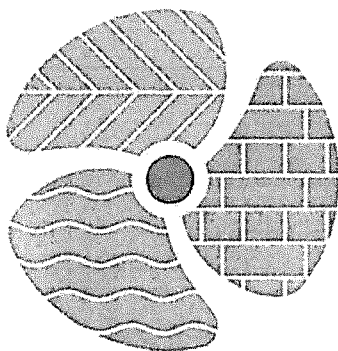




INLAND WATERWAYS ASSOCIATION

(A company limited by guarantee)

Report
and
Financial Statements
Year ended 31 December 2019

Company Number 612245

Registered Charity Number 212342

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

www.waterways.org.uk

Campaigning for the Protection, Restoration and Heritage of 6,500 miles of Inland Waterways in
England, Wales and Scotland

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 David Chapman (from September 2019) Christopher Howes (until July 2020) Michael Palmer Paul Rodgers Nicola Schiessel Harvey Peter Scott (until September 2019) Roger Stocker 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

CONTENTS

	Page
Key Facts	1
Statement of Public Benefit	2
Strategy	
Review of 2019 Objectives	7
Plans for 2020	10
Legal and Administrative Details	12
Structure, Governance and Management	13
Financial Review	
Financial Review 2019	17
Key Policies	19
Trustees Responsibilities	23
Independent Auditors' Report	25
Consolidated statement of financial activities (incorporating Income and Expenditure Account)	28
Consolidated and charity balance sheets	29
Consolidated statement of cash flows	30
Notes to the financial statements	31

The Inland Waterways Association (Limited by guarantee)

Key Facts

	2019	2018
Membership as at 31st December	11,890	12,499
New members during 2019	362	504
Income	£2,263k	£1,944k
Includes:		
Membership Subscriptions	£347k	£336k
Legacies	£859k	£480k
Navigation Income and related grants	£622k	£749k
Expenditure	£1,752k	£1,695k
Includes:		
Campaign and restoration costs	£987k	£924k
Membership Support Costs	£158k	£121k
Navigation Management Costs	£571k	£616k
Employees		
Total (Full Time Equivalent)	24	22
Inland Waterways Association	15	13
Essex Waterways Ltd	9	9
Assets		
Tangible Fixed Assets	£263k	£300k
Investments	£1,432k	£1,270k
Cash at Bank – Total Group	£467k	£565k
Of which Cash at bank – Regions and Branches	£163k	£173k
Funds		
Total Funds	£2,825k	£2,169k
Restricted	£1,086k	£351k
Designated	£233k	£253k
Unrestricted	£1,496k	£1,565k
Revaluation reserve	£11k	-
Regions		
Number of regions as at 31 st December	8	8
Branches		
Number of branches as at 31 st December	30	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 2019.

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. Membership income is put towards IWA's campaigning and restoration expenditure but covers just 35% of costs. A further 10% of our essential charitable work is covered by unrestricted gifts in wills. This leaves 55% 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:

INFLUENCING

We aspire to influence at every level of government, speaking on behalf of the waterways to:

- Share an exciting 'vision for the waterways' over the coming 75 years
- Perpetuate our role as 'guardian of the waterways'

SUSTAINABILITY

We endeavour to protect our waterways and ensure their long term sustainability. We work to:

- Achieve well managed waterways
- Conserve the heritage and environment of our waterways

REGENERATION

We work hard to create a healthy, vibrant waterway restoration sector which will return derelict waterways back to navigation as well as encouraging the support of new waterways

- Restore more waterways back to navigation
- See new waterways being opened

ENGAGEMENT

We want to see more and more people be inspired to get out and use our waterways, whether on water or beside it

- 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

Statement of Public Benefit – Objectives and Activities

2019 IN SUMMARY

Our year opened with the announcement of additional Silver Propeller Challenge locations adding to the momentum to encourage people to visit underused stretches of the waterway network. As we reached the summer months we had three separate teams which all looked likely to finish soon and the competition was on. A team of video bloggers named Minimal List completed the Challenge in October, to become the first people to officially visit 20 IWA Silver Propeller Challenge locations. They aren't stopping there. They decided to continue in their own self-styled Gold Propeller Challenge, aiming to visit even more locations during 2020.

Throughout 2018 boaters and waterway users had been busy telling us about the facilities such as water, elsan, rubbish and more that had been closed, did not meet requirements or were simply not present in places that could readily and usefully accommodate services. We had titled our tool GapTracker and our survey results were published in February 2019. Throughout 2019 we lobbied navigation authorities to improve facilities across the network. A number of facilities were repaired thanks to our survey findings and on-going lobbying at both a local and national level.

The protection and preservation of historic assets was an important theme for us in 2019. This importance was underlined by our Value of Waterways Heritage campaign, which officially launched in June 2019 and will continue to be a primary focus for 2020. Later in the year we published a new Value of Inland Waterways report where we uncovered a gap in research looking at the specific value of waterways heritage. This research will be carried out in 2020 as a core part of our continued spotlight on the Value of Waterways Heritage.

Red Diesel was an on-going theme throughout 2019. In January, there was an EU ruling stating that the UK had failed to meet the EU requirements for fiscal marking of gas oils and kerosene. This ruling had implications for boat owners and boatyard operators as there would need to be a change from red diesel to white diesel for leisure boating. IWA responded to HMRC consultations in July 2019 and met with HMRC in August 2019 to highlight a number of concerns including the fact that tank modifications could impact safety and the environment and would have significant cost implications for boaters, boatyards and other waterway-based diesel suppliers.

Another on-going campaign theme in 2019 was HS2. IWA Lichfield Branch campaigned successfully for noise mitigation along the Trent & Mersey Canal. In September 2019, IWA responded to the Phase 2B consultation.

IWA worked to raise the profile of the Association at the highest level, working more closely with MPs and local authorities. In March 2019, we launched our Waterways in Progress report at a Parliamentary event. This report delves into the many benefits that a waterway restoration can bring to an area. The report led us to engage with local authorities, including attending a conference for Local Authority Chief Executives. We also launched the Waterways in Progress £100,000 Grant, open to applications from Waterway Restoration Groups with projects that fitted the themes of the report. The recipients of the grant will be announced in 2020. We continued to raise awareness of restorations amongst MPs by trying something different for our Parliamentarian of the Year Award. We asked IWA branches and canal restoration groups to nominate MPs who have been particularly supportive to their cause. It was interesting to see the nominations coming in and we hosted a particularly well attended Parliamentary event in May 2019 with over 140 guests attending including 45 MPs and 5 members of the House of Lords. Andrew Bridgen MP was named IWA's 2019 Parliamentarian of the Year.

The Inland Waterways Association (Limited by guarantee)

Statement of Public Benefit – Objectives and Activities

Our support of Scotland's Canals was on-going during 2019, starting with a visit to the Lowland Canals in March 2019 and culminating in a request for IWA members to respond to Scottish Canals' consultation regarding user operation on the Forth & Clyde and Union Canals.

In spring IWA's Vision for London was published, produced by IWA London region and looking at the many complex issues facing the waterways across London. One of the campaigns that came out of this looked at the value of a view and inspired IWA to launch its Vote for a View at IWA Canalway Cavalcade in May. The results of this vote were sent to the London Mayor along with a request to protect views along all of London's waterways, not just the River Thames.

During early summer 2019, we launched our #PullSnapStomp Himalayan Balsam campaign, a project for which we very gratefully received £500 from William Dean Trust and £1000 from Martin Wills Charitable Trust in grant support. IWA produced some branded pink gloves and requested support from branches to hold Balsam Bashes. At one of the Balsam Bashes, the blossoms collected were sent to a local gin distillery and a limited-edition run of Himalayan Balsam gin was produced. Our Spot the Plot campaign helped us to locate areas of Himalayan Balsam which will be a target for next year.

Big issues that began to impact on the waterways in 2019, and we believe will continue to do so into 2020 are Climate Change and Clean Air. IWA raised concerns about climate change in a letter to the Waterways Minister and supported a call for evidence from boaters for the Department of Transport Clean Air Strategy.

A THANK YOU TO ALL IWA SUPPORTERS

We could not exist without the generosity of all our supporters who contribute to our progress in a huge variety of ways. While many people support us through membership subscriptions or donations, others contribute their time through volunteering – giving their energy, passion and skills, working 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 our subsidiary company, Essex Waterways Ltd.

IWA VOLUNTEER AWARDS

IWA's awards for 2019 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 campaigns, was awarded to John Gale. His work for the Chelmer & Blackwater Navigation, past support for festivals and events, and support for the work of both Essex Waterways Ltd and IWA Chelmsford Branch over a period of nearly fifty years is held in the highest regard.

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 Mick Butler, Steve Connolly, David Faulkner, Pete Gurney, Ian MacDonald, Roger Sexton and Geoff Woods.

The Inland Waterways Association (Limited by guarantee)

Statement of Public Benefit – Objectives and Activities

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 North Staffordshire and South Cheshire Branch. The branch had recently successfully lobbied Canal & River Trust to ensure that an "at risk" heritage bridge, renowned in the town for its unique design and which was due to be replaced with a non-descript, standard design bridge, was repaired and replaced like for like. Judges noted that it was this kind of attention to detail which made the branch stand out.

The **John Heap Salver** is awarded to an IWA member who, in the opinion of the trustees, has made an outstanding contribution to raising funds for the Association. Mike Snaith of IWA Nottinghamshire & Derbyshire Branch was 2019's deserved recipient having organised and participated in many fund-raising activities at branch level. He was commended for the regularity and cumulative success of his fundraising.

The **Christopher Power Prize** and a cheque for £1,000, awarded to a person, society or trust who has made the most significant contribution to the restoration of an inland waterway, was awarded to Roger Leishman and Wendover Arm Trust. At 87 years of age Roger had recently announced his retirement from active involvement but continues to retain great interest in the restoration project. His input over the last 24 years was widely acclaimed.

REVIEW OF 2019 OBJECTIVES

Influencing change

We know we cannot protect and restore all of the nation's waterways on our own and so a core objective for us is to influence policy makers who can help further our work. Our parliamentary campaigning and lobbying is a particular asset for the waterway restoration sector as we can bring a national voice and perspective to benefit what is in many cases highly localised regeneration.

In May we hosted 140 people including 45 MPs and Lords at the House of Commons for a Waterway Restoration themed reception. Representatives from over 30 waterways restoration societies and a number of other national organisations joined IWA members and other supporters including Ros Kerslake OBE, Chief Executive of the National Lottery Heritage Fund who highlighted the significant funding that has been made available to canal restorations in the UK, but will also continue to be made available moving forward. The reception launched IWA's *Waterways in Progress* report and stressed the importance of the two-way relationship between restoration societies and their MPs.

At the end of the year we launched a new resource to help our member and supporter waterway campaigners to engage with MPs across all waterways in England, Scotland and Wales. The new "IWA Directory of Parliamentary Constituencies with Waterways" identified over 400 constituencies which have navigable waterways and/or significant restoration projects within their boundaries. The database is fully searchable by MP name, constituency, waterway and IWA branch, enabling campaigners to work out which MPs should be contacted for any particular stretch of waterway. Interested campaigners can sign up to receive a copy of the new resource via IWA's website. Signing up in this way means supporters will receive updates as and when new editions of the directory are issued.

Restoring Confidence

IWA's Restoration Hub was awarded a significant grant from the National Lottery Heritage Fund in January to help develop new activities to further strengthen the Hub's offering to canal restoration societies across the UK. The Restoring Confidence project, funded by the Resilient Heritage Grant Programme, enhanced the role of IWA's technical support officer, permitting them the opportunity to undertake further training and provide more expert advice to restoration organisations as well as helping restart any stalled restoration projects. The grant was also secured to help the Restoration Hub provide training on environmental management, heritage construction methods, good governance and legacy fundraising, and set up funding surgeries to advise restoration societies on how best to approach funders or manage their own fundraising efforts.

Throughout the year our technical support officer has carried out a review of the project documents for a number of canal groups including Buckingham Canal Society, and has drawn up a project plan for Wendover Arm Trust amongst others. They have also provided drawings and costings for lift-bridges for Shrewsbury & Newport Canals Trust and carried out a health and safety audit on the Chesterfield Canal including recommendations and an action plan for all future activity.

A core part of IWA's role with regard to restoration groups is the provision and sharing of technical knowledge and expertise. Construction (Design and Management) Regulations 2015 (CDM) are the main regulations that cover the management of health, safety and welfare on construction sites – regardless of size, number of volunteers on site, duration and nature of work. CDM applies to all waterway restoration projects from towpath creation to bridge building and everything in

Strategy

between. In November we added to our suite of guidance notes and video training for restoration volunteers with the provision of a new video on CDM and how it works, to help groups understand their roles and responsibilities. The video was accompanied by a detailed guidance note.

Raising awareness

Partnership and relationship development has been crucial to our successful campaigning this year. We have raised several concerns with Environment Agency (EA) as well as offered support on behalf of the department when speaking to Government to ensure adequate funding for EA managed waterways. One area of worry has been the number of waterway restoration organisations who have mentioned difficulties in dealing with local Environment Agency offices regarding EA permits and licences such as water abstraction licences and environmental permits. These issues have been brought to the attention of EA.

We have raised awareness of waterway restorations with SOLACE (Society of Local Authority Chief Executives), the UK's leading membership network for public sector and local government professionals. We attended their annual Summit in October to promote our Waterways in Progress report, demonstrating to local government officials the benefits waterways bring to an area. We wanted local authorities to understand how a waterway restoration can completely transform an area bringing economic, social, physical and environmental benefits through the life of the project. Our principal message was to encourage councils to be supportive of their local restorations and to appoint a Canals Officer, or someone who is specifically responsible for the waterways in the area as it is with this support that the best results are achieved.

A Focus on heritage

Everyone who spends time on or by our waterways knows it is impossible to ignore the living history at our fingertips. From towering aqueducts to 200-year-old mileposts, gruelling lock flights to gloomy tunnels, they all have a story to tell about the way our canals came about and how they have continued to be used throughout the centuries. We are keen to see these links to our past preserved for generations to come.

In 2019 we took a coordinated step towards making the most of our many volunteers with impressive heritage knowledge and experience and who want to make sure that our history and heritage assets get a helping hand. A hand-picked group of volunteers formed IWA's new Heritage Advisory Panel. Their backgrounds are varied, coming from conservation, management and interpretation of historic buildings, archaeology and academic perspectives with CVs referencing involvement with organisations such as English Heritage/Historic England, the Churches Conservation Trust and Institute of Historic Building Conservation. Their participation is invaluable. Working in parallel with the Restoration High Level Panel and the Planning Advisory Panel, our expert volunteers will provide advice on heritage matters and advance the cause of heritage protection.

The core aims of the Panel are to:

- encourage a greater understanding of the overall significance of waterways heritage and to suggest additional research
- support trustees in making a case for the importance of waterways heritage at the highest levels in government, navigation authorities and other agencies
- provide advice on specific heritage issues
- encourage IWA branches to identify heritage buildings, structures and artefacts which are at risk of being lost or seriously denigrated

Strategy

- work with the Planning Advisory Panel to facilitate better protection of heritage through the planning system, including greater coverage of inland waterways under conservation area designation.
- represent IWA in liaison with other organisations concerned with heritage.

One of the first outcomes of setting up the team was the launch of IWA's Value of Waterways Heritage campaign which aims to protect and record historic assets along the UK's canals and rivers. It looks at heritage that has been lost and heritage that has been saved as well as uncovering assets that are currently causing concern. It explores how these can be better protected and the role that planning officers within local IWA branches can play in managing any developments taking place along our inland waterways.

One of the first tasks for the Heritage Advisory Panel was to give a full explanation of the term waterways heritage – ensuring anyone who might make decisions involving the future of waterways heritage has a clear understanding of exactly what waterways heritage includes. It is much more than the locks, bridges and buildings that are common along any given waterway, especially the canals. It includes the signage and less noticeable canal furniture, as well as traditional skills and obscure remnants of the area's industrial past. It is the grooves that have been worn into the side of a bridge from the ropes being drawn by the horses pulling barges; it is the metal supports across the towpath that were used to give the horses' feet some purchase as the path went uphill; it is the pulleys and ropes inside tunnels that were used by the boatmen or 'leggers' to move the boats along. It is the stories that were told, the skills that were learned and the views that can be seen both from the water and the land beside the waterway.

The Heritage Advisory Panel has commissioned a report which in its Part I will add depth and breadth to the description of waterways heritage, including examples and photos to show just how unique and important it is. The report will be published in 2020 and will be quickly followed by Part II which will draw out case study examples of heritage at risk, heritage saved and heritage lost. The reports are funded by Historic England National Capacity Building grant monies. The case studies will demonstrate to key players in property development, planning authority roles and waterway management positions just how special our waterways heritage is, how easily it could be lost and how essential it is to protect.

PLANS FOR 2020

Volunteering and partnerships

We are a national network of local IWA branches, and throughout 2020 we will work to see that our local volunteers and campaigns are enriched and re-energised. Our local campaigns are amongst our most vibrant and we will invest more in the recruitment, training and support of our volunteers to deliver improved collaboration at every level of the Association. We know there is real strength in partnerships and we will look to forge new relationships at a national level which can be then deepened at a local level to reinforce IWA's role as lynchpin in the local waterways communities our branches serve.

Readiness for the future

Strengthening our digital resources to communicate better with members, supporters and waterway users has become essential as digital technology has moved on so much over the last decade. We want to transform our ability to recruit new supporters through online channels and manage new engagement and fundraising activities in a more efficient way. We have been working on the development of a new database which brings together our Waterway Recovery Group restoration volunteers, our Essex Waterways customers and our IWA members, volunteers and supporters. The database will be integrated with a new website which will give web users much greater visibility of our campaigns and invite greater involvement in our volunteering activities. As both of these resources are web based it has equally become important to improve our finance capabilities to integrate across our website and database and we plan to launch new finance software to sit alongside them.

Essential support for restoration projects

There are more than 40 active waterway restoration groups across the country who between them are bringing over 500 miles of waterway back to life. We support and champion their work, sharing resources, materials and expert advice to prevent waterway groups using time and effort to acquire technical information on an individual basis. We act as a central hub of guidance and advice. One of the biggest resources within the guidance portfolio is IWA's *Practical Restoration Handbook* made up of three volumes. First published more than 20 years ago, the first book on the theme of health and safety will be fully updated in 2020. Containing 20 sections on topics related to site safety, personal safety and insurance, regulations, site management and leadership skills, the new edition will be an invaluable resource for restoration volunteers and site directors across the country.

Sustainable boating

Whilst diesel and petrol engine boats contribute a tiny amount of overall emissions in the UK, as other areas move to alternative methods it will become an increasingly greater proportion of total emissions. We would like to lead the way to encouraging boaters to embrace new technologies by setting up a new advisory sub-group to our national Navigation Committee. The sub group will look at alternative forms of propulsion and will include: The Future Narrowboat; On Board Power Generation; Biofuel; The Environmental Impact of the Existing Fleet; Engineering Modifications to the Existing Fleet and Recharging/Refuelling.

Strategy

Making a positive impact

The new website and database will allow us to improve our training, resources and guidance for volunteers across the whole organisation and who work with restoration groups, supported by IWA through our restoration resources. Our aim is to deliver a quality Knowledge Hub for waterway volunteers.

We will also continue to build “one IWA” ensuring the sum of the parts of IWA add together to deliver a robust and exciting future of regeneration for our waterways to ensure they remain relevant to future generations. We will work to embed the key themes of Influencing, Sustainability, Engagement and Regeneration so that they define our work at every level of the Association and lead to the delivery of meaningful outcomes for the waterways.

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 1JX
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 thirteen members elected by the Association's members. Trustees usually meet once every two months and met six times during 2019.

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 sub-committees, working groups and advisory panels, including Remuneration Committee, reporting direct to trustees 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

From 2020, trustees are appointed from recommendations by an appointment panel based on a skills audit. Up to and including 2019, trustees were elected by the membership. Terms of office are usually for three years with a maximum of four consecutive terms before a three year break must be taken. The appointment of trustees is 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 (2018: £1,429).

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

PRINCIPAL APPOINTED OFFICERS

National Chairman: Ivor Caplan (until November 2019)
Paul Rodgers (from November 2019)
Deputy National Chairmen: Paul Strudwick (until November 2019), Richard Barnes, David Chapman (from November 2019), Christopher Howes (from November 2019 until July 2020)
National Treasurer: Raymond Carter

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

Chief Executive: Neil Edwards
Finance Manager: Eileen Holland and Genevieve Wilson (job share)
Marketing Manager: Alicen Stenner
Restoration Hub and Volunteer Co-ordinator: Jenny Morris
Administration Manager: Tracy Higgin
Navigation Manager (Essex Waterways Limited): David Hewitt (until March 2020), Steve Cottis (from April 2020)

Since the year end, an interim chief executive, Sarah O'Grady, has been appointed to succeed Neil Edwards on his retirement. The interim role will be for a period of six to eight months. The Association intends to appoint a permanent successor in late 2020 or early 2021.

A Remuneration Committee, comprising the chairman of Finance Committee, the national chairman and two other members appointed annually by trustees, reviews the remuneration of senior employees. The remuneration package for the chief executive and other senior staff, is based on recommendations provided to the committee by the chief executive, or the national chairman in respect of the chief executive, and takes into consideration current market conditions for the functions, performance and motivations of the relevant employees.

More detailed information concerning committees of the board of trustees can be found on our website at https://www.waterways.org.uk/about/organisation/organisation_chart
Edited minutes of trustees meetings 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 three 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, Northumbrian Water and Maldon District Council. It is a member of the Association of Inland Navigation Authorities.

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It becomes dormant in 2020.
- Waterway Recovery Group Ltd is dormant.

The boards of all three 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 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

Maintaining a regular review of risk is one of trustees' key duties and has been the subject of discussion at trustees meetings in February and April 2020. Trustees reaffirmed their reserved responsibility for this function and a thorough review of the Association's Risk Register, from the ground up, is being worked on during the remainder of the year. The sudden and unexpected impacts of the lockdown on the outbreak of Covid-19 in March 2020 demonstrated the importance of preparing for such risks and constantly reviewing both their potential severity and their likelihood.

IWA has had a continuous interest and awareness of risk, and the need to manage it, over several years. In 2014, Trustees reviewed Top Risks and IWA Policies. In 2016, Trustees discussed Risk Management at their February and April meetings including a refresh of the Risk Register. They also held a workshop involving some Trustees, and some senior IWA staff to review the whole risk management process, and propose changes to Trustees. In addition, Finance Committee reviewed risks and proposed changes to Trustees.

In 2017, Finance Committee again reviewed the Risk Map for IWA, and reported to Trustees that the 'Top 5' still seemed appropriate. Later in the same year, the Risk Map was updated by Finance Committee and several IWA senior staff, and the outcome reported to Trustees. Early in 2018, Finance Committee studied IWA's Internal Controls on financial risks, and reported the outcome to Trustees with their proposals on specific issues. Changes in key personnel meant that the Risk Register was not reviewed in 2019 as had been planned, but as outlined above, Trustees are ensuring this work is thoroughly overhauled during 2020.

The outbreak of Covid-19 and consequent lock down has affected virtually every facet of life, and the Association has not escaped this. Few people think that the world will return to how it was beforehand, and doubtless the same will be true for the inland waterways. IWA swiftly reacted to the new situation, as outlined elsewhere in this report, and the Association's work has not faltered, with staff and volunteers alike settling into new patterns of working in relatively seamless fashion. In many ways, the Association was fortunate in having tried and tested procedures for home working and using

The Inland Waterways Association (Limited by guarantee)

Structure, Governance and Management

technology for new ways of doing things. Part of this 'good fortune' was down to the Association having reviewed risks and taken mitigating actions, for example in planning for the foreseeable situation where our Chesham office might suddenly be taken out of action. With so much uncertainty for the future, trustees believe a thorough review of its risks and the compiling of a new Risk Register is both timely and an urgent priority.

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 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.

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.

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 2019 were:

	Unrestricted £	Restricted £
Subscriptions from members	346,530	-
Donations	25,665	14,103
Grant Income	39,183	123,414
Legacies	90,552	768,652
Investment income	36,868	-

Other fundraising income is shown in note 3 (page 35).

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	£
William DC Peacock	5,000
Philip Charles Orton	1,000
Alan H Faulkner	20,000
Donald Murray	33,901
Eric J Cockerill	1,000
R D Brearley	1,000
David Roy Wakeford	323
Audrey Margaret Cooke	1,228
Brian Ernest Holden	5,000
Daphne Lorna Luff	22,000
Hannes Dietrich Jebens	3,000
Averil Gillian Dobson	306,612
Mary Janet Jackson	313,000
Alison Spooner	146,040
Mrs G Godden	100
Total	859,204

Total net incoming resources available during 2019 were £2,263,171 (£1,943,812 in 2018). This enabled expenditure of £1,751,823 (£1,694,897 in 2018). Combined with the gain on investments of £133,432 increased the Total Funds carried forward to £2,824,602.

The Inland Waterways Association (Limited by guarantee)

Financial Review

FUNDRAISING ACTIVITIES

IWA donors can be assured that we comply with the regulatory standards for fundraising. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise and adherence to the Code of Fundraising Practice.

It has cost us £986,575 to lobby and campaign to protect and restore the waterways of England, Wales and Scotland. Roughly 35% of this came from membership subscriptions, 16% came from grant income and a further 14% was raised through legacy and donation. Essex Waterways Limited made an operating surplus of £19,026.

As well as encouraging donations and gifts in wills, our fundraising efforts include an annual raffle and events run by our branches.

Members sign up to the charity through our website and also at events. Our volunteers help bring new members to the charity through the events we attend and individual small donations are given by visitors to our stands or to our events.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no complaints in the 2019 financial year.

Fundraising communications posted or emailed to individual members or supporters are small in number but include invitations to buy raffle tickets mailed with our regular membership magazine and annual information about our 500 Club. When supporters and volunteers register for our working holiday canal camps or purchase moorings or camping pitches for our Festivals we ask if a donation could be made alongside the booking. We do not make our supporter lists available to third parties and we do not send direct email or postal communications on behalf of third parties. Our vulnerable person's policy is published on our website.

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
Heritage Lottery Fund
Edward & Dorothy Cadbury Trust
Grimmitt Trust
Hinkley Point C Community Fund
Laing Family Trust
Martin Wills Wildlife Maintenance Trust
Nineveh Charitable Trust
Richard Cadbury Charitable Trust
William Dean Countryside and Educational Trust
Essex County Council
Northumbrian Water
Groundwork – One Stop Carriers for Causes

INVESTMENT PERFORMANCE

The Association's investments showed a net gain of £133,432 during the year, from a portfolio value of £1,431,559 at 31 December 2019 and £1,269,538 at 31 December 2018. 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 £1,381,931 at 31 December 2019 and £1,259,515 at 31 December 2018 (see financial statements note 14). Investment income amounted to £36,868 (2018 £29,890). The portfolio is judged against an agreed benchmark and given the current market volatility the trustees were satisfied 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

1. Introduction

1.1 The Inland Waterways Association ("IWA") is a campaigning and grant making charity, whose purpose is to protect and restore the country's 6,500 miles of canals and rivers.

1.2 The IWA has annual income from fund raising, membership subscriptions, donations and legacies with the objective of being at least equal to the annual expenditure on campaigning and, to a lesser extent, grant making activities. The Charity's reserve policy is to hold a minimum level of reserves of £350,000.

1.3 The Association has approximately £1.4m of reserves for investment which will be managed in two separate portfolios. Portfolio A will be the investment vehicle for restricted and designated funds ("restricted funds") and be invested emphasising certainty of value. These investments are considered as short term. Portfolio B will be the investment vehicle of the general funds (in excess of the liquid capital requirement, £150,000) and such funds have been identified as longer-term investments and should grow at least in line with inflation.

1.4 The trustees of the Association have delegated decision making on investment matters to the Investment Working Group (IWG) reporting to Trustees through the Finance Committee. Investment Management is delegated to an authorised professional investment manager, regulated by the FCA.

2. Investment Objectives

2.1 The Association seeks to produce the best financial return within an acceptable level of risk.

2.2 The investment objective for the short term reserves, i.e. restricted funds, is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet cash flow requirements.

2.3 The investment objective for the long term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support the on-going activities of the Operational Ethical Charity.

3. Risk

3.1 Attitude to risk: The IWA is reliant on fund raising, membership subscriptions, donations and legacies for funding its activities. Investment assets are held as specific reserves or where necessary to supplement the cost of day to day activities. The key investment risk to the long term reserves is

The Inland Waterways Association (Limited by guarantee)

Financial Review

inflation, and the assets should be invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The short term reserves are held for specific purposes and are likely to be utilized in a time frame of less than 3 years, and may be required at short notice. As such only minimal capital volatility can be tolerated and investment of these assets should be focussed on minimising this.

3.2 Assets: The Charity's assets can be invested widely and should be diversified by asset class, and by security. Asset classes could include cash, bonds, equities, property, structured products and any other asset that is deemed suitable for the Charity. There shall be no investment in futures, forwards, options, swaps, hedge funds, cryptocurrencies and other derivatives. The IWG is charged with agreeing a suitable asset allocation strategy with the investment manager, within the broad asset allocation guidelines established by the trustees. **Portfolio A:** Fixed Interest up to 100% of the portfolio, Cash up to 5% of the portfolio. Fixed interest includes income focussed low, medium risk asset backed investment funds in particular infrastructure and property funds. **Portfolio B:** Equities in a range of 50% to 75% of the portfolio. **Other Investments:** In a range of 10% to 50% of the portfolio. Cash up to 5% of the portfolio. Other investments include fixed interest as defined above.

3.3 Currency: The base currency of both investment portfolios is Sterling.

3.4 Credit: The Charity's cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund. Deposits (except for Barclays Bank) should be spread by counterparty, subject to a maximum exposure of twice the amount covered by the Financial Services Compensation Scheme, i.e. £170k. Bond exposure should be focussed on investment grade issuers.

3.5 Concentration: No investment other than cash shall be made that takes the total value of any one holding to more than 10% of the value of the respective portfolio. Where through investment performance any holding exceeds 10% there will be no immediate requirement to sell the excess.

4. Liquidity Requirements

4.1 Income from the long term reserves in Portfolio B may be used to fund the Charity's activities. A target income will be agreed with the investment manager on an annual basis, to enable effective budgeting.

4.2 Due to the nature of the reserves, the trustees wish to have at least 90% of the investments in Portfolio A realisable within one month. All of the investments in Portfolio B should be realisable within three months.

5. Time Horizon

5.1 The Charity has divided its reserves into those expected to be held for a long term time horizon and those that may be needed in the short term.

6. Ethical Investment Policy

6.1 The Association's assets should be invested in line with its aims. The trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Association's purpose.

The Inland Waterways Association (Limited by guarantee)

Financial Review

7. Management, Reporting and Monitoring

7.1 The Association has appointed a professional investment management firm to manage the assets on a discretionary basis in line with this policy. Investment managers provide custody of assets. Managers are required to produce a valuation and performance report quarterly.

7.2 The IWG has responsibility for agreeing strategy and monitoring the investment assets. The committee meets, at a minimum, six monthly to review the portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed market benchmarks, and these will be specific to each portfolio. The overall investment objectives for each of the portfolios are: Portfolio A: CPI inflation + 1%; Portfolio B: CPI inflation + 3.5% net of fees. The investment manager is required to present to IWG at least once a year and provide quarterly investment reports.

7.3 The IWG via the Finance Committee is to report formally to the full trustee board on at least an annual basis. This report should include a review of asset allocation strategy, performance, risk profile and consistency with long term investment objective.

8. Review

This Investment Policy Statement was prepared by the IWG of the Inland Waterways Association to provide a framework for the management of its investment assets. It will be reviewed on an annual basis to ensure continuing appropriateness.

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.

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

The Inland Waterways Association (Limited by guarantee)

Financial Review

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 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 2019 were £1,139,208. In addition to commitments already given, trustees have planned an excess of expenditure over income for unrestricted funds of £328,592 in 2020.

Trustees will continue to review the reserves policy annually, with the next review due to coincide with the major risk review planned for 2020. 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 that, as far as they are aware, 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

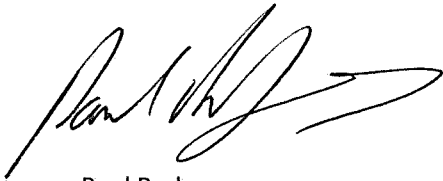
Saffery Champness LLP have expressed their willingness to remain in office as auditors of the charity.

GOING CONCERN STATEMENT

The Association has a range of income streams, some stable and regular, such as membership income, some fluctuating from year to year, such as grants, legacies and donations, to fund the Association's charitable work. Trustees have been careful not to commit the Association and its activities to work and expenditure that cannot be adjusted to meet available funds, and the Association currently has a substantial balance of reserves above the planned limits set by the Reserves Policy. Trustees have invested in fundraising activity to further improve income for the Association's work.

The Association's results at 31st May 2020 reflected the effects of the Coronavirus pandemic, see Post Balance Sheet Events, but showed an improved bottom line against budget, in particular due to a pause on some expenditure. Owing to the SORP requirement to report legacy income in the year the legator dies rather than in the year of receipt of the legacy, this income usually runs at least six months behind date and frequently is not known about until the following year. Having reviewed the Association's planned expenditure and activities on a regular basis, trustees have concluded that the Association has sufficient resources to continue funding the charitable activities at the current level of operation for at least twelve months.

This report was approved by the board of trustees on 18th July 2020 and signed on their behalf by:



Paul Rodgers
National Chairman

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

18th July 2020

The Inland Waterways Association (Limited by guarantee)

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

Opinion

We have audited the financial statements of The Inland Waterways Association for the year ended 31 December 2019 which comprise of consolidated statement of financial activities, consolidated and company balance sheet, consolidated 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with requirements of the Companies Act 2006.

Basis for opinion

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

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

Other information

The trustees 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.

The Inland Waterways Association (Limited by guarantee)

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

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.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Inland Waterways Association (Limited by guarantee)

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

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

Use of this report

This report is made solely to the charitable company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Karen Bartlett (Senior Statutory Auditor)

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

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

Date: ~~28.08.2020~~

Saffery Champness LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

The Inland Waterways Association (Limited by guarantee)

Consolidated Statement of Financial Activities (Incorporating income and expenditure account)
For the year ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income					
Subscriptions, donations and legacies	3	462,747	782,755	1,245,502	885,612
Charitable activities	3	85,598	123,414	209,012	191,564
Other trading activities	3	756,149	13,790	769,939	835,418
Investment income	3	38,718	-	38,718	31,218
Total income		1,343,212	919,959	2,263,171	1,943,812
Expenditure					
Raising funds:					
Other events and activities	7a	6,668	-	6,668	7,058
Charitable trading	7a	3,044	-	3,044	5,351
Navigation management costs	7a	561,912	9,521	571,433	610,625
Investment Management costs	7a	8,211	-	8,211	5,092
Investment interest	7a	4,994	-	4,994	595
Charitable activities	5	968,327	189,146	1,157,473	1,066,176
Total expenditure	7a	1,553,156	198,667	1,751,823	1,694,897
Net income/(expenditure) for the year	9	(209,944)	721,292	511,348	248,915
Transfer between funds		(13,305)	13,305	-	-
		(223,249)	734,597	511,348	248,915
Other recognised gains					
Gains/(losses) on investment assets	14	133,432	-	133,432	(61,287)
Net movement in funds		(89,817)	734,597	644,780	187,628
Reconciliation of funds:					
Total funds brought forward		1,818,003	351,129	2,169,132	1,981,504
Total funds carried forward	19a & 20a	1,728,186	1,085,726	2,813,912	2,169,132

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 31 to 54 form part of these financial statements.

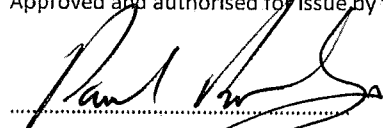
The Inland Waterways Association (Limited by guarantee)

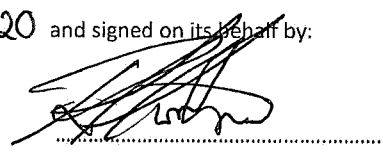
Consolidated and Charity balance sheets
As at 31 December 2019

	Notes	Group 2019 £	2018 £	Charity 2019 £	2018 £
Fixed assets					
Intangible assets	11	51,646	-	51,646	-
Tangible assets	12	263,304	300,388	38,028	70,387
Investment Property	13	313,000	-	313,000	-
Investments	14	1,431,559	1,269,538	1,498,579	1,358,338
		2,059,509	1,569,926	1,901,253	1,428,725
Current assets					
Stocks	15	7,541	9,616	7,541	9,616
Debtors	16	553,531	320,139	537,430	265,592
Cash at bank and in hand		467,066	564,976	321,625	458,440
		1,028,138	894,731	866,596	733,648
Current liabilities					
Creditors: Amounts falling due within one year	17	(219,990)	(245,718)	(141,065)	(163,960)
Net current assets		808,148	649,013	725,531	569,688
Total assets less current liabilities		2,867,657	2,218,939	2,626,784	1,998,413
Creditors: Amounts falling after more than one year	18	(43,055)	(49,807)	(7,763)	(9,015)
Net assets		2,824,602	2,169,132	2,619,021	1,989,398
The funds of the charity					
Unrestricted funds:					
Designated funds	20a	232,672	253,049	232,672	253,049
General fund	20a	1,495,514	1,564,954	1,327,075	1,420,002
		1,728,186	1,818,003	1,559,747	1,673,051
Restricted funds	19a	1,085,726	351,129	1,059,274	316,347
		2,813,912	2,169,132	2,619,021	1,989,398
Revaluation reserve	22	10,690	-	-	-
		2,824,602	2,169,132	2,619,021	1,989,398

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 £629,625 (2018: £89,251).

Approved and authorised for issue by the Board of Trustees on 18/07/2020 and signed on its behalf by:


Paul Rodgers (Chairman)


Raymond Carter (Treasurer)

Company Registration No. 612245

The notes on pages 31 to 54 form part of these financial statements.

The Inland Waterways Association (Limited by guarantee)

Consolidated Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash (utilised by)/provided by operating activities	25	(20,558)	142,367
Cash flows from investing activities			
Bank interest received		1,850	1,328
Investment income received		36,868	29,890
Purchase of fixed asset investments		(63,248)	(358,345)
Purchase of intangible fixed assets		(51,646)	-
Purchase of tangible fixed assets		(28,599)	(47,418)
Proceeds from sale of fixed asset investments		74,264	117,739
Proceeds from sale of tangible fixed assets		-	-
Net cash used in investing activities		(30,511)	(256,806)
Cash flow from financing activities			
Loan for purchase of Trip Boat Victoria		-	-
Loan repayment including interest		(7,236)	(6,993)
Net cash used in financing activities		(7,236)	(6,993)
Decrease in cash and cash equivalents in the year		(58,305)	(121,432)

Analysis of net Funds

	Net Balance at 1 January 2019 £	Cash (decrease) /increase in the year £	Net Balance at 31 December 2019 £
Cash at bank	564,976	(97,910)	467,066
Investment cash (note 14)	10,021	39,605	49,626
Total cash	574,997	(58,305)	516,692

Notes to the financial statements
For the year ended 31 December 2019

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 14.

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.

Notes to the financial statements
For the year ended 31 December 2019

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.

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 19a.

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, navigation management and their associated support costs.
- Expenditure on charitable activities includes the costs of membership support, campaigning and restoration activities, festivals, 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.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2019

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.

1.9 Intangible fixed assets

Intangible fixed assets are amortised to write off the cost, less estimated residual value over their estimated useful lives on a straight line basis as follows:

IT software	- 3 years
Website	- 4 years

1.10 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 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
Trip boats	- 20 years
Buildings and leasehold improvements	- 10 years

1.11 Revaluation of fixed assets

The trip boats were revalued to fair value on 1 January 2019 to coincide with a change in their estimated useful lives. The carrying value of the trip boats will be reviewed every five years.

1.12 Investment property

Investment property is recognised at fair value at the reporting date and revalued year on year, with any changes in value being taken to the Income Statement.

As the investment property was bequeathed to IWA, it cannot initially be measured at cost. Also, as the property cannot be sold, its valuation in the Balance Sheet is based on the rental income it will earn.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements

For the year ended 31 December 2019

1.13 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.

1.14 Stock

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

1.15 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.

1.16 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.

1.17 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 (continued)

For the year ended 31 December 2019

3 Income

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Subscriptions, donations and legacies						
Donations	25,665	14,103	39,768	56,344	12,616	68,960
Legacies	90,552	768,652	859,204	437,595	42,709	480,304
Membership subscriptions	346,530	-	346,530	336,348	-	336,348
	462,747	782,755	1,245,502	830,287	55,325	885,612
Charitable activities						
Publications income	4,270	-	4,270	3,760	-	3,760
Public meetings and other activities	14,311	-	14,311	17,216	-	17,216
Grant income	39,183	123,414	162,597	29,012	141,576	170,588
Fundraising	27,834	-	27,834	-	-	-
	85,598	123,414	209,012	49,988	141,576	191,564
Other trading activities						
Navigation management income	575,246	-	575,246	625,409	-	625,409
Charitable trading	13,525	-	13,525	11,486	-	11,486
Other events and activities	167,378	13,790	181,168	182,951	15,572	198,523
	756,149	13,790	769,939	819,846	15,572	835,418
Investment income						
Bank interest	1,850	-	1,850	1,328	-	1,328
Income from quoted investments	36,868	-	36,868	28,077	1,813	29,890
	38,718	-	38,718	29,405	1,813	31,218

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 14. Inland Waterways Enterprises Limited (IWEL) started trading activities in 2017. In 2019 it generated a profit of £731, from revenue of £1,000 and costs of £269. The profit of IWEL was gifted up to the Association. It is dormant for 2020.

Essex Waterways Limited generated profit of £19,026 (2018: £98,879), from total revenue of £621,647 (2018: £748,811) and costs of £602,621 (2018: £649,932). The aggregate Balance Sheet can be seen:

	2019 £	2018 £
Fixed assets	225,271	229,996
Current assets	161,541	175,549
Current liabilities	(120,791)	(150,521)
Long term liabilities	(84,868)	(103,587)
Total net assets	181,153	151,437
Aggregate share capital and reserves	181,153	151,437

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

5 Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Unrestricted funds £	Restricted funds £	Total funds 2018 £
(a) Campaign and restoration costs						
Staff costs	247,317	77,387	324,704	284,532	-	284,532
Proportion of building and infrastructure costs	107,823	3,566	111,389	99,229	-	99,229
Meeting, travel and officers' expenses	9,352	-	9,352	11,069	-	11,069
Donations and grants	41,592	21,529	63,121	14,367	2,548	16,915
Work Party costs	42,226	578	42,804	54,995	-	54,995
WRG restoration costs	52,119	47,327	99,446	57,300	29,085	86,385
Branch & region magazines, printing, advertising expense	19,965	-	19,965	18,158	-	18,158
Campaign costs	54,428	13,805	68,233	70,563	40,651	111,214
Computer and consultancy costs	-	-	-	2,893	-	2,893
Other direct costs	90,803	4,818	95,621	85,129	1,246	86,375
Governance and support costs (see note 6)	122,225	757	122,982	105,163	-	105,163
Restoration Hub	10,396	18,562	28,958	-	53,073	53,073
	798,246	188,329	986,575	803,398	126,603	930,001
(b) Membership support costs						
Staff costs	91,411	-	91,411	53,794	-	53,794
Proportion of building and infrastructure costs	20,385	674	21,059	18,760	-	18,760
Membership and recruitment	16,766	-	16,766	22,665	-	22,665
Other direct costs	5,682	-	5,682	7,250	-	7,250
Governance and support costs (see note 6)	23,108	143	23,251	18,838	-	18,838
	157,352	817	158,169	121,307	-	121,307
(c) Public meeting and other activities						
Public meetings and other activities	12,729	-	12,729	14,868	-	14,868
Total charitable expenditure	968,327	189,146	1,157,473	939,573	126,603	1,066,176

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

6a Analysis of governance and support costs (current year)

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	32,369	75,527	107,896	Pro rata to actual costs
Other direct costs	400	934	1,334	Pro rata to actual costs
Audit fees	-	28,002	28,002	Actual costs
Legal and other professional services	-	3,833	3,833	Actual costs
Trustee Indemnity insurance costs	-	1,429	1,429	Actual costs
AGM and other meeting costs	-	3,739	3,739	Actual costs
	<u>32,769</u>	<u>113,464</u>	<u>146,233</u>	

Apportioned by charitable activity:

Campaign and restoration	122,982	(see note 5)
Membership support	23,251	(see note 5)
	<u>146,233</u>	

6b Analysis of governance and support costs (prior year)

	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
	<u>30,242</u>	<u>93,759</u>	<u>124,001</u>	

Apportioned by charitable activity:

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

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

7a Analysis of total resources expended (current year)									
	Grants and Donations	Staff costs (note 8)	(*) Support and Governance costs	Other costs	Depreciation	Total expended 2019	Total expended 2018		
	£	£	£	£	£	£	£		
Cost of generating funds:									
Fundraising trading: costs of goods sold and other costs:									
Other events and activities	-	-	-	6,668	-	6,668	7,058		
Charitable trading	-	-	-	3,044	-	3,044	5,351		
Navigation management costs	-	271,142	-	265,753	34,538	571,433	610,625		
Investment Management Costs	-	-	-	8,211	-	8,211	5,092		
Investment interest	-	-	-	4,994	-	4,994	595		
Charitable activities (see note 5):									
Campaign and restoration costs	63,121	415,444	32,242	438,290	37,478	986,575	930,001		
Membership support costs	-	108,566	6,095	43,178	330	158,169	121,307		
Public meetings and other activities	-	-	-	12,729	-	12,729	14,868		
	63,121	795,152	38,337	782,867	72,346	1,751,823	1,694,897		

*staff cost allocated to support and governance costs

(107,896)	107,896
687,256	146,233 (see note 6a)

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

7b Analysis of total resources expended (prior year)	Grants and Donations £	Staff costs (note 8) £	(*) Support and Governance costs £	Other costs £	Depreciation £	Total expended 2018 £
Cost of generating funds:						
Fundraising trading: costs of goods sold and other costs:						
Other events and activities	-	-	-	7,058	-	7,058
Charitable trading	-	-	-	5,351	-	5,351
Navigation management costs	-	234,879	-	331,592	44,154	610,625
Investment Management Costs	-	-	-	5,092	-	5,092
Investment interest	-	-	-	595	-	595
Charitable activities (see note 5):						
Campaign and restoration costs	14,367	361,776	27,920	487,109	38,829	930,001
Membership support costs	-	68,398	4,234	41,334	7,341	121,307
Public meetings and other activities	-	-	-	14,868	-	14,868
	14,367	665,053	32,154	892,999	90,324	1,694,897

*staff cost allocated to support and governance costs

(91,847)	91,847
573,206	124,001 (see note 6b)

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

8 Staff costs and numbers

	2019	2018
	£	£
Wages and salaries	697,329	582,133
Social security costs	52,455	44,774
Pension costs	45,368	38,146
	<u>795,152</u>	<u>665,053</u>

There were no employees earning over £60,000 per annum (2018: none).

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

	2019	2018
	Number	Number
Management activities	3	4
Charitable activities	30	19
Support staff	8	12
	<u>41</u>	<u>35</u>

The key management personnel 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 £266,726 (2018: £276,494).

For the Charity the average monthly number of employees was 19 (2018: 16).

9 Net income/(expenditure) for the year

	2019	2018
	£	£
This is stated after charging:		
Depreciation	72,346	90,323
Operating lease rentals	63,759	38,695
Auditors remuneration	24,970	20,139
Auditors non-audit remuneration	8,475	1,200

10 Trustees' remuneration and insurance

The members of the Board of Trustees receive no remuneration for their services. During the year, 10 (2018: 10) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £6,367 (2018: £5,554). Included in creditors at the year end is £361 (2018: £169) owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £1,429 (2018: £1,429).

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

11 Intangible fixed assets

GROUP AND CHARITY	IT software and website £	Total £
Cost		
At 1 January 2019	-	-
Additions	51,646	51,646
Disposals	-	-
At 31 December 2019	51,646	51,646
Depreciation		
At 1 January 2019	-	-
Charge for year	-	-
Disposals	-	-
At 31 December 2019	-	-
Carrying amount		
At 31 December 2019	51,646	51,646
At 31 December 2018	-	-

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

No amortisation was charged in 2019 as the assets had not yet been brought into use.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

12 Tangible fixed assets

GROUP	Buildings and leasehold improvements £	Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2019	10,288	22,899	479,494	182,097	694,778
Additions	-	1,442	27,157	-	28,599
Disposals	-	-	(14,676)	-	(14,676)
Revaluation	-	-	(2,049)	-	(2,049)
At 31 December 2019	10,288	24,341	489,926	182,097	706,652
Depreciation					
At 1 January 2019	8,268	19,694	250,144	116,284	394,390
Charge for year	1,044	1,300	35,648	34,354	72,346
Disposals	-	-	(10,649)	-	(10,649)
Revaluation	-	-	(12,739)	-	(12,739)
At 31 December 2019	9,312	20,994	262,404	150,638	443,348
Carrying amount					
At 31 December 2019	976	3,347	227,522	31,459	263,304
At 31 December 2018	2,020	3,205	229,350	65,813	300,388
CHARITY		Computer equipment £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2019		22,899	100,409	164,393	287,701
Additions		1,442	4,007	-	5,449
Disposals		-	(1,794)	-	(1,794)
At 31 December 2019		24,341	102,622	164,393	291,356
Depreciation					
At 1 January 2019		19,694	99,040	98,580	217,314
Charge for year		1,300	2,154	34,354	37,808
Disposals		-	(1,794)	-	(1,794)
At 31 December 2019		20,994	99,400	132,934	253,328
Carrying amount					
At 31 December 2019		3,347	3,222	31,459	38,028
At 31 December 2018		3,205	1,369	65,813	70,387

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

13 Investment Property

GROUP AND CHARITY

	£
Cost	
At 1 January 2019	-
Additions	313,000
At 31 December 2019	<u>313,000</u>
Movement in fair value	
At 1 January & at 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u><u>313,000</u></u>
At 31 December 2018	<u><u>-</u></u>

A professional valuation was carried out in 2019 by Berrys, property advisors. The balance at 31 December 2019 represents the valuation, net of refurbishment costs being incurred to bring the property up to a lettable standard.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

14 Fixed asset investments

	Group 2019 £	Group 2018 £
Market value at 1 January	1,269,538	1,153,706
Additions	63,248	358,345
Disposals proceeds	(74,264)	(117,739)
Increase/(decrease) in cash awaiting investment	2,737	(93,377)
Gains/(losses) on investments for the year	133,432	(61,287)
Dividends and interest received	36,868	29,890
Market value at 31 December	1,431,559	1,269,538
Historic cost of listed investments	1,209,034	1,214,214

Included within net investment gain/(loss) is £nil (2018: £nil) investment management fees.

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

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Listed investments	1,381,931	1,259,515	1,381,933	1,259,517
Other investments	2	2	-	-
Loan to Essex Waterways Ltd	-	-	67,016	88,796
Cash deposits	49,626	10,021	49,626	10,021
Shares in subsidiary companies	-	-	4	4
	1,431,559	1,269,538	1,498,579	1,358,338

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

Name

Wholly owned subsidiaries of the charity:

Essex Waterways Limited

Inland Waterways Enterprises Ltd

Waterway Recovery Group Ltd

Business activity

- Manages the Chelmer & Blackwater Navigation
- Undertakes Event trading in 2019; dormant, non trading, in 2020
- Dormant – non trading

15 Stocks

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Goods for resale	7,541	9,616	7,541	9,616

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

16 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	25,759	88,500	14,379	23,523
Amounts owed by group undertakings	-	-	-	6,257
VAT recoverable	-	-	-	6,493
Other debtors, accrued income and prepayments	527,772	231,639	523,051	229,319
	<u>553,531</u>	<u>320,139</u>	<u>537,430</u>	<u>265,592</u>

17 Creditors: amounts falling due within one year

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	46,414	89,636	40,416	50,067
Other taxation and social security	12,859	10,895	8,650	6,482
Amount owed to undertakings	-	-	910	2,819
VAT payable	14,030	8,166	(1,174)	-
Grants payable (note)	-	-	-	-
Life membership account (note 18)	2,149	2,010	2,149	2,010
Other creditors	103,208	94,230	65,391	67,301
Victoria Loan payments due	5,500	5,500	-	-
Deferred income	35,830	35,281	24,723	35,281
	<u>219,990</u>	<u>245,718</u>	<u>141,065</u>	<u>163,960</u>

Analysis of movement in deferred income

GROUP	1 January 2019	Recognised to income £	Received in advance £	31 December 2019 £
Trading income - other events and activities	35,281	(35,280)	21,222	21,223
Grants received re 2020	-	-	4,250	4,250
Navigation management	-	-	10,357	10,357
	<u>35,281</u>	<u>(35,280)</u>	<u>35,829</u>	<u>35,830</u>

CHARITY	1 January 2019	Recognised to income £	Received in advance £	31 December 2019 £
Trading income - other events and activities	35,281	(35,280)	21,222	21,223
Grants received re 2020	-	-	3,500	3,500
	<u>35,281</u>	<u>(35,280)</u>	<u>24,722</u>	<u>24,723</u>

Included in the balance at 31 December 2019 for Trading income - other events and activities is income received in advance for waterways events due to be held in 2020. Following the onset of the Coronavirus pandemic, these events had to be cancelled with customers being given the options of refund, deferral to 2021 or donation to IWA.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

18 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	
	2019	2018	2019	2018
	£	£	£	£
Life membership	7,763	9,015	7,763	9,015
Loan for trip boat Victoria	35,292	40,792	-	-
	<u>43,055</u>	<u>49,807</u>	<u>7,763</u>	<u>9,015</u>
Repayable in greater than 5 years	10,410	16,168	2,118	2,876

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

2025:	£758
2026:	£715
2027:	£439
2028:	£159
2029:	£47

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 (continued)

For the year ended 31 December 2019

19a Restricted funds (current year)

GROUP	1 January 2019	Incoming resources £	Resources expended £	Transfers £	Net Loss on investments £	31 December 2019 £
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	-	63,904
Charles Hadfield Fund	5,856	-	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	-	96
The Christopher Power Award Fund	7,385	-	(1,000)	-	-	6,385
The New Power Family Award Fund	23,603	-	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	-	5,923
Waterway Recovery Group Fund	157,625	28,518	(38,145)	-	-	147,998
Frederick Woodman Fund	3	-	-	-	-	3
J Faulkner Fund	50,468	-	(18,529)	-	-	31,939
National Restoration Appeal Fund	-	500	(13,805)	13,305	-	-
Keith Ayling Legacy Fund	257	1,875	(2,000)	-	-	132
Averil Dobson Legacy Fund	-	306,612	-	-	-	306,612
Mary Jackson Legacy Boat House Fund	-	313,000	-	-	-	313,000
Alison Spooner Legacy Fund	-	146,040	-	-	-	146,040
Restoration Hub Fund	-	-	-	-	-	-
Historic England Fund	-	98,825	(94,603)	-	-	4,222
Heritage Lottery Fund	-	14,900	(12,555)	-	-	2,345
Essex Waterways Ltd Trip Boat Grant	25,712	-	(1,286)	-	-	24,426
Other Grants	10,297	9,689	(16,744)	-	-	3,242
	351,129	919,959	(198,667)	13,305	-	1,085,726

CHARITY	1 January 2019	Incoming resources £	Resources expended £	Transfers £	Net Loss on investments £	31 December 2019 £
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	-	63,904
Charles Hadfield Fund	5,856	-	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	-	96
The Christopher Power Award Fund	7,385	-	(1,000)	-	-	6,385
The New Power Family Award Fund	23,603	-	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	-	5,923
Waterway Recovery Group Fund	157,625	28,518	(38,145)	-	-	147,998
Frederick Woodman Fund	3	-	-	-	-	3
J Faulkner Fund	50,468	-	(18,529)	-	-	31,939
National Restoration Appeal Fund	-	500	(13,805)	13,305	-	-
Keith Ayling Legacy Fund	257	1,875	(2,000)	-	-	132
Averil Dobson Legacy Fund	-	306,612	-	-	-	306,612
Mary Jackson Legacy Boat House Fund	-	313,000	-	-	-	313,000
Alison Spooner Legacy Fund	-	146,040	-	-	-	146,040
Restoration Hub Fund	-	-	-	-	-	-
Historic England Fund	-	98,825	(94,603)	-	-	4,222
Heritage Lottery Fund	-	14,900	(12,555)	-	-	2,345
Other Grants	1,227	8,500	(8,511)	-	-	1,216
	316,347	918,770	(189,148)	13,305	-	1,059,274

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

19b Restricted funds (prior year)

GROUP	1 January 2018	Incoming resources	Resources expended	Transfers	Net Loss on investments	31 December 2018
		£	£	£	£	£
Chelmer & 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)	-	-	-
Essex Waterways Ltd Trip Boat Grant	28,797	-	(3,085)	-	-	25,712
Essex Waterways Ltd Cressy Quay Fund	-	78,000	(78,718)	718	-	-
Other Grants	-	16,504	(5,489)	(718)	-	10,297
	331,035	214,286	(209,123)	14,931	-	351,129

CHARITY	1 January 2018	Incoming resources	Resources expended	Transfers	Net Loss on investments	31 December 2018
		£	£	£	£	£
Chelmer & 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
	302,239	125,780	(126,603)	14,931	-	316,347

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

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

The National Restoration Appeal Fund was established to fund restoration work on Inglesham Lock, on the Thames and Severn Canal. These works were completed in 2018. Further work was able to be carried out in 2019 with a new donation plus additional funds of £13,305 transferred from designated and general funds.

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

The Averil Dobson Legacy Fund will be used towards the restoration of The Lancaster Canal (particularly the Northern Reaches).

The Mary Jackson Boat House was a bequest from which the charity may generate residential rental income for general funds. It is treated as an investment property in the accounts and may not be sold.

The Alison Spooner Legacy Fund will be used towards the Restoration Fund for the Cotswold Canals.

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.

The Heritage Lottery Fund is grant proceeds from Heritage Lottery Fund enabling Restoration Hub to facilitate guidance, training and digital resource programmes that will enhance the future of waterways restorations.

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.

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.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

20a Unrestricted funds (current year)

GROUP	1 January 2019	Incoming resources £	Resources expended £	Transfers £	Net Gain on investments £	31 December 2019 £
Designated Funds						
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	-	162,554
Tony Harrison legacy	70,118	-	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-	-
	253,049	54,870	(65,698)	(9,549)	-	232,672
General Fund	1,564,954	1,288,342	(1,487,458)	(3,756)	133,432	1,495,514
	1,818,003	1,343,212	(1,553,156)	(13,305)	133,432	1,728,186

CHARITY	1 January 2019	Incoming resources £	Resources expended £	Transfers £	Net Gain on investments £	31 December 2019 £
Designated Funds						
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	-	162,554
Tony Harrison legacy	70,118	-	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-	-
	253,049	54,870	(65,698)	(9,549)	-	232,672
General Fund	1,420,002	701,708	(924,311)	(3,756)	133,432	1,327,075
	1,673,051	756,577	(990,009)	(13,305)	133,432	1,559,747

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)

For the year ended 31 December 2019

20b Unrestricted funds (prior year)

GROUP	1 January 2018	Incoming resources £	Resources expended £	Transfers £	Net Gain 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)	-	-	-
	322,108	62,773	(110,121)	(21,711)	-	253,049
General Fund	1,328,361	1,666,753	(1,375,653)	6,780	(61,287)	1,564,954
	1,650,469	1,729,526	(1,485,774)	(14,931)	(61,287)	1,818,003

CHARITY	1 January 2018	Incoming resources £	Resources expended £	Transfers £	Net Gain 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)	-	-	-
	322,108	62,773	(110,121)	(21,711)	-	253,049
General Fund	1,275,801	1,034,097	(835,389)	6,780	(61,287)	1,420,002
	1,597,909	1,096,870	(945,510)	(14,931)	(61,287)	1,673,051

Branch Financial Commitments are detailed in note 23.

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 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.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

21 Analysis of net assets between funds

Fund balances at 31 December 2019 are represented by:

GROUP	Restricted funds £	Designated funds £	General funds £	Other funds £	Total funds 2019 £	Total funds 2018 £
Intangible fixed assets	-	-	51,646	-	51,646	-
Tangible fixed assets	-	-	252,614	10,690	263,304	300,388
Investment Property	313,000	-	-	-	313,000	-
Investments	681,537	70,118	679,904	-	1,431,559	1,269,538
Net current assets	91,189	162,554	554,405	-	808,148	649,013
Long term liability	-	-	(43,055)	-	(43,055)	(49,807)
Total net assets at 31 December	1,085,726	232,672	1,495,514	10,690	2,824,602	2,169,132

CHARITY	Restricted funds £	Designated funds £	General funds £	Other funds £	Total funds 2019 £	Total funds 2018 £
Intangible fixed assets	-	-	51,646	-	51,646	-
Tangible fixed assets	-	-	38,028	-	38,028	70,387
Investment property	313,000	-	-	-	313,000	-
Investments	681,537	70,118	746,924	-	1,498,579	1,358,338
Net current assets	64,737	162,554	498,240	-	725,531	569,688
Long term liability	-	-	(7,763)	-	(7,763)	(9,015)
Total net assets at 31 December	1,059,274	232,672	1,327,075	-	2,619,021	1,989,398

22 Revaluation reserve

	Group 2019 £	2018 £	Charity 2019 £	2018 £
At the beginning of the year	-	-	-	-
Revaluation surplus arising in the year	10,690	-	-	-
At the end of the year	10,690	-	-	-

Trip boats with a carrying amount of £96,810 were revalued, with effect from 1 January 2019, to £105,000 based on the Directors' experience and knowledge of the vessels. The useful economic life of the trip boats was also reviewed and, with effect from 1 January 2019, was deemed to be 20 years.

Notes to the financial statements (continued)
For the year ended 31 December 2019

23 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 2019 £104,932 (2018: £56,352) had been committed to other projects.

In addition to the above, certain regions and branches have earmarked £26,994 (2018: £24,144) for specific waterway projects.

The group also had capital commitments to the development of its internal systems of £31,278 (2018: £nil), improvements to the Chelmer & Blackwater Navigation of £23,250 (2018: £nil) and further financial commitments at the year end totalling £87,230.

At 31 December 2019 the group had total commitments under non-cancellable operating leases as follows:

	Other		Land & Buildings	
	2019	2018	2019	2018
	£	£	£	£
Expiry date:				
Within one year	5,826	3,695	35,000	35,000
Between two and five years	12,337	223	78,750	113,750
Over five years	-	-	-	-
	18,163	3,918	113,750	148,750

24 Related party transactions

During the year the group purchased goods (net of VAT) totalling £9,854 (2018: £7,482) 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 2019 was £nil (2018: £nil). All transactions were undertaken on a commercial arm's length basis.

The Inland Waterways Association (Limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2019

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

	2019 £	2018 £
Net movement in funds	644,780	187,628
Investment property received as bequest	(313,000)	-
Add back depreciation charge	72,346	90,323
Profit on sale of fixed assets	4,027	-
Investment income received	(36,868)	(30,816)
Net interest received	(114)	(402)
Unrealised investment loss/(gain)	(133,432)	61,287
Decrease/(increase) in stock	2,075	5,895
(Increase)/decrease in debtors	(233,392)	(68,783)
(Decrease)/increase in creditors	(26,980)	(92,765)
Decrease in grant commitments	-	(10,000)
Net cash (utilised by)/provided by operating activities	(20,558)	142,367

26 Events After the Reporting Date

The first half of 2020, following the balance sheet date of these accounts, has seen the Coronavirus global pandemic significantly impact life and the economy on a global scale. The duration and ongoing severity of its impact is unknown at this time.

In the short term, the trustees expect the impacts on the Association to be relatively modest. Financial losses and/or lost profits from cancelled public events in 2020 will be small. Some fundraising has been frustrated due to restrictions on activities, although those activities that were due to be funded from previously announced grants will still take place at a later date. Whether the level of membership income and donations will be affected negatively in the medium and longer term will depend on how long and cutting an economic downturn may be. It has not been the case to date.

The initial impact of the Coronavirus pandemic on global markets was significant and this is reflected in the post year end valuations of IWA investments. Following a fall in value of £172,000 at 31 March 2020, the investments had partially recovered by £102,000 to £1,312,000 at 30 June 2020.

The directors of Essex Waterways Ltd carefully reviewed the impacts of the pandemic and have adjusted planned works to take this into account. Trip boat and sales kiosk operations were temporarily suspended over the spring months while restrictions were at their height. The sales kiosk reopened in June 2020, but most trip boat activity remains suspended in accordance with government safety guidelines. Again, risk may lie in the medium and long term to income from boat and visitor moorings if owners suffer as a result of economic downturn. The Navigation is in good condition and the directors of Essex Waterways Ltd are confident of the company's long term prospects.

Free reserves are currently well above the Association's reserve policy and the trustees are confident the group has ample funds to cushion the financial impacts of the pandemic and remain a going concern.