

INLAND WATERWAYS ASSOCIATION

(A company limited by guarantee)

**Report
and
Financial Statements
Year ended 31 December 2018**

Company Number 612245

Registered Charity Number 212342

Head Office: Island House, Moor Road, Chesham, Buckinghamshire, HP5 1WA

www.waterways.org.uk

Campaigning for the Conservation, Use, Maintenance, Restoration and Development of the Inland
Waterways

The Inland Waterways Association (Limited by guarantee)

Contents

	Page
Key Facts	1
Statement of Public Benefit	2 - 5
Legal and Administrative Details	6 - 7
Structure, Governance and Management	8 - 10
Strategy	11 - 14
Review of 2018 Objectives	
Plans for 2019	
Financial Review	15 - 18
Financial Review 2018	
Key Policies	
Trustees Responsibilities	19 - 20
Independent Auditors' Report	21 - 23
Consolidated statement of financial activities (incorporating Income and Expenditure Account)	24
Consolidated and charity balance sheets	25
Consolidated statement of cash flows	26
Notes to the financial statements	27 - 45

The Inland Waterways Association (Limited by guarantee)

Key Facts

	2018	2017
Membership as at 31st December	12,499	13,065
New members	504	412
Income	£1,944k	£1,607k
Includes:		
Membership Subscriptions	£336k	£339k
Legacies	£480k	£328k
Navigation Income and related grants	£749k	£586k
Expenditure	£1,695k	£1,686k
Includes:		
Campaign and restoration costs	£924k	£1,044k
Membership Support Costs	£121k	£115k
Navigation Management Costs	£616k	£506k
Employees		
Total (Full Time Equivalent)	22	21
Inland Waterways Association	13	14
Essex Waterways Ltd	9	7
Assets		
Tangible Fixed Assets	£300k	£343k
Investments	£1,270k	£1,154k
Cash at Bank – Total Group	£565k	£622k
Of which Cash at bank – Regions and Branches	£173k	£174k
Funds		
Total Funds	£2,169k	£1,982k
Restricted	£351k	£331k
Designated	£253k	£322k
Unrestricted	£1,565k	£1,328k
Regions		
Number of regions as at 31 st December	8	8
Branches		
Number of branches as at 31 st December	33	33

The Inland Waterways Association (Limited by guarantee)

Statement of Public Benefit – Objectives and Activities

The Board of Directors the members of which are the charity's trustees and directors of The Inland Waterways Association (IWA), are pleased to present our report, which incorporates the report of the directors for the purposes of company law and the consolidated accounts for the year ended 31st December 2018.

In producing this report, we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

WHO WE ARE

IWA is a membership charity governed and run by volunteers and supported by a small team of employees. As a charity we campaign to protect and restore the country's 6,500 miles of canals and rivers.

Founded in 1946, IWA is a membership organisation that comprises individual and corporate members. Many of the corporate members are waterways-related businesses, charitable societies and groups interested in waterway restoration. IWA's membership represents all of the diverse interests of individuals and organisations with ambitions to regenerate our waterways and make them better for generations to come.

The Association was founded on campaigning principles and since our inception over 500 miles of derelict waterway have been restored. The canals and rivers of England, Wales and Scotland are managed and maintained by a variety of navigation authorities. IWA works closely with them all to influence policy and decision making whilst challenging these bodies to act in the best interests of the waterways and their users. We also work with other waterway groups, plus a wide range of national and local authorities, voluntary, private and public sector organisations. The Association's subsidiary company Essex Waterways Ltd became a navigation authority itself when it took over management of the Chelmer & Blackwater Navigation in 2005; the waterway is now run on a not-for-profit basis for the benefit of the local community.

IWA actively encourages waterway restoration by providing advice, guidance and hands-on, practical support to local restoration groups. IWA's Restoration Hub was formed in 2017 to champion waterways restoration and provide access for restoration groups to the collective knowledge and skills of our active volunteer base, including professional experts, as well as of staff. This includes our Waterway Recovery Group which has a long-established reputation in practical waterway regeneration, organising a substantial yearly programme of week-long waterway restoration holidays, training for volunteers around the country and carrying out work parties on most weekends through regional groups.

IWA has a vibrant and active national branch network. Branch volunteers organise work parties, hold events, monitor and challenge planning applications that might be detrimental to the waterways heritage or usage, organise waterside walks and liaise with many local groups and societies with waterway interests. Our branches also work with IWA's national committees to implement and support our strategic objectives.

The Inland Waterways Association (Limited by guarantee)

Statement of Public Benefit – Objectives and Activities

IWA relies on the support of our members, donors and volunteers, as well as income from grant-making bodies and commercial activities such as our IWA shop to make our waterways better. Over one third of IWA's membership income is used to cover the administration costs of membership. The remaining income is put towards IWA's campaigning and restoration expenditure but covers just under 23% of costs. A further 61% of our essential charitable work is covered by gifts in wills. This leaves 16% to be covered by donations, grants and income from IWA's investments.

IWA'S VISION FOR THE WATERWAYS

IWA aspires to deliver *a thriving, growing network of sustainable inland waterways for everyone.*

IWA'S PURPOSE

IWA intends to be a powerful champion of inland waterway causes; to protect and expand our waterways for the millions of people who enjoy and benefit from using them.

KEY AREAS OF OUR WORK

IWA focusses on four key areas to help us fulfil our purpose and make our vision a reality:

1. Speaking for the waterways
 - Promoting a 'vision for the waterways'
 - Being 'guardians of the waterways'
2. Protecting our waterways
 - Working to achieve well managed waterways
 - Conserving the heritage and environment
3. Restoring our waterways
 - Creating a healthy, vibrant restoration sector, resulting in more restored waterways
4. Inspiring increased usage of our waterways
 - Inspiring a wide range and increasing number of people to enjoy the waterways in many different ways and promoting understanding and cooperation between different users
 - Encouraging all users to support the waterways by actively volunteering to support and improve them

2018 IN SUMMARY

2018 was a positive year. It was the first full year of operation with IWA's new logo and branding, which was officially launched in November 2017. With the new branding came a more integrated approach across the organisation with Essex Waterways, Waterway Recovery Group and Chelmer Cruises (part of Essex Waterways) all using the new propeller icon and fonts. Investment was made in new marketing materials, gazebos and merchandise, giving IWA an instantly recognisable identity in day-to-day activities and at events.

IWA was active in campaigning during 2018, starting with the success of saving the river frontage at Ely from being sold by the Environment Agency to private bidders. This was closely followed by IWA's support and campaigning to give the Middle Level Bill Royal Assent and enable the Middle Level Commissioners to have better waterway management powers and increased provision of facilities and moorings in connection with their navigation function.

Statement of Public Benefit – Objectives and Activities

Another lobbying success unfolded much further north, following Scottish Canals' closure of the Forth & Clyde Canal as a coast-to-coast through-route due to their inability to repair two electrically operated lift bridges. The Scottish Government found £1.6 million to carry out repairs but meanwhile Scottish Canals threatened the closure of sections of the Lowland Canals claiming insufficient use. In November 2018, Transport Scotland announced that an additional £5.35 million had been identified for capital funding for Scottish Canals, including major repairs on the Caledonian Canal. Whilst we welcomed this announcement we will continue to campaign for the ongoing maintenance and upkeep of all the waterways managed by Scottish Canals, particularly the Lowland Canals, so that all the associated benefits to the economy and local communities which have been realised since their restoration are not lost.

Alongside Canal & River Trust and other organisations, IWA petitioned the government with regard to HS2 Phase 2A (West Midlands – Crewe) requesting the reduction in height of proposed viaducts to limit noise propagation over a wide area and to reduce visual impact along the Trent & Mersey Canal near Fazeley. The request was agreed.

Anglian Waterways (managed by Environment Agency) was a focus for the year, with multiple campaign cruises on the Old Bedford River to reopen Welches Dam Lock and our IWA Festival of Water on the Great Ouse in St Neots. The Festival also saw the launch of proposals for a new Boston to Peterborough Wetland Corridor.

Growth in usage of lesser-used waterways, both connected and isolated, was the aim of IWA's Silver Propeller Challenge, launched in March 2018, to encourage people with boats and other craft to visit those sections of canal and river which see lighter waterway traffic. More people will be encouraged to take on the challenge in 2019 with more locations to visit to be added to the list.

2018 was a successful year for our Waterway Recovery Group's Canal Camps, which operated their first programme of Family Camps. These were met with a significant level of interest and will be continued in subsequent years, adding extra camps where possible. These camps have increased the level of youth engagement within IWA and have set the scene for further youth engagement work as outlined in our 2019 objectives.

During 2018, Restoration Raffle money raised in 2017 was spent on increasing the visibility of our Restoration Hub. This was further enhanced by a £53,073 grant from Historic England. With this money, we were able to expand our Restoration Hub's work and take on an extra member of staff with expertise in worksite planning and safety.

Money was drawn down in 2018 from a number of legacies including the J Faulkner legacy which has been instrumental in improving the Northampton Arm of the Grand Union Canal. In 2018, this particular legacy helped IWA Northampton Branch to commission a mural on the underside of a bridge under the M1, painting over graffiti and dramatically improving the area. This is the fourth installation in an ongoing project to encourage visitors, both on and off the water, to the area.

Member engagement was high in 2018. There was a strong response to the IWA Gap Tracker survey, asking members for information on areas where boaters' facilities are lacking or requiring improvement. Members were also active in assisting in a letter writing campaign about a road development that would adversely affect the proposed Bedford to Milton Keynes Waterway Link.

The Inland Waterways Association (Limited by guarantee)

Statement of Public Benefit – Objectives and Activities

Highlights of 2018

- Launch of the Silver Propeller Challenge
- Launch of IWA's Facilities Gap Tracker Survey
- Restoration Hub High Level Panel
- Planning Advisory Panel

IWA's Waterway Recovery Group ran 24 camps and a multitude of week work parties and events throughout the country, delivering over 40,000 volunteer hours across the whole of its activities.

A THANK YOU TO ALL IWA SUPPORTERS

Much of our work, and that achieved through our subsidiary Essex Waterways Ltd, would not be possible without the hundreds of volunteers who keenly devote many thousands of hours and days work to champion, protect and restore our waterways. Activities range from detailed committee work to organising festivals and major events, and from physical restoration work on derelict canals to fundraising activities. We want to record our heartfelt thanks for the unfailing support of waterway groups, corporate members and other bodies as well as members and other individuals who have substantially supported the work of the Association and its subsidiary company.

IWA AWARDS

IWA's awards for 2018 were presented by the national chairman at the AGM:

The **Cyril Styring Trophy**, the Association's premier award, which is awarded to an IWA member who has made an outstanding contribution to the Association's campaign, was awarded to Audrey Smith OBE. Audrey's on-going dedication to the waterways over many years, including a period as IWA's Chairman were commended.

Richard Bird Medals are awarded to members whose efforts and support are considered to have brought significant benefit to the Association over a sustained period of time. This year, Richard Bird Medals were awarded to Peter Bowers, Roger Mungham, Lesley Taylor and Roger Wilkinson.

The **Branch Achievement Award**, awarded annually to an IWA branch that has made the greatest progress and achievement in promoting the Association's aims and objectives during the past year, was awarded to IWA Northampton Branch. The branch's adoption of the 4.8 mile long Northampton Arm of the Grand Union Canal has led to its transformation. Their continuing and innovative support has led to the installation of a mosaic trail and a motorway bridge has been given a new lease of life with the addition of a mural showing a historic timeline of Northampton through the ages.

The **Christopher Power Prize** and a cheque for £1000, awarded to a person, society or trust who has made the most significant contribution to the restoration of an inland waterway, was awarded to Cotswold Canals Trust. Described as a restoration group that is perhaps achieving more at this time than any other restoration group in the UK, the formal reopening at Wallbridge Lock in Stroud by Prince Charles of the first phase in the restoration of the Cotswold Canals, and the successful first round bid for the next tranche of a substantial National Lottery Heritage Fund grant, were successes that drew the attention of the Awards Panel.

The Inland Waterways Association (Limited by guarantee)

Legal and Administrative Details

DIRECTORS AND TRUSTEES

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout the report and accounts are collectively referred to as the trustees.

The trustees serving during the year and since the year-end were as follows:

Trustees	Rt Hon Sir Robert Atkins Richard Barnes Ivor Caplan Raymond Carter Leslie Etheridge (until October 2018) Roger Holmes (until November 2018) Christopher Howes Michael Palmer David Pullen (until March 2018) Paul Rodgers Nicola Schiessel Harvey (from November 2018) Peter Scott Roger Stocker (from November 2018) Gillian Smith (until November 2018) Jonathan Smith (until November 2018) Verna Smith Paul Strudwick Helen Whitehouse
-----------------	---

Company Secretary	Neil Edwards
--------------------------	--------------

Chief Executive	Neil Edwards
------------------------	--------------

Reference and administrative details

Company number	612245
-----------------------	---------------

Charity number	212342
-----------------------	---------------

Registered office	Island House Moor Road Chesham Buckinghamshire HP5 1WA
--------------------------	--

The Inland Waterways Association (Limited by guarantee)

Legal and Administrative Details

Auditors	Saffery Champness LLP St John's Court Easton Street High Wycombe Buckinghamshire HP11 1 JX
-----------------	---

Bankers	Barclays Bank PLC 8 Market Place Kettering NN16 0AX
----------------	--

Investment advisers	Quilter Cheviot 1 Kingsway London WC2B 6AN
----------------------------	---

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

ORGANISATION

The Board of Trustees consists of 13 members elected by the Association's members. Trustees usually meet once every two months and met five times during 2018.

There are four principal committees of the Board of Trustees:

- Finance Committee
- Marketing Committee
- Navigation Committee
- Waterway Recovery Group

Each of these committees usually meets five to six times per annum. In addition, waterway restoration programmes are supported by IWA's Restoration Hub and advisory panel.

There are also a range of other national committees, sub-committees, working groups and advisory panels reporting direct to trustees, including Remuneration Committee and Events Committee, or reporting to other parts of the Association.

A chief executive is appointed by the trustees to manage the day-to-day operations of the charity and its subsidiary companies. To facilitate effective operations, the chief executive has the delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

APPOINTMENT OF TRUSTEES

The trustees have drawn up a scheme for the election of trustees with terms of office usually being for three years with a maximum of four consecutive terms before a three year break must be taken. The elections for trustees are staggered over a three-year period. All trustees are members of the Association. No trustee appointments are made by outside bodies.

TRUSTEE INDUCTION AND TRAINING

New trustees are provided with informal guidance from existing trustees and a list of documents for recommended study is provided from the Association's Head Office. New trustees are invited to attend induction days.

TRUSTEE REMUNERATION AND INSURANCE

No trustee received any remuneration in respect of services to the Association, other than reimbursement of expenses incurred in providing such services. A premium in respect of trustee indemnity insurance for members of the trustee board of £1,429 including Insurance Premium Tax was paid during the year (2017: £1,403).

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

PRINCIPAL APPOINTED OFFICERS

National Chairman: Ivor Caplan
Deputy National Chairmen: Paul Strudwick, Richard Barnes
National Treasurer: Jonathan Smith (until November 2018)
Raymond Carter (from November 2018)

Day to day management of the charity is delegated to the following senior employees:

Chief Executive: Neil Edwards
Finance Manager: Andrew Overy (until December 2018). Eileen Holland (from January 2019)
Marketing Manager: Alicen Stenner
Restoration Hub and Volunteer Co-ordinator: Jenny Morris
Administration Manager: Tracy Higgin
Navigation Manager (Essex Waterways Limited): David Smart (until February 2019). David Hewitt (from February 2019)

More detailed information concerning committees of the board of trustees and committees can be found on our website at https://www.waterways.org.uk/about/organisation/organisation_chart
Edited minutes of trustees meetings and meetings of the board of directors of Essex Waterways Ltd can be found at https://www.waterways.org.uk/information/minutes_of_meetings/minutes_of_meetings.

GOVERNING DOCUMENTS

The Inland Waterways Association is a company limited by guarantee governed by its Articles of Association dated 2 October 1958 and subsequent amendments, the most recent of which was approved at the AGM on 24th September 2016. The Articles now include the former Memorandum of Association. IWA is registered as a charity with the Charity Commission. Each member agrees to contribute £1 in the event of the charity winding up.

RELATED PARTIES

The Inland Waterways Association has two trading subsidiary companies:

- Essex Waterways Limited which began trading in November 2005, looks after the Chelmer & Blackwater Navigation. The Company enjoys the support of Chelmsford City Council, Essex County Council, Essex & Suffolk Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.
- Inland Waterways Enterprises Limited began trading in August 2017. Its principal business is to undertake certain commercial activities to support IWA.

The boards of both companies are appointed by IWA's trustees.

The charity and its subsidiary companies have no contractual arrangements with any other party that materially affects the management of the Association or the subsidiary companies. It is the Association's policy to work closely with all other inland waterway interests, including navigation authorities, local and national government and its agencies, private and public landowners, commercial boating and other waterside businesses, voluntary organisations and others to promote the conservation, use, maintenance, restoration and appropriate development of the inland waterways.

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

The Inland Waterways Association nominates trustees to a number of inland waterway related charities, and appoints representatives to attend the governing meetings of a number of other organisations and bodies. These appointments are individually approved by trustees for fixed periods, with appointees usually being eligible for reappointment.

KEY RISKS

The trustees have a risk management strategy which comprises:

- A full annual review of the principal risks and uncertainties that the charity and its subsidiary companies face, which is supplemented by occasional more detailed reviews of each of the single top five risks;
- The establishment of risk owners, policies, systems and procedures designed to mitigate those risks identified; and
- The implementation of procedures designed, where possible, to minimise or manage any potential impact.

The key risks identified:

- In the current challenging economic and political background, it is vital for the Association to **maintain a clear and compelling vision**. Through 2017 IWA developed its longer term vision as discussed earlier; 2018 was the first year of implementation.
- that **all parts of the organisation understand their roles and they are fully aligned to the vision**. As a multi-layered organisation we need to ensure that the diversity of interests, passions and knowledge are employed to effectively deliver our mission.
- that the organisation has a clear strategy in place to **maintain a healthy pool of trustees, volunteers and staff**. As the life blood of the Association, we must encourage participation in IWA activities across the waterways, ensuring as an organisation we are utilising their diverse skills effectively.
- the **Association needs to establish diverse and reliable sources of income**. Membership is the largest and most stable income, but legacies, fundraising and campaign activities also provide a key source of revenue necessary to deliver our objectives. The Association is focussed on growing all revenue streams.
- the **Association maintains its systems and processes** necessary to meet the changing regulatory environment and requirements of our staff, volunteers and users. 2018 saw particular focus on data protection and fundraising regulations, as well as reviewing how the Association's infrastructure may need to change to meet the revised objectives as set out above.

The management of each risk is assigned to an individual trustee, or group of trustees, who have established action plans to mitigate the risks as far as possible.

Attention has also been focussed on non-financial risks arising from the Health and Safety of the general public, volunteers and employees, safeguarding and equal opportunities. These risks are managed by (a) ensuring that training and competence requirements are up to date and in place, (b) by the provision of written guidance, (c) ensuring that there is extensive health and safety information on IWA's website, and (d) by site specific risk assessments undertaken for all activities.

REVIEW OF 2018 OBJECTIVES

In 2017 we outlined our strategic themes and shared a set of five year objectives to take us on a path to achieve our vision. Our 2018 objectives formed part of this five year plan.

SPEAKING ON BEHALF OF THE WATERWAYS

IWA aims to show politicians, funders and key decision makers just how important our inland waterways are economically, socially and environmentally.

THE LAUNCH OF WATERWAYS IN PROGRESS

Our "Waterways in Progress" report was published to engender support for waterways restoration and provide a valuable set of resources for the waterway restoration community. With a foreword from David Suchet, IWA Vice President, the report aspired to demonstrate that *"Restoration schemes are not just a means to an end; they have a life of their own and can bring quantifiable benefits at every stage"*.

Using case studies from across the waterways network, from canals both restored and still striving towards completion, Waterways in Progress seeks to spell out how well thought-out, partial restoration initiatives can start to deliver right from day one.

Report findings were initially launched at the World Canals Conference in Ireland, presented by IWA trustee Mike Palmer. IWA's AGM audience was delighted to hear the case studies, including that of Ebley Mill, as part of a joint presentation with Stroud District Council's Dave Marshall. Written up as a double page spread in *The Observer*, the approach captured interest beyond the restoration community. The report was launched to the wider restoration community at the Restoration Conference in April 2019, jointly organised by IWA and Canal & River Trust, as well as at an IWA organised reception for MPs and Lords at the House of Commons in May 2019.

UNDERSTANDING THE VALUE OF THE WATERWAYS

The value of the inland waterways is demonstrated in a literature review researched during 2018 and set to be published by IWA in 2019. Containing a summary of the many reports and research documents that have already been written to showcase the benefits that a river or canal brings to an area, we have discovered two main areas that we feel have room for further investigation: **waterways heritage**; and **the benefits of 'active' waterways** (i.e. with boats navigating the water). These are two areas that IWA will be focussing on over the next few years.

IMPROVING BOATER FACILITIES

We are also campaigning for wide scale improvements to waterways facilities including recycling sites. In May 2018 IWA's GapTracker Facilities survey was launched and throughout the remainder of the year over 400 detailed responses were received from our branches, members and supporters via social media, online and in person. An overwhelming 84% of the survey responses were about water points, rubbish disposal or portable toilet emptying, indicating a strong demand for those basic facilities to be provided by navigation authorities. The feedback covered facilities provided by nine different navigation authorities. These results are being followed up with each of the navigation authorities, who have all welcomed the findings.

PROTECTING

IWA has continued to lobby and campaign to safeguard our historic waterways environment and individual buildings and structures of merit. This has largely been achieved through our comprehensive network of branches and the eagle-eyed scrutiny of knowledgeable local, volunteer planning advisors on our branch committees.

IDENTIFICATION OF HERITAGE AT RISK

The first steps were taken in 2018 towards the formation of IWA's new Heritage Advisory Panel to sit alongside the Restoration High Level Panel and Planning Advisory Panel. The trustees' vision was to use the expertise of invited panel members to encourage a greater understanding of the overall significance of waterways heritage and to suggest additional research required on the subject. IWA intends to make a case for the importance of waterways heritage at the highest levels in government, navigation authorities and other agencies. Four panel members plus IWA's National Chairman met for the first time in early 2019. Together, they understood that one of the first steps should be for IWA to uncover the real picture of the historical gems of the UK's canal network – not just canalside buildings and locks but also the signage, canal furniture and remnants of our industrial past, whether or not in the ownership of a navigation authority – to understand what has been saved, what has been lost and what is currently under threat. This work will be taken forward into 2019.

DEVELOPMENT AND PROMOTION OF VOLUNTEERING OPPORTUNITIES

Early in 2018 a new staff member was recruited as volunteer support officer to enhance our volunteer recruitment and develop a plan to increase visibility of volunteer opportunities. Our plan is to fill roles at every level of the volunteer structure to ensure we have the capability to fulfil our "protecting" objectives. New materials were designed and partnerships developed with volunteer organisations to promote opportunities across the Association. Use of new technology has been seen as a core way of encouraging volunteer engagement to allow volunteers with full time jobs or who might need to travel longer distances to meetings, to get involved with our committees. Webinars have been used for training and meeting software has been trialled to enable easy access to meetings without the need for travel. This has offered the additional benefit of reduced costs.

New volunteer opportunities have been created in the form of our expert panel positions. The Planning Advisory Panel and the Heritage Advisory Panel are both new groupings and we hope to expand our volunteer expert opportunities and numbers over the coming years.

Finally, IWA plans to launch new website in late 2019. The volunteer aspects were briefed in 2018, and the website will give much greater prominence to volunteer opportunities.

RESTORING

The waterway restoration sector undertakes highly ambitious projects using volunteers. The right planning ensures health, safety and welfare management are all taken into account. Throughout 2018, IWA's Restoration Hub has focussed on site health and safety, in particular project planning and working with restoration groups to ensure they understand their responsibilities under the Health & Safety at Work Act and the Construction (Design and Management) Regulations. We have taken the following steps to achieve this:

TECHNICAL SUPPORT

We have employed a part-time Technical Support Officer with over 30 years' experience of waterways and civil engineering to support Waterway Recovery Group's volunteers in the management of Health and Safety before, and on, Canal Camps. This includes working on, and writing, the Project Plan, risk assessments and method statements. He has also supported several restoration groups in the preparation of their project plans and undertaken site visits to offer technical advice on aspects of their construction projects.

PROJECT PLANNING

To support restoration groups putting together their own Project Plans we have created a helpful guidance note and video focussed on Project Planning. The Project Plan aligns the vision of the restoration group and provides a clear focus and objectives for the project so it is a key document for groups starting out on a project. The Restoration Hub has also created a number of additional guidance notes to support restoration groups on dredging, tree safety surveys and working at height.

TRAINING

We have hosted training sessions and conferences for restoration groups: Three training sessions focussed on the importance of project planning and preparation and having the appropriate procedures in place, from running restoration projects through to engaging young people; and the Annual Waterway Restoration Conference, attended by 90 canal restoration volunteers, aimed to provide delegates with confidence in restoring and repairing canals and engaging new volunteers.

CANAL CAMPS

In 2018 WRG's Canal Camp programme featured 24 Canal Camps across 12 different waterways with volunteers contributing over 18,500 hours of active 'hands-on' canal restoration. WRG also held a 2 day 'Introduction to Lime with Brickwork Course' providing volunteers with a chance to improve their heritage bricklaying skills as well as a Plant and Technical Training Weekend attended by over 50 volunteers. WRG's Family Camps continued to build on engaging the next generation of 'canal navvies' running activities on 3 different sites for 50 volunteers who got to experience life as a modern day Navvy helping to protect, enhance and restore waterways for local communities.

INSPIRING

Most parts of our waterways are vibrant, busy places enjoyed by millions of people every year but there are still many locations where a person would be lucky to see even one boat or canoe in a week, let alone in a day. IWA wants to encourage waterways users to visit the nation's less visited waterways.

SILVER PROPELLER CHALLENGE

A list of 40 different locations were selected based on whether they fell into at least one of three main categories:

Cruise it or lose it - Places which see very few visiting boats and are located in many instances at the end of the navigation. For these locations IWA is hoping to encourage visits along the entire length of the waterway.

Knocking on the door - Locations where navigable waterways meet restoration works, proposed link projects and currently unnavigable sections. We hope to be able to remove these spots from the challenge as they become increasingly used.

Moor please – Positioned on restored sections of canals, we want to support the restorations by encouraging waterway users to get afloat and experience first-hand all that's being achieved.

Waterway users are encouraged by the challenge to visit at least 20 of the Silver Propeller Locations. This usage will help us obtain the fullest picture of the issues across the whole country such as gaps in facilities provision or navigation issues that impede usage of the full waterway such as those found by one challenge participant on the Dee branch of the Shropshire Union Canal.

Strategy

IWA will continue to add to the list of Silver Propeller Challenge locations in 2019, and intends that continued focus on the lesser-used waterways will ensure their future.

PLANS FOR 2019

Trustees set the following one year objectives for 2019, derived from our new strategic vision and long-term objectives:

SPEAKING ON BEHALF OF THE WATERWAYS

- To encourage meetings of the All Party Parliamentary Group for the Waterways to occur with greater frequency and purpose with a target of three meetings in 2019 plus meetings with local and county associations of councils.
- To publish and promote a report on the value of the inland waterways and to consider which elements of the report should be progressed further.
- Assess 'Changing use of Waterways' report and whether there is value in taking it further in 2019 based on partial information available.

PROTECTING

- Develop a firm policy and action plan for boaters without home moorings who wish to reside in one place, and vigorously campaign for it.
- Planning Advisory Panel to report on national initiatives required to ensure the inland waterways get proper recognition in the development plan process and planning applications.
- Continue campaigning through Defra and directly with government to ensure long term funding of Environment Agency Navigations. Continue dialogue with EA management to encourage them to attract new funding and to raise standards.
- Continue to promote the Silver Propeller Challenge and to seek reports back from those taking part.
- Publish a manifesto identifying solutions towards safeguarding the heritage of our waterways.
- Prepare and publish report on the 'state of the nation's inland navigable waterways' and how well they are being maintained. Widen gap tracker to look at problems with the waterways themselves. Work out what data we already have access to.
- Each branch to have a campaign issue in their area that can be widely published and reported.

RESTORING

- Raise the proportion of Canal Camp volunteers who return for a second year, demonstrating satisfaction from attending.
- Raise the number of new volunteers attending Canal Camps in 2019.
- Advertise amongst IWA membership and wider for people with professional skills to come forward with a view to appointing six new professional advisers by end 2019.

INSPIRING

- Each region to organise at least one event or promoted activity to highlight a local campaign and involve a local community that has not previously actively supported the campaign objective.

The Inland Waterways Association (Limited by guarantee)

Financial Review

FINANCIAL REVIEW

The main sources of income are subscriptions, investments, legacies and donations. Our subsidiary Essex Waterways Limited runs the Chelmer and Blackwater Navigation on a standalone basis. Its income comes mainly from mooring fees, sales of willows and grants. Both IWA and Essex Waterways Ltd have the benefit of very significant voluntary commitment.

PRINCIPAL FUNDING SOURCES

The Association's principal funding sources for 2018 were:

	Unrestricted	Restricted
	£	£
Subscriptions from members	336,348	-
Donations	56,344	12,616
Grant Income	29,012	141,576
Legacies	437,595	42,709
Investment income	29,405	1,813

Other fundraising income is shown in note 3 (page 30).

LEGACIES

The Inland Waterways Association is very grateful for bequests during the year from the estates of the following individuals. Without this generosity it would not be possible for the Association to make the significant contribution it does to protect and restore the inland waterways.

Legacies Received	£
Aileen Betty Ridout	186,604
Janet Mary Gulland	10,000
William Ingram	200
Joyce Olga Dixon	42,709
John Vernon Hamlin	46,046
Richard Alastair Wydd	200,000
Mr Brian Dean	(5,255)
(adjustment from previous year over-estimate)	
Total	480,304

Total net incoming resources available during 2018 were £1,943,812 (£1,606,831 in 2017). This enabled expenditure of £1,694,897 (£1,685,516 in 2017), but when combined with the loss on investments of £61,287 increased the Total Funds carried forward to £2,169,132.

FUNDRAISING ACTIVITIES

Most of the Association's income during 2018 was derived from membership subscriptions, legacies, grants, donations and related funds such as Gift Aid. Essex Waterways Limited made an operating surplus of £ 98,879. There were no other significant fundraising activities during the year, but modest regular incomes were achieved by branches and other parts of the Association.

Financial Review

GRANTS

The Association offers sincere thanks to the following organisations which have provided grant funds to enable and support the charity's campaigning work as well as the waterways project activities of our subsidiary Essex Waterways:

Historic England
Tesco Bags of Help
Martin Wills Wildlife Maintenance Trust
Nineveh Charitable Trust
Richard Cadbury Charitable Trust
Essex County Council
Northumbrian Water
Roger and Douglas Trust
Chelmsford City Council

INVESTMENT PERFORMANCE

The Association's investments showed a net loss of £61,287 during the year, from a portfolio value of £1,269,538 at 31 December 2018 and £1,153,706 at 31 December 2017. The Association's Investments were managed by Quilter Cheviot during the year. A full list of the investments held is provided to members of the Investment Working Group (which reports to Finance Committee) every three months. The value of listed investments was £1,259,515 at 31 December 2018 and £1,079,124 at 31 December 2017 (see financial statements note 12). Investment income amounted to £29,890 (2017 £24,636). The portfolio is judged against an agreed benchmark and given the current market volatility the trustees were content with the performance during the year. The Investment Working Group meets with the investment managers at least twice a year and will continue to closely monitor the performance against the benchmark for the forthcoming year.

KEY POLICIES

INVESTMENT POLICY

Management of the Association's investments is through Finance Committee and its Investment Working Group sub-committee. Investments are managed on a discretionary basis by Quilter Cheviot Limited which is appointed by the trustees via the Finance Committee. A summary of the Investment Policy is set out below.

1. Finance objectives are:

- for restricted and designated funds, shorter-term, invested emphasising certainty of value.
- for general funds, longer-term, invested to support the reserve policy.

2. Investment objectives are:

- to produce best financial return within an acceptable level of risk.
- to produce a total return of at least RPI plus an agreed percentage over the long term.

3. Risk

- inflation risk mitigated through investment in real assets.
- capital volatility can be tolerated if consistent with expectations.

The Inland Waterways Association (Limited by guarantee)

Financial Review

- diversification of assets is required, with a maximum concentration risk of 5% in any one investment and 10% in any one collective.
- there shall be no investment in futures, forwards, options, swaps, hedge funds and other derivatives.
- sterling is the base currency.
- a minimum A- credit rating for deposit (other than company bankers) taking institution, maximum £170k cash deposit per counterparty.
- Bond exposure should be focussed on investment grade issuers.

4. Liquidity

- a minimum 90% in assets realisable within 3 months.
- a minimum 2% in cash/near cash.

5. Time Horizon

- restricted and designated funds have a time horizon of less than 3 years
- free reserves have a time horizon of greater than 3 years

6. Ethical Policy

- invested in line with the Association's aims

7. Management, Reporting and Monitoring

- the trustees have delegated decision making to the Investment Working Group
- the Investment Working Group monitors the investment manager
- investment management is delegated to an investment manager
- performance is monitored against agreed market benchmarks and the investment objective of Retail Price Index plus an agreed percentage over the long term.

8. Approval and Review

- effective from 14th April 2017, reviewed on 27th November 2017 and 24th November 2018 and small changes were made to the equity percentages
- reviewed annually

RESERVES POLICY

The Association's unrestricted funds comprise the following:

- The General Fund, which comprises the accumulated surplus on unrestricted funds and is available for use in furtherance of the charitable objectives of the Association.
- The Regions' and Branches' Fund, a designated fund that represents funds held to enable each region and branch to carry out its regional and local activities within the scope permitted by the Articles of Association and the byelaws.
- Other designated funds, which comprise larger legacies that have not been placed in restricted funds.

Restricted funds represent monies set aside for particular projects or purposes and are administered in accordance with the instructions or intentions of the donors.

Financial Review

In order to avoid inflating the Association's reserves, where expenditure fulfils the criteria of a restricted fund, it should be taken from the relevant restricted fund, rather than from General Funds. Similarly, funds held by each branch at the end of each year should not exceed £2,000, or twice the branch's average annual expenditure over the past three years, whichever is the highest, unless the funds have been allocated (but not committed) for a specific purpose. Such allocations should not exceed a period of 12 months without an annual resolution approved by the Finance Committee. Committed funds should be current, i.e. likely to be spent within 3 years and if not spent should be reassigned. If the commitment of funds has been communicated to the recipient then it should be treated as expenditure or if raised for a specific purpose it should be transferred to a restricted fund.

The Association's income may vary from year to year due to unforeseen changes, for example in the value of the Association's investments, in membership income and in the value of donations and legacies received. Similarly, its expenditure can change, for example due to needs for major urgent expenditure on campaigning or on waterway restoration or for legal advice or legal action. The Association therefore holds reserves that enable it to continue its activities whenever the need arises and irrespective of any financial or operational difficulty the Association may be experiencing at the time.

The reserves consist of the General Fund less the funds invested in tangible fixed assets and less the value of all commitments made from the General Fund based on the risk assessments it has carried out, trustees have concluded that IWA's reserves should be set a lower limit of £350,000. The trustees have also asked the Finance Committee, whilst the Association continues to forecast an annual deficit, to closely monitor and suggest remedial action if the reserves fall below £600,000.

The free reserves of the charity as at 31 December 2018 were £1,284,701. In addition to commitments already given, trustees have planned an excess of expenditure over income for unrestricted funds of £134,000 in 2019.

Trustees will continue to review the reserves policy annually. No funds were in deficit at the year end.

The Inland Waterways Association (Limited by guarantee)

Trustees Responsibilities

Trustees Responsibilities

The Board of Trustees (who are also directors of The Inland Waterways Association for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice – Financial Reporting Standard 102).

Company law requires the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which are sufficient to show and explain the charitable company's transactions and which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the requirements of 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 are responsible for the maintenance and integrity of the corporate and financial information included on the Association's web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to Auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

Each of the trustees have confirmed that they 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 it has been communicated to the auditor.

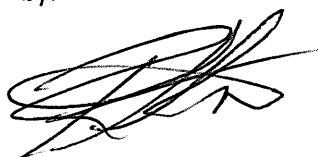
The Inland Waterways Association (Limited by guarantee)

Trustees Responsibilities

Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors of the charity.

This report was approved by the board of trustees on 29 August 2019 and signed on their behalf by:



Raymond Carter
Trustee and National Treasurer

Head Office and Registered Office:
Island House, Moor Road, Chesham,
Buckinghamshire, HP5 1WA

29 August 2019

The Inland Waterways Association (Limited by guarantee)

Independent auditors' report to the members and trustees of The Inland Waterways Association

Audit Report

Opinion

We have audited the financial statements of The Inland Waterways Association [Limited by Guarantee] (the 'company') for the year ended 31 December 2018 which comprise of The Statement of Financial Activities (including income and expenditure account), Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2018 and of its profit 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 requirements of the Companies Act 2006.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to

The Inland Waterways Association (Limited by guarantee)

Independent auditors' report to the members and trustees of The Inland Waterways Association (continued)

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption for the requirement to prepare a Strategic Report.

The Inland Waterways Association (Limited by guarantee)

Independent auditors' report to the members and trustees of The Inland Waterways Association (continued)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Karen Bartlett (Senior Statutory Auditor)

For and on behalf of
Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Date:

03.09.19

St John's Court
Easton Street
High Wycombe
Buckinghamshire
HP11 1JX

The Inland Waterways Association (Limited by guarantee)

Consolidated Statement of Financial Activities (Incorporating income and expenditure account)

For the year ended 31 December 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income					
Subscriptions, donations and legacies	3	830,287	55,325	885,612	757,032
Charitable Activities	3	49,988	141,576	191,564	147,820
Other Trading Activities	3	819,846	15,572	835,418	676,964
Investment income	3	29,405	1,813	31,218	25,015
Total income		1,729,526	214,286	1,943,812	1,606,831
Expenditure					
Raising funds:					
Other events and activities	7	4,510	2,548	7,058	3,063
Charitable trading	7	5,351	-	5,351	3,352
Navigation management costs	7	530,653	79,972	610,625	506,410
Investment management costs	7	5,092	-	5,092	6,810
Investment interest	7	595	-	595	811
Charitable Activities	5	939,573	126,603	1,066,176	1,165,070
Total expenditure	7	1,485,774	209,123	1,694,897	1,685,516
Net income/(expenditure) for the year	9	243,752	5,163	248,915	(78,685)
Transfers between funds		(14,931)	14,931	-	-
		228,821	20,094	248,915	(78,685)
Other recognised gains					
(Losses)/gains on investment assets	12	(61,287)	-	(61,287)	64,373
Net movement in funds		167,534	20,094	187,628	(14,312)
Reconciliation of funds:					
Total funds brought forward		1,650,469	331,035	1,981,504	1,995,816
Total funds carried forward		1,818,003	351,129	2,169,132	1,981,504

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 27 to 45 form part of these financial statements.

The Inland Waterways Association (Limited by guarantee)

**Consolidated and Charity balance sheets
As at 31 December 2018**

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets					
Tangible assets	11	300,388	343,293	70,387	113,260
Investments	12	1,269,538	1,153,706	1,358,338	1,268,970
		1,569,926	1,496,999	1,428,725	1,382,230
Current assets					
Stocks	13	9,616	15,511	9,616	15,511
Debtors	14	320,139	251,356	265,592	234,079
Cash at Bank and in hand		564,976	621,849	458,440	537,226
		894,731	888,716	733,648	786,816
Current liabilities					
Creditors: Amounts falling due within one year	15	(245,718)	(348,401)	(163,960)	(259,380)
Net current assets		649,013	540,315	569,688	527,436
Total assets less current liabilities		2,218,939	2,037,314	1,998,413	1,909,666
Creditors: Amounts falling due after more than one year	16	(49,807)	(55,810)	(9,015)	(9,518)
Net assets		2,169,132	1,981,504	1,989,398	1,900,148
The funds of the charity					
Unrestricted funds:					
Designated funds	18	253,049	322,108	253,049	322,108
General fund	18	1,564,954	1,328,361	1,420,002	1,275,801
		1,818,003	1,650,469	1,673,051	1,597,909
Restricted funds	17	351,129	331,035	316,347	302,239
Total charity funds		2,169,132	1,981,504	1,989,398	1,900,148

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. As permitted by s408 Companies Act 2006, the company has not presented its own Statement of Financial Activity and related notes. The Company's profit for the year was £89,251 (2017: £89,332)

Approved and authorised for issue by the Board of Trustees on 29 AUGUST 2019 and signed on its behalf by:



Ivor Caplan (Chairman)



Raymond Carter (Trustee)

Company Registration No. 612245

The notes on pages 27 to 45 form part of these financial statements.

The Inland Waterways Association (Limited by guarantee)

Consolidated Statement of Cash Flows
For the year ended 31 December 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	142,367	2,785
Cash flows from investing activities			
Bank interest received		1,328	379
Investment income received		29,890	24,636
Purchase of fixed asset investments		(358,345)	(154,582)
Purchase of tangible fixed assets		(47,418)	(203,925)
Proceeds from sale of fixed asset investments		117,739	37,250
Proceeds from sale of tangible fixed assets		-	18,172
Net cash used in investing activities		(256,806)	(278,070)
Cash flow from financing activities			
Loan for purchase of Trip Boat Victoria		-	55,000
Loan repayment including interest		(6,993)	(3,208)
Net cash used in financing activities		(6,993)	51,792
Decrease in cash and cash equivalents in the year		(121,432)	(223,493)

Analysis of net Funds

	Net Balance at 1 January 2018 £	Cash decrease in the year £	Net balance at 31 December 2018 £
Cash at bank	621,849	(56,873)	564,976
Investment cash (note 12)	74,580	(64,559)	10,021
Total Cash	696,429	(121,432)	574,997

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Inland Waterways Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

There are no material uncertainties about the charity's ability to continue as a going concern.

1.2 Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries Essex Waterways Limited and Inland Waterways Enterprises Limited on a line by line basis. Details of the subsidiary undertakings together with a summary of their income and expenditure for the year and net assets are shown in notes 4 and 12.

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants in respect of capital expenditure are credited to deferred capital grants and released to the Consolidated Statement of Financial Activities over the estimated useful life of the relevant assets. Grants of a revenue nature are credited in the period to which they relate.

For legacies, entitlement is taken as the earlier date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Association that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are approved but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then it is treated as an adjusting event and accrued as income.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid by the bank.

1.5 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are either funds held by IWA branches and regions, and WRG regional groups - to enable each region or branch to carry out its activities, or unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations, grants or similar income where the funds have been raised or the donor has specified are to be solely used for particular areas of the Association's work or for specific waterways. These are separately accounted for and described in note 17.

1.6 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including the mail order operation, festivals, navigation management and their associated support costs.
- Expenditure on charitable activities includes the costs of membership support, campaigning and restoration activities, public meetings and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.7 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance costs which support the Association's campaigning and restoration activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated have been set out in note 6.

1.8 Grants payable

Grants payable are accounted for in full to the extent that past events have created a valid expectation in other parties that the charity will honour commitments, both legal and implied and any attaching conditions are outside our control.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

1.9 Tangible Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised. Depreciation is calculated to write off the cost, less estimated residual value of fixed assets over their estimated useful lives on a straight line basis as follows:

Computer equipment	- 3 to 4 years
Plant and equipment	- 3 to 10 years
Motor vehicles	- 4 years
Buildings and leasehold improvements	- 10 years

1.10 Investments

Investments are stated at fair value at the Balance Sheet date using the closing quoted market price. The Consolidated Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.11 Stock

Stock of goods for resale has been valued at the lower of cost and net realisable value.

1.12 Life membership subscriptions

Amounts received in respect of life membership are taken to the life membership account and released to incoming resources evenly over 10 years.

1.13 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pension

The group contributes to a workplace or individual money purchase pension schemes. The pension cost charged in the financial statements represents contributions payable by the charity during the financial year.

2 Status

The Charity is a company registered in England, limited by the guarantee of each member to a maximum limit of £1 each and has no share capital. It is a registered charity under the Charities Acts 1960 and 2011.

As a Charity, tax exemption applies to the income arising from and expended on its charitable activities under Sections 466 to 493 of the Corporation Tax Act 2010.

The registered office of the charity and its subsidiary companies is:

Island House
Moor Road
Chesham
Buckinghamshire
HP5 1WA

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

3 Income

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Unrestricted funds £	Restricted Funds £	Total funds 2017 £
Subscriptions, donations and legacies						
Donations	56,344	12,616	68,960	78,135	11,743	89,878
Legacies	437,595	42,709	480,304	327,781	-	327,781
Membership Subscriptions	336,348	-	336,348	339,373	-	339,373
	830,287	55,325	885,612	745,289	11,743	757,032
Charitable activities						
Publications Income	3,760	-	3,760	4,647	-	4,647
Public meetings and other activities	17,216	-	17,216	17,811	-	17,811
Grant income	29,012	141,576	170,588	30,833	79,261	110,094
Fundraising	-	-	-	-	15,268	15,268
	49,988	141,576	191,564	53,291	94,529	147,820
Other Trading Activities						
Navigation						
Management Income	625,409	-	625,409	446,888	-	446,888
Charitable Trading	11,486	-	11,486	9,166	-	9,166
Other events and activities	182,951	15,572	198,523	207,500	13,410	220,910
	819,846	15,572	835,418	663,554	13,410	676,964
Investment Income						
Bank interest	1,328	-	1,328	379	-	379
Income from quoted investments	28,077	1,813	29,890	24,141	495	24,636
	29,405	1,813	31,218	24,520	495	25,015

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

4 Income from subsidiaries' trading activities

The Charity owns the whole of the issued ordinary share capital of Inland Waterways Enterprises Limited (company number 10382346) and Essex Waterways Limited (company number 05545459). Each company is registered in England and details of their activities are given in note 12. Inland Waterways Enterprises Limited (IWEL) started trading activities in 2017. In 2018 it generated a profit of £4,396, from revenue of £11,032 and costs of £6,636. The profit of IWEL was gifted up to the Association.

Essex Waterways Limited generated profit of £98,879 (2017: £46,222), from total revenue of £748,811 (2017: £586,025) and costs of £649,932 (2017: £540,803). Essex Waterways Limited retained all its profits from 2018 and 2017. The aggregate Balance Sheet for Essex Waterways Limited can be seen below:

Essex Waterways Limited	2018 £	2017 £
Fixed assets	229,996	230,031
Current assets	175,549	157,586
Current liabilities	(150,521)	(200,505)
Long term liabilities	(103,587)	(134,554)
Total net assets	<u>151,437</u>	<u>52,558</u>
Aggregate share capital and reserves	<u>151,437</u>	<u>52,558</u>

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

5 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Unrestricted funds £	Restricted Funds £	Total funds 2017 £
(a) Campaign and restoration costs						
Staff costs	284,532	-	284,532	300,150	611	300,761
Proportion of building and infrastructure costs	99,229	-	99,229	109,690	-	109,690
Meeting, travel and officers' expenses	11,069	-	11,069	12,047	-	12,047
Donations and grants	14,367	2,548	16,915	23,230	-	23,230
Work Party Costs	54,995	-	54,995	46,837	957	47,794
WRG restoration costs	57,300	29,085	86,385	57,058	73,495	130,553
Branch & region magazines, printing, advertising expense	18,158	-	18,158	17,831	-	17,831
Campaign Costs	70,563	40,651	111,214	56,073	3,409	59,482
Computer and Consultancy Costs	2,893	-	2,893	9,261	-	9,261
Other direct costs	85,129	1,246	86,375	198,592	43,299	241,891
Governance and support costs (see note 6)	105,163	-	105,163	91,700	-	91,700
Restoration Hub	-	53,073	53,073	-	-	-
	803,398	126,603	930,001	922,469	121,771	1,044,240
(b) Membership support costs						
Staff costs	53,794	-	53,794	56,862	-	56,862
Proportion of building and infrastructure costs	18,760	-	18,760	20,738	-	20,738
Membership and recruitment costs	22,665	-	22,665	14,197	-	14,197
Other direct costs	7,250	-	7,250	6,004	-	6,004
Governance and support costs (see note 6)	18,838	-	18,838	17,337	-	17,337
	121,307	-	121,307	115,138	-	115,138
(c) Public meeting and other activities						
Public meetings and other activities	14,868	-	14,868	5,692	-	5,692
Total charitable expenditure	939,573	126,603	1,066,176	1,043,299	121,771	1,165,070

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

6 Analysis of governance and support costs

The Association initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the two key areas of charitable activity (see note 5).

	General Support £	Governance function £	Total £	Basis of apportionment
Salaries, wages and related costs	27,554	64,293	91,847	Pro rata to actual costs
Other direct costs	2,688	-	2,688	Pro rata to actual costs
Audit Fees	-	21,339	21,339	Actual costs
Legal and other professional services	-	5,387	5,387	Actual costs
Trustee Indemnity Insurance Costs	-	1,429	1,429	Actual costs
AGM and other meeting costs	-	1,311	1,311	Actual costs
	30,242	93,759	124,001	

Apportioned by charitable activity:

Campaign and restoration	105,163 (see note 5)
Membership support	18,838 (see note 5)
	124,001

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

7 Analysis of total resources expended

	Grants and Donations £	Staff costs (note 8) £	(*) Support and Governance costs £	Other costs £	Depreciation £	Total expended 2018 £	Total expended 2017 £
Cost of generating funds:							
Fundraising trading: costs of goods sold and other costs:							
Other events and activities	-	-	-	7,058	-	7,058	3,063
Charitable trading	-	-	-	5,351	-	5,351	3,352
Navigation management costs	-	234,879	-	331,592	44,154	610,625	506,410
Investment Management Costs	-	-	-	5,092	-	5,092	6,810
Investment interest	-	-	-	595	-	595	811
Charitable activities (see note 5):							
Campaign and restoration costs	14,367	361,776	27,920	487,109	38,829	930,001	1,044,240
Membership support costs	-	68,398	4,234	41,334	7,341	121,307	115,138
Public meetings and other activities	-	-	-	14,868	-	14,868	5,692
	<u>14,367</u>	<u>665,053</u>	<u>32,154</u>	<u>892,999</u>	<u>90,324</u>	<u>1,694,897</u>	<u>1,685,516</u>
*staff cost allocated to support and governance costs:		(91,847)	91,847				
		<u>573,206</u>	<u>124,001</u>	(see note 6)			

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

8 Staff costs and numbers

	2018	2017
	£	£
Wages and salaries	582,133	545,868
Social security costs	44,774	43,243
Pension costs	38,146	56,360
	665,053	645,471

There were no employees earning over £60,000 per annum (2017: none)

The average monthly number of employees of the group (not full time equivalents), analysed by function was:

	2018	2017
	No.	No.
Management Activities	4	6
Charitable activities	19	11
Support Staff	12	8
	35	25

The key personnel management for the group comprise the trustees, the chief executive and the senior management team. Total employee benefits of the key management personnel of the group was £276,494 (2017: £270,975).

For the Charity the average monthly number of employees was 16 (2017: 16).

9 Net income/(expenditure) for the year

	2018	2017
	£	£
This is stated after charging:		
Depreciation	90,323	82,508
Operating lease rentals	38,695	39,830
Auditors remuneration	20,139	16,133
Auditors non-audit remuneration	1,200	1,200

10 Trustees' remuneration and insurance

The members of the Board of Trustees receive no remuneration for their services. During the year, 10 (2017: 10) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £5,554 (2017: £5,682). Included in creditors at the year end is £169 owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £1,429 (2017: £1,403).

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

11 Tangible fixed assets

Group	Buildings and leasehold improvements £	Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
1 January 2018	8,630	19,602	437,031	182,097	647,360
Additions	1,658	3,297	42,463	-	47,418
Disposals	-	-	-	-	-
31 December 2018	10,288	22,899	479,494	182,097	694,778
Depreciation					
1 January 2018	7,494	19,602	197,008	79,963	304,067
Charge for year	774	92	53,136	36,321	90,323
Disposals	-	-	-	-	-
31 December 2018	8,268	19,694	250,144	116,284	394,390
Net book values					
31 December 2018	2,020	3,205	229,350	65,813	300,388
31 December 2017	1,136	-	240,023	102,134	343,293
Charity		Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
1 January 2018		19,602	100,409	164,393	284,404
Additions		3,297	-	-	3,297
Disposals		-	-	-	-
31 December 2018		22,899	100,409	164,393	287,701
Depreciation					
1 January 2018		19,602	89,283	62,259	171,144
Charge for year		92	9,757	36,321	46,170
Disposals		-	-	-	-
31 December 2018		19,694	99,040	98,580	217,314
Net book values					
31 December 2018		3,205	1,369	65,813	70,387
31 December 2017		-	11,127	102,133	113,260

All of the Charity's fixed assets are held for charitable purposes.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

12 Fixed asset investments

	Group 2018 £	Group 2017 £
Market value at 1 January	1,153,706	1,139,698
Additions	358,345	154,582
Disposals proceeds	(117,739)	(37,250)
Decrease in cash awaiting investment	(93,377)	(192,333)
(Losses)/gains on investments for the year	(61,287)	64,373
Dividends and interest received	29,890	24,636
Market value at 31 December	<u>1,269,538</u>	<u>1,153,706</u>
Historic cost of listed investments	<u>1,214,214</u>	<u>940,968</u>

Included within net investment gain/(loss) is £Nil (2017: £Nil) investment management fees.

Investments are held in the UK and comprise the following:-

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Listed investments	1,259,515	1,079,124	1,259,517	1,079,124
Other investments	2	2	-	-
Loan to Essex Waterways Ltd	-	-	88,796	115,262
Cash deposits	10,021	74,580	10,021	74,580
Shares in subsidiary companies	-	-	4	4
	<u>1,269,538</u>	<u>1,153,706</u>	<u>1,358,338</u>	<u>1,268,970</u>

The loan to Essex Waterways Limited undertakings is secured by a fixed and floating charge over all the assets of the company, an interest rate of bank's base rate plus 3% is repayable annually. Capital repayments coincide with the depreciation of the fixed assets held by the borrower.

Name

Business activity

Wholly owned Subsidiaries of the charity:

Essex Waterways Limited
Inland Waterways Enterprises Ltd
Waterway Recovery Group Limited

- Manages the Chelmer & Blackwater Navigation
- Undertakes Event trading activity
- Dormant – non trading

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

13 Stocks

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Goods for resale	9,616	15,511	9,616	15,511
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Debtors

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	88,500	20,970	23,523	18,474
Amounts owed by subsidiary	-	-	6,257	-
VAT recoverable	-	-	6,493	2,610
Other debtors, accrued income and prepayments	231,639	230,386	229,319	212,995
	<u>320,139</u>	<u>251,356</u>	<u>265,592</u>	<u>234,079</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Creditors – amounts falling due within one year

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	89,636	170,075	50,067	88,581
Other taxes and social security	10,895	12,453	6,482	8,708
Amounts owed to undertakings	-	-	2,819	55,956
VAT payable	8,166	9,315	-	-
Grants Payable (note 22)	-	10,000	-	10,000
Life membership account (note 16)	2,010	2,514	2,010	2,514
Other creditors	94,230	103,666	67,301	59,943
Victoria Loan Payments due	5,500	5,500	-	-
Deferred income	35,281	34,878	35,281	33,678
	<u>245,718</u>	<u>348,401</u>	<u>163,960</u>	<u>259,380</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Deferred income includes prepayment for waterways events held in 2019.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2018 (continued)

16 Creditors: amounts falling due after more than one year

Life Membership & Victoria Loan account

The balance on the life membership & Victoria Loan account will be applied as follows:

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Life membership	9,015	9,518	9,015	9,518
Trip Boat Victoria Loan	40,792	46,292	-	-
	<u>49,807</u>	<u>55,810</u>	<u>9,015</u>	<u>9,518</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
Repayable in greater than 5 years	16,168	26,954	2,876	2,662
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The life membership subscriptions due after five years fall as follows:

2024: £850
2025: £704
2026: £617
2027: £466
2028: £239

The loan for the purchase of Trip Boat Victoria was part funded by a loan of £55,000, which is repayable over 10 years with an interest rate of base rate plus 3%. The annual capital repayment is £5,500pa, except in 2027 when it will be £2,292.

The Inland Waterways Association (Limited by guarantee)

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

17 Restricted funds

	1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	31 December 2018 £
Group					
Chelmer and Blackwater Number 2 Fund	63,523	381	-	-	63,904
Charles Hadfield Fund	5,821	35	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	8,335	50	(1,000)	-	7,385
The New Power Family Award Fund	23,462	141	-	-	23,603
Research & Studies Fund	5,888	35	-	-	5,923
Waterway Recovery Group Fund	120,129	63,151	(25,655)	-	157,625
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	49,622	298	548	-	50,468
National Restoration Appeal Fund	18,331	609	(40,651)	21,711	-
Keith Ayling Legacy Fund	1,001	1,256	(2,000)	-	257
Restoration Hub Fund	6,027	753	-	(6,780)	-
Essex Waterways Ltd Trip Boat Grant	28,797	-	(3,085)	-	25,712
Essex Waterways Ltd Cressy Quay Fund	-	78,000	(78,718)	718	-
Historic England Fund	-	53,073	(53,073)	-	-
Other Grants	-	16,504	(5,489)	(718)	10,297
	<u>331,035</u>	<u>214,286</u>	<u>(209,123)</u>	<u>14,931</u>	<u>351,129</u>
	1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	31 December 2018 £
Charity					
Chelmer and Blackwater Number 2 Fund	63,523	381	-	-	63,904
Charles Hadfield Fund	5,821	35	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	8,335	50	(1,000)	-	7,385
The New Power Family Award Fund	23,462	141	-	-	23,603
Research & Studies Fund	5,888	35	-	-	5,923
Waterway Recovery Group Fund	120,129	63,151	(25,655)	-	157,625
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	49,622	298	548	-	50,468
National Restoration Appeal Fund	18,331	609	(40,651)	21,711	-
Keith Ayling Legacy Fund	1,001	1,256	(2,000)	-	257
Restoration Hub Fund	6,027	753	-	(6,780)	-
Historic England Fund	-	53,073	(53,073)	-	-
Other Grants	-	6,000	(4,773)	-	1,227
	<u>302,239</u>	<u>125,780</u>	<u>(126,603)</u>	<u>14,931</u>	<u>316,347</u>

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

17 **Restricted funds** **(continued)**

The Chelmer and Blackwater Number 2 Fund was established to assist with works on the Chelmer and Blackwater Navigation.

The Charles Hadfield Fund was a bequest to assist the Association's campaign to promote inland shipping.

The Lancashire Canals Fund was created from a bequest for the upkeep of Lancashire Canals.

The Christopher Power Award Fund was a bequest to provide an annual financial award for the most significant contribution to waterway restoration.

The New Power Family Award Fund was established to fund waterways restoration, particularly new projects.

The Research and Studies Fund represents donations to assist with structural restoration reports.

The Waterway Recovery Group Fund comprises donations, bequests, grants and funds raised by supporters to further the work of the Waterway Recovery Group.

The Frederick Charles Woodman Fund was established to fund restoration work on the Grantham Canal.

The National Restoration Appeal Fund was established to fund restoration work on Inglesham Lock, on the Thames and Severn Canal. These works were completed with additional funds of £21,711 transferred from designated funds.

The John Faulkner Fund was created from a part of a bequest and is for the upkeep and improvement of Northamptonshire Waterways.

The Keith Ayling Legacy Fund is used to help fund the Derbyshire County Council Waterways Officer.

The Restoration Hub Fund has been established by the Association to look at ways of addressing issues such as funding, planning and prioritisation, build partnerships and volunteer skill base and further extend the knowledge base and best practice guidance available for waterways restoration.

The Historic England Fund comprises grant proceeds from Historic England to fund specific waterway restoration work by the Restoration Hub.

Essex Waterways Trip Boat was a grant provided by European LEADER Funds via The Rural Community Council of Essex for the purchase of a Trip Boat to be used to benefit the community on the Chelmer & Blackwater Navigation.

The Inland Waterways Association (Limited by guarantee)

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

17 Restricted funds

(continued)

Cressy Quay Fund comprises Section 106 Funds received from Chelmsford City Council paid by a developer consequent to planning permission approval for repairs to Springfield Basin in Chelmsford.

18 Unrestricted funds

GROUP	1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Net Loss on investments £	31 December 2018 £
Designated Funds						
Funds held by Regions and Branches	174,301	62,773	(63,692)	-	-	173,382
Tony Harrison legacy	89,186	-	(19,068)	-	-	70,118
Elsie May Watson legacy	31,260	-	-	(21,711)	-	9,549
Ted Hedley legacy	27,361	-	(27,361)	-	-	-
	<u>322,108</u>	<u>62,773</u>	<u>(110,121)</u>	<u>(21,711)</u>	<u>-</u>	<u>253,049</u>
General Fund	1,328,361	1,666,753	(1,375,653)	6,780	(61,287)	1,564,954
	<u>1,650,469</u>	<u>1,729,526</u>	<u>(1,485,774)</u>	<u>(14,931)</u>	<u>(61,287)</u>	<u>1,818,003</u>
	<u><u>1,650,469</u></u>	<u><u>1,729,526</u></u>	<u><u>(1,485,774)</u></u>	<u><u>(14,931)</u></u>	<u><u>(61,287)</u></u>	<u><u>1,818,003</u></u>
CHARITY	1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Net Loss on investments £	31 December 2018 £
Designated Funds						
Funds held by Regions and Branches	174,301	62,773	(63,692)	-	-	173,382
Tony Harrison legacy	89,186	-	(19,068)	-	-	70,118
Elsie May Watson legacy	31,260	-	-	(21,711)	-	9,549
Ted Hedley legacy	27,361	-	(27,361)	-	-	-
	<u>322,108</u>	<u>62,773</u>	<u>(110,121)</u>	<u>(21,711)</u>	<u>-</u>	<u>253,049</u>
General Fund	1,275,801	1,034,097	(835,389)	6,780	(61,287)	1,420,002
	<u>1,597,909</u>	<u>1,096,870</u>	<u>(945,510)</u>	<u>(14,931)</u>	<u>(61,287)</u>	<u>1,673,051</u>
	<u><u>1,597,909</u></u>	<u><u>1,096,870</u></u>	<u><u>(945,510)</u></u>	<u><u>(14,931)</u></u>	<u><u>(61,287)</u></u>	<u><u>1,673,051</u></u>

Branch Financial Commitments are detailed in note 20.

The Tony Harrison legacy fund was established to fund a number of waterways projects across the network. These projects were on the Montgomery Canal, the River Stour, the Cromford Canal and the Pocklington Canal.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

18 Unrestricted funds (continued)

The Elsie May Watson legacy fund has been used (remainder spent in 2019) to fund restoration work on Inglesham Lock, on the Thames and Severn Canal.

The Ted Hedley legacy fund was used to help fund the Restoration Hub, which addresses issues such as funding, planning and prioritisation, building partnerships and volunteer skills base and to further extend the knowledge base and best practice available for waterways restoration.

19 Analysis of net assets between funds

Fund balances at 31 December 2018 are represented by:

GROUP	Restricted funds £	Designated funds £	General funds £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	-	-	300,388	300,388	343,293
Investments	73,638	-	1,195,900	1,269,538	1,153,706
Net current assets	277,491	253,049	118,473	649,013	540,315
Long term liability	-	-	(49,807)	(49,807)	(55,810)
Total net assets at 31 December	351,129	253,049	1,564,954	2,169,132	1,981,504

Fund balances at 31 December 2018 are represented by:

CHARITY	Restricted funds £	Designated funds £	General funds £	Total funds 2018 £	Total funds 2017 £
Tangible fixed assets	-	-	70,387	70,387	113,260
Investments	73,638	-	1,284,700	1,358,338	1,268,970
Net current assets	242,709	253,049	73,930	569,688	527,436
Long term liability	-	-	(9,015)	(9,015)	(9,518)
Total net assets at 31 December	316,347	253,049	1,420,002	1,989,398	1,900,148

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 Financial commitments – group

At the year end the group has either given or is negotiating commitments to fund certain waterway restoration and development projects. These are subject to specific conditions being agreed and met. At 31 December 2018 £56,352 (2017: £44,416) had been committed to other projects whose value is less than £50,000.

In addition to the above, certain regions and branches have earmarked £24,144 (2017: £21,245) for specific waterway projects.

At 31 December 2018 the group had total commitments under non-cancellable operating leases as follows:

	Other		Land & Buildings	
	2018	2017	2018	2017
	£	£	£	£
Expiry date:				
Within one year	3,695	3,695	35,000	35,000
Two to five years	223	3,918	113,750	140,000
More than five Years	-	-	-	8,750
	<u>3,918</u>	<u>7,613</u>	<u>148,500</u>	<u>183,750</u>

21 Related party transactions

During the year the group purchased goods (net of VAT) totalling £7,482 (2017: £4,928) from Chandler Material Supplies Limited, a company controlled by family members related to Roy Chandler, a director of Essex Waterways Limited. The balance due to Chandler Material Supplies Limited as at 31 December 2018 was £Nil (2017: £40). All transactions were undertaken on a commercial arm's length basis.

22 Grants payable

The following grants from general funds were committed at the year end:

	2018	2017
	£	£
Sleaford Navigation Trust	-	2,000
Wendover Arm Landing Stage	-	4,000
Cotswold Canals Trust	-	4,000
	<u>-</u>	<u>10,000</u>

The Inland Waterways Association (Limited by guarantee)

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

23 Reconciliation of net movement in funds to net cash flow from operating activities

	2018	2017
	£	£
Net movement in funds	187,628	(14,312)
Transfer of Fixed Assets	-	-
Add back depreciation charge	90,323	82,508
Profit on sale of fixed assets	-	(5,876)
Investment income received	(30,816)	(24,636)
Bank interest received	(402)	(379)
Unrealised investment loss/(gain)	61,287	(64,373)
Decrease/(increase) in stock	5,895	(5)
Increase in debtors	(68,783)	(27,678)
(Decrease)/increase in creditors	(92,765)	69,036
Decrease in grant commitments	(10,000)	(11,500)
Net Cash provided by operating activities	<u>142,367</u>	<u>2,785</u>