borough of Ealing	Wolverhampton City Council
London Borough of Tower Hamlets	Wrexham County Borough Council



## 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 LLP  
Two Snowhill  
Birmingham  
B4 6GA

### Internal Auditors:

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

### Investment Managers:

Partners Capital  
5 Young Street  
London  
W8 5EH

As we look towards the 2020s, we know that the foundation we have laid so far gives us a strong platform from which to build a powerful case for ongoing Government funding – as well as the satisfaction of seeing such a vital part of our nation's history take on a new purpose, to enable people to appreciate it on their doorstep, and to make their lives better by water.

# Canal & River Trust

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