

Company number: 00612245

Charity number: 212342

# Inland Waterways Association

Report and financial statements

For the year ended 31 December 2020



**INLAND  
WATERWAYS**  
ASSOCIATION

# Inland Waterways Association

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### For the year ended 31 December 2020

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## Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2020

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Company number 00612245  
Country of incorporation United Kingdom

Charity number 212342  
Country of registration England & Wales

### Registered office and operational address

Inland Waterways Association  
Island House  
Moor Road  
Chesham  
Buckinghamshire  
HP5 1WA

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Paul Rodgers	Chair
Raymond Carter	Treasurer (until October 2020)
John Butler	Treasurer (from October 2020)
Rt Hon Sir Robert Atkins	
Richard Barnes	
Philippa Bursey	(from October 2020 until November 2020)
Ivor Caplan	(until November 2020)
David Chapman	
Nicholas Dybeck	(from October 2020)
Christopher Howes	(until July 2020)
Susan O'Hare	(from October 2020)
Michael Palmer	(until October 2020)
Nicola Schiessel Harvey	
Ian Sesnan	(from October 2020)
Verna Smith	(until October 2020)
Roger Stocker	
Paul Strudwick	(until October 2020)
Helen Whitehouse	
Alison Woodhams	(from October 2020)

<b>Company Secretary</b>	Neil Edwards	(until October 2020)
	Genevieve Wilson	(from October 2020)

## Inland Waterways Association

### Reference and administrative information

For the year ended 31 December 2020

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<b>Key management personnel</b>	Neil Edwards	Chief Executive (until July 2020)
	Sarah O'Grady	Interim Chief Executive (from July 2020 until December 2020)
	Phil Hornsey	Chief Executive (from February 2021)
	Tracy Higgin	Administration Manager
	Alison Smedley	Campaigns & Public Affairs Manager
	Eileen Holland	Finance Manager – job share
	Genevieve Wilson	Finance Manager – job share
	Alicen Stenner	Marketing Manager (until January 2021)
	Gemma Bolton	Acting up Marketing Manager (from February 2021)
	Jenny Morris	Volunteer & Restoration Hub Coordinator
Anthony Comber	General Manager Essex Waterways Ltd (from March 2021)	
David Hewitt	Navigation Manager Essex Waterways Ltd (until March 2020)	
Steve Cottis	Navigation Manager Essex Waterways Ltd (from April 2020 until February 2021)	
<b>Bankers</b>	Barclays Bank PLC 8 Market Place Kettering NN16 OAX	
<b>Investment advisers</b>	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB	
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL	

## **Inland Waterways Association**

### **Trustees' annual report**

#### **For the year ended 31 December 2020**

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The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Who we are**

IWA is a charity governed and run by volunteers and supported by a small team of employees. We campaign to protect and restore the country's 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. Our 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.

### **Protecting our inland waterways**

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. We work 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.

### **500 miles left to restore**

IWA actively encourages waterway restoration by providing advice, guidance and hands-on, practical support to local restoration groups. Our Restoration Hub champions waterways restoration and provides 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.

## Supported by a vibrant network of volunteers

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.

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 covers just 37% of IWA's charitable expenditure, with a further 18% being covered by unrestricted gifts in wills in 2020. The association uses a diverse range of other income streams to fund the remainder.

## Welcome – Paul Rodgers

The start of 2020 was a new year, a new decade and I had recently taken on a new role as National Chair of the Inland Waterways Association.

During the year we saw the 'new normal' redefined on an almost daily basis. Covid-19 has impacted on the Inland Waterways Association's work and activities throughout 2020. We saw the cancellation of our major events and festivals, as well as work parties and meetings, but the charity embraced digital and enabled more people to access our activities and events in a way we couldn't have anticipated. I have been delighted at how the Association has responded. Our staff and volunteers continued campaigning and raising the profile of the waterways in new and innovative ways, that have been truly inspiring.

The pandemic has demonstrated just how important our waterways are to the communities they serve, bringing record numbers of people to their local canals and rivers, enjoying all the activities that the water has to offer.

75 years ago, the waterways revival was born. August 2020 saw the anniversary of the meeting of our co-founders in 1945, and the beginning of a year of celebrations. Our Waterway Recovery Group also celebrated 50 years of bringing derelict waterways back to life.

Our tireless volunteers monitor issues, scrutinise planning applications, campaign locally and nationally for the waterways, and organise events for our members and the wider public. I would like to applaud our teams of experts in planning, heritage and restoration for their tireless work in responding to the continuing threats to the waterways.

Outstanding successes in the last year include the launch of our vision for sustainable boating and report on waterways heritage; the launch of our Legacy Leaders Programme to train the restoration leaders of the future; IWA TV; and the culmination of a ten-year campaign to protect the use of red diesel for boaters whilst we lobby for better access to alternatives.

During the year our chief executive, Neil Edwards, retired after 20 years in the role. Under Neil's leadership, IWA has developed an established reputation as a champion and advocate of the waterways restoration movement and 'voice of the waterways'. I would like to thank Neil for leaving the charity in an excellent position to further support the regeneration of the waterways and meet the challenges of the future. We are also thankful to our interim chief executive, Sarah O'Grady, who took the reins whilst a permanent replacement was sought.

And finally, I would like to welcome our new chief executive, Phil Hornsey, who joined us earlier this year.

Thank you to our superb staff team, my fellow trustees and our volunteers and members for your continued dedication and support for our cause throughout this challenging year.

## Welcome – Phil Hornsey

My first few months with the Inland Waterways Association have been both challenging and rewarding. Despite not being able to meet colleagues face to face, it has been a pleasure to talk to so many people that are passionate about our charity's cause, and I have enjoyed hearing from the volunteers and staff who work so hard to campaign for our fantastic network of inland waterways. I would like to thank my predecessor, Neil Edwards, who has left an incredible legacy and strong foundation for the charity's next phase, and also Sarah O'Grady, who supported the staff team as interim CEO in a challenging year and contributed to modernising the charity's governance structures.

Our National Chair's foreword gives an excellent overview of some of the important and very visible initiatives that IWA was able to focus on during 2020. But our work behind the scenes was equally important, especially our collaboration with other waterways bodies to understand how Covid-19 was impacting on our members and the wider sector.

Early on, IWA put in place a number of actions to help support waterway businesses and communities, and we will continue working with and influencing government to advocate for the necessary measures to support the waterways sector and help it to thrive in a post-Covid economy.

The organisation adapted brilliantly to the operational challenges encountered during the pandemic, moving swiftly to remote working practices. With access to new software and extensive training and support for volunteers, every level of IWA has been able to benefit from the new world of virtual meetings and webinars, and we will look to continue with many of these contemporary ways of working into 2021.

Continuing on the digital front, the launch of a new IWA website in 2020, and an integrated database due to launch this year, will provide opportunities to engage with new and existing supporters, improve the experience of our members and volunteers, and generate much needed income for the charity. With a recent report on global giving finding that nearly three-quarters of charity donors are inspired to do so through digital channels, the continued development of IWA's presence online and across social media will be absolutely vital to our future.

There's no doubt that IWA achieved a great deal in the period covered in this annual review, despite the limitations created by the pandemic. Our work to focus on greener boating, protection of heritage and restoration initiatives will have a positive impact on the waterways, now and for years to come.

Above all, as we work to reposition IWA for the next generation and the next 75 years, I want to thank colleagues, members and supporters for their ongoing professionalism, tenacity and support for the charity during this difficult year. We couldn't do this without you.

## Our Year in Numbers

### Who we are



**11,387**

Members supporting our work through a regular subscription

**283**

Volunteers on local or national committees who work on our campaigns and supporting activities

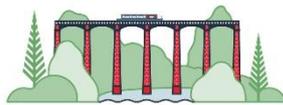
**33**

Local branches across the country who scrutinise planning applications; carry out local campaigns; improve canals and rivers in the area; and organise events and activities for members

**19**

Members of staff who lead on national campaigns and provide support to the charity and volunteers to facilitate work which contributes to the charity's stated objectives. Many of these staff are part time – the FTE is 15.5.

### Our work



**£91,960**

Waterways in Progress Grants awarded to canal restoration groups

**95**

Technical enquiries responded to from volunteers across the waterway restoration sector

**6**

Future restoration leaders recruited to our Legacy Leaders Training Programme in 2020 with 6 more joining the Programme in 2021

**60**

Campaigners and parliamentarians attended our Reception at the Palace of Westminster in January

**31**

Webinars on waterway related topics hosted during 2020

### Growing our charity



**15**

Volunteer Champions trained to support our webinar series

**12,000**

Video views on YouTube

**522,000**

Visitors came to our website in 2020 to find out information about waterways, activities and campaigns

**15k**

Email subscribers

**£161k**

Legacy income to support our campaigns

## Inland Waterways Association

### Trustees' annual report

For the year ended 31 December 2020

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**20**

Members of staff employed by our subsidiary Company, Essex Waterways, which looks after the Chelmer & Blackwater Navigation – FTE 9.8.

**9**

Expert volunteers recruited to create a vision for sustainable propulsion

**1**

Additional member of staff recruited to support our heritage campaign

## Objectives and activities

### Purposes and aims

#### VISION

A thriving, growing network of sustainable inland waterways for everyone.

#### MISSION

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.

#### VALUES

Our six core brand values underpin all that we do. They are what drive the decisions we make and the outlook that we take.

**Visionary** – Our vision is a thriving, growing network of sustainable inland waterways for everyone.

**Dedicated** – Our volunteers devote their time, energy and effort to benefit the waterways.

**Professional** – At IWA we listen, we collaborate, and we share our ideas and expertise with respect and understanding.

**Passionate** – Our spirit and enthusiasm inspires others to help make our waterways the best they can be.

**Determined** – We set out on our path knowing that it will not be easy, and we do not let this deter us.

**Trustworthy** – Our motives are always focussed on what is best for the waterways.

### Strategic direction

In 2017, we set out our five-year plan, focussing on four key areas to help achieve our vision for a thriving, growing network of sustainable inland waterways for everyone.

#### Key Areas of our Work

These four key areas help us fulfil our purpose and make our vision a reality:

Aim 1: Protect our waterways and ensure their long-term sustainability.

Aim 2: Create a healthy, vibrant waterway restoration sector which will return derelict waterways back to navigation as well as encouraging the support of new waterways.

Aim 3: See more people be inspired to get out and use our waterways, whether on water or beside it.

Aim 4: Ensure that the important role our inland waterways play in the UK's infrastructure and economy is better understood and appreciated.

Alongside this, we have been looking to the next chapter for the charity, aligning the organisation's wide-ranging activities with the refocussing of our long-term objectives around the four strategic themes of Regeneration, Influence, Sustainability and Engagement.

The themes set the scene for clear governance, allowing our operational structures to converge around one management model based on common goals and objectives. As staff and volunteer functions unite under the themes, we will be able to create a more supportive structure with greater organisational learning and shared resources. In establishing an ongoing culture of change, we are looking to create the opportunity for open communications throughout the Association where staff, volunteers, supporters and partners can all contribute to the strategic direction, objectives, and activities.

These themes are already beginning to have an influence on the activities, processes and structures within IWA. Labelled RISE, the themes will be adopted by trustees, staff and volunteers as we set objectives for the future.

## Statement of Public Benefit

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and performance

### 2020 in Summary

IWA's charitable activities in 2020 have centred around the regeneration of the country's canals and rivers for all waterway users. In a year marked by a global pandemic, the charity demonstrated resilience and agility, continuing much of its campaigning through online channels. Cancelling our major events has meant lost opportunities for profile raising and associated new memberships and donations. There has been a loss of thousands of volunteer working hours that help maintain, improve and restore the inland waterways each year. Canal Camp working holidays normally attract around 400 volunteers. The most significant impacts on our income have been around the decrease in availability of grant funding as many volunteering activities such as work parties and Canal Camps were cancelled. Many funders suspended grant giving or diverted funds into the health and wellbeing of those directly affected by Covid-19. Where IWA had existing grant-funding in place, the funders have been supportive and allowed activities to be postponed.

Despite this, we have continued to achieve against our five-year plan and key areas of our work in 2020, which include:

- The launch of our Vision for Sustainable Boating, which is already informing our work to help the waterways meet the government's target of net zero emissions by 2050.
- The launch of part one of our Heritage Report to help define waterways heritage, so that we can better protect this aspect of what makes our waterways so special.
- Delivery of training and new resources for the waterway restoration sector, including 20 webinar sessions. Helping to bring derelict waterways back to life brings economic, health and leisure benefits to the communities they serve.
- £91,960 Waterways in Progress grant funding was awarded across four restoration projects that will start to deliver benefits from day one.
- Launch of a new programme of online talks on waterways topics, to educate and inspire new and existing supporters to protect and restore them.
- Development of our influencing strategy to raise awareness of our work among local and national bodies to ensure waterways are included in policy, planning and fundraising decision making.
- The launch of a new website in October to engage the waterways community to support our campaigns and help grow the charity. This saw an increase in membership sign-ups up 47% in the first six months compared to the previous year, £4,000 in one-off donations, and more than 2,000 orders were taken through our new online shop in the lead-up to Christmas.
- Development of a new database, which will provide a better support experience and streamline our administrative operations when it launches in 2021.

The following pages bring together highlights under each of our aims, as well as areas we are working to improve. As COVID-19 has had an impact on our work, we have included details of this where relevant and known.

## Responding to Covid-19

The 2020 global pandemic turned normal life on its head and decimated the operations of whole areas of the economy and charity sector. For IWA, this became an area for our campaigning, but it also impacted our charity operations, the way the Association works.

### Developing the capability for colleagues to work from home

Our staff team was largely able to work from home when it became necessary, using existing cloud arrangements. New remote working practices were implemented, and equipment was provided where it was needed. For most of the year there has been a skeleton team of staff at the office. All activities have been fully risk assessed with mitigation measures in place. No permanent members of staff were furloughed and where possible, staff activities have continued.

### Our programme of events

Our major events were either cancelled or postponed, including Canalway Cavalcade, two trailboat festivals and our Festival of Water. Our very busy programme of work parties, walks, Canal Camps, talks, meetings and socials were curtailed as a result of the pandemic that took hold in March.

We moved many of our events online, including our restoration hub workshops, all trustee meetings, committee meetings and even our 2020 AGM. We trained 15 webinar champions to support a new IWA TV initiative, with 31 live webinars on waterway topics hosted for our supporters in 2020. We also organised a further 20 webinars to provide guidance and support to waterway restoration groups. In addition, IWA groups hosted online quiz nights, bingo and challenges at home.

For those events that couldn't take place online, we provided support for them to proceed in a Covid-safe way in line with government regulations, where possible. We also established a Canal Camps Covid Working Group, which has spent the past six months developing different models that would allow WRG to return to a programme of working holidays in 2021.

### Guidance & support for sector volunteers

Covid-19 updates, guidance and risk assessment templates were shared with volunteers and restoration groups throughout the year to help activities to resume safely, where possible.

**Aim: Protect our waterways and ensure their long-term sustainability.**

IWA is passionate about preserving the environment and heritage of the country's 6,500 miles of canals and navigable rivers for the future, and we know that to do so, boating needs to be more sustainable and affordable; and waterways need to be well funded and managed.

## What we achieved in 2020:

### Sustainable Waterways

While 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. Our new advisory sub-group to our national Navigation Committee established in 2019 is leading the way on new technologies. IWA published its Vision for Sustainable Boating in 2020, outlining initiatives to ensure boats on the inland waterways don't get left behind in the country's progress towards net zero emissions by 2050. Proposals include:

- Installation of 300 shore power mains connection charging sites
- National dredging programme to help make propulsion more efficient
- Widespread distribution and use of biofuels
- Research into alternative propulsion methods

We will continue to campaign for progress in these areas and we have already seen some promising developments with a second-generation biofuel – HVO, which could be a drop-in replacement for mineral diesel if it can be made available affordably.

Sustainability of the waterways was also at the forefront of our minds when we responded to the government's Environment Bill, with comments on heritage, air quality, water resources and biodiversity net gain.

### Protecting Waterways Heritage

Formed in 2019, one of the first tasks for our Heritage Advisory Panel was to define waterways heritage. Part one of our Heritage Report launched in 2020 described the importance of the buildings, engineering structures, working mechanisms, artefacts, boats, people, skills and culture that make our waterways so special. The report focused on the need for better protection of waterways heritage assets and calls on navigation authorities, councils, planning authorities, developers and builders to consider heritage in any future development plans. Due to launch in 2021 is part two, 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.

## **Protecting the waterways environment**

During the last year we have continued to lobby government about the need for funding for navigation authorities, through our regular meetings with DEFRA, and by highlighting the importance of the waterways to the overall health, economy and wellbeing of the nation. Representatives from four of the smaller navigation authorities took part in a panel discussion as part of our webinar series. They emphasised the need for additional funding to maintain the ageing waterway infrastructure and to invest in new projects, particularly in the light of the huge increase in waterway users during the 2020 pandemic.

To help us to build a better picture of problems happening locally and wider issues we launched a Waterways Watch initiative in 2020. Evidence is needed to understand issues along the waterways so that we can lobby navigation authorities if necessary and campaign for more funding from government. Covid-19 stay at home and stay local restrictions have impacted the ability for our supporters to gather data, but we will continue to promote this initiative as restrictions ease.

The first phase of HS2 high speed rail scheme is now going ahead following a government decision, and we will continue our decade-long campaign to protect the waterways from the worst effects of its construction and operation. We have achieved several changes to the project since 2010 but continue to be concerned about noise and other impacts on many waterways and its ramifications for some canal restoration schemes. The future of Phase 3b proposals in the North and Midlands was among the many consultations we have responded to, and we will continue to campaign for the best outcome for the waterways.

**Aim: Create a healthy, vibrant waterway restoration sector which will return derelict waterways back to navigation as well as encouraging the support of new waterways.**

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 these groups, as well as providing practical hands-on support. We are also exploring the feasibility of building a new waterway in the East of England, the Boston to Peterborough Wetland Corridor.

## What we achieved in 2020:

### Guidance & training for restoration projects

IWA's Restoration Hub champions restoration and provides support for restoration groups across the country. The team fielded 95 technical enquiries from restoration groups in 2020 and hosted 20 webinars to support the sector.

Our Legacy Leadership Programme launched in 2020 to train volunteers who wish to take the lead on canal restoration projects. We recruited six volunteers to the Programme last year with six more joining in 2021. They will receive over £1,000 worth of training and development across 2021 and 2022. The aim is to meet the needs of the restoration sector, by ensuring that volunteer-led waterways restoration projects thrive and can deliver the benefits of restored waterways to communities across the country.

The annual restoration conference was hosted online in October, jointly with Canal & River Trust and brought a focus on good governance and volunteer recruitment.

A new Restoration Hub area of the website has been under development and is due to launch in 2021. It will be rich with the latest news, training updates, case studies and reports for restoration groups.

### Waterway Regeneration

IWA's 2019 Waterways in Progress report and a £100,000 grant pot, funded through unrestricted legacies left to the Association, sought to demonstrate how well-thought-out, partial restoration initiatives can start to deliver benefits right from day one. Four projects were awarded funding in 2020 to:

- Install a new trail on the Ashby Canal near Measham
- Rewater a section of the Chesterfield Canal at Renishaw
- Install a new slipway on the Swansea Canal at Gwilym Park
- Establish a small park along the Wilts & Berks Canal

These projects will help to reinvigorate restoration schemes, motivate volunteers and enthuse the local community.

Enhancements to the non-tidal River Parrett opened up the river frontage in October, and allowed trail boaters, canoeists, paddleboarders and kayakers to explore 7.6 miles of waterway across the Somerset levels. Our IWA West Country Branch team was behind this project right from the very start. They spotted the potential for the river front regeneration, got the community behind the initiative and persuaded partner organisations and Langport Town Council to get on board. We also drafted and supported funding applications; and provided hands-on practical support and engineering expertise.

Our Waterway Recovery Group organises in the region of 25 Canal Camp working holidays each year to help provide a practical boost to restoration projects. This might be restoring a lock chamber or a section of derelict canal. Unfortunately, these Camps were cancelled in 2020 due to the pandemic, however the team is pursuing options for 'Covid-safe' Camps in 2021.

## A new waterway

Previously known as the Fenland Waterways Link project, the Boston to Peterborough Wetland Corridor is a partnership project led by IWA that aims to open up a brand new, direct route between Boston in Lincolnshire and Peterborough in Cambridgeshire. The new 12-mile route will breathe new life into the waterways that travel through the market towns of Spalding and Market Deeping as well as all the smaller villages along the way. In 2020, a new business case was published which estimates that the new waterway will deliver £1.51 of benefit for every £1 spent.

**Aim: See more people be inspired to get out and use our waterways, whether on water or beside it**

Our work is centred around having the best possible waterways, accessible and available to all users. We know that if we want to ensure the future of the waterways, then they need public support. We want to inspire more people to enjoy the waterways and appreciate their value, whether on foot or by boat or the many ways they can be used. We also want to promote understanding and cooperation between different users so that the space can be shared and enjoyed by all. We can do this by bringing these groups together, sharing advice and guidance and by encouraging all users to support the waterways by actively volunteering to support and improve them.

## **What we achieved in 2020:**

### **Covid-19 & using the waterways**

During the pandemic, we have met regularly with DEFRA to ensure any restrictions on using the waterways were fair and consistent with other measures, whilst ensuring a safe environment for all users. We have worked to minimise the risk and detrimental effects on businesses, people and the waterways themselves. We know that record numbers of visitors have used their local canals and rivers during the pandemic, on the water and beside it, and many will have a newfound appreciation for the value of the waterways.

### **Increasing visitors to lesser travelled waterways**

Two new locations were added to the list of locations in our Silver Propeller Challenge at the beginning of 2020, to encourage people to visit underused stretches of the waterway network. An isolated section of the Northern Reaches of the Lancaster Canal was added to the list to help to promote the restoration of the canal up to Kendal. The River Foss in York is a harder to reach destination, as Castle Mills Lock, which gives access to the navigation, requires support to operate. IWA volunteers help boaters through the lock as a free service, however the pandemic meant that access to the Foss was restricted in 2020.

Our first Silver Propeller Challenge completers, Michael and Jo Morehouse, delivered a webinar about the Challenge, which has been viewed by over 2,600 people on YouTube.

### **Engaging new audiences through new digital platforms**

Our face-to-face events were necessarily curtailed during the pandemic. This included regular talks hosted by our branches on waterway-related topics. Quite quickly, we were able to invest in the software and training needed to host many of these events online and launch 'IWA TV'. Volunteers and presenters from across the waterways sector were invited to discuss issues affecting the waterways today, as well as the rich history and heritage that make them so special.

### Trustees' annual report

#### For the year ended 31 December 2020

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Throughout the year, we hosted 31 online events on waterway topics, with more than 1,000 unique participants including members and non-members. We also trained 15 volunteers to act as webinar champions who have helped to deliver these sessions. Through these webinars we were able to reach more people, including those who wouldn't normally be able to attend physical meetings.

2020 saw the launch of a brand-new website in October, which focuses on engaging and educating new audiences about the importance of the waterways. This includes an interactive, searchable map and new content areas such as self-guided walks to encourage people to explore their local waterways in new ways. The aim of the updated design was to increase the number of people supporting our work. Nearly six months on, we're pleased to report that membership sign-ups are up 47% compared to the previous year, £4,000 in one-off donations has been generated through the site, and more than 2,000 orders were taken through our new online shop in the lead-up to Christmas.

We have also 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 is due to launch during 2021.

**Aim: Ensure that the important role our inland waterways play in the UK's infrastructure and economy is better understood and appreciated**

With waterways winning hearts and minds of the country's local and national decision makers, we can hope for a more vibrant future for our canals and rivers. We promote the benefits that waterways bring to local communities through our environmental, heritage and restoration campaigns to ensure they are protected for years to come.

## What we achieved in 2020:

### Lobbying government on key issues

Many waterway businesses closed or operated a much-reduced service in 2020 because of the coronavirus crisis. These businesses add to the vibrancy of the waterways and contribute to their upkeep. IWA launched a joint initiative with Waterways World to assess the impact on the sector, and worked with British Marine, Canal & River Trust and the Broads Authority to make the case to government for support for the industry. When restrictions eased over the summer, we encouraged support for waterway businesses and promoted the benefits of hire boating. Despite ongoing dialogue with the policy team at DEFRA, presentations to the All Party Parliamentary Group for the Waterways, parliamentary questions submitted, and hundreds of letters written by IWA members, government failed to recognise the unique nature of waterways businesses and their contribution to our waterways infrastructure and its long-term survival with additional funding, so there is more work to be done.

### Advocacy in government

Following the December 2019 general election, Michael Fabricant MP took on the role of Chair to the reconstituted Waterways APPG. In January 2020 we hosted a reception at the Houses of Parliament that was attended by 60 people. The event launched our 'value of the inland waterways' document, and briefed MPs about key issues. MPs were also encouraged to join the All Party Parliamentary Group for the Waterways.

Topics highlighted at the reception and subsequent Waterways APPG meetings included the importance of heritage, waterway restoration, navigation authority funding and potential solutions for making the waterways more environmentally sustainable. MPs also heard from navigation authorities and waterway businesses about the importance of government support to save the waterways sector from the impacts of Covid-19. At the end of 2020, we brought the secretariat for the APPG in-house.

Craig Williams MP for Montgomeryshire, who attended our Parliamentary Reception in January secured an adjournment debate in June on the subject of waterways restoration. He talked about the success and benefits of waterway regeneration across the country. He also supported our campaign for a package of support for navigation authorities and waterways businesses affected by Covid-19 restrictions.

## **Government announcement is a win for the waterways sector**

The government recently confirmed that red diesel will continue to be used for both private and commercial boats, overturning an announcement from HMRC in July 2020. We have lobbied government about this issue for many years and the decision will be very much welcomed by boat owners, freight operators, boatyards and waterway-based fuel suppliers. The only disappointment was that, in the Budget statement, the Chancellor did not recognise the significance of alternative fuels with any form of tax break. Hydrotreated Vegetable Oil (HVO) is over 90% carbon neutral, and its use can reposition inland boating close to the target carbon neutral goal.

## Year of the Volunteer

Our volunteers are the lifeblood of our charity.

We are a national network of local IWA branches, and throughout 2020 we started work to see that our local volunteers and campaigns are enriched and re-energised. Our local campaigns are amongst our most vibrant and we started the process of investing more in the recruitment, training and support of our volunteers to deliver improved collaboration at every level of the Association.

We launched a Year of the Volunteer initiative through our member magazine to celebrate volunteering and inspire supporters to get more involved with us. We featured roles that reflect the diversity of activities our volunteers get involved with – from planning and heritage officers to work party leaders; trustees to publicity, fundraising and event organisers.

A volunteer directory has been created on the newly launched website, with roles that can be tagged by interest and location. These opportunities will appear across the site to increase their visibility.

The new website and database will allow us to further improve our training, resources and guidance for current volunteers across the whole organisation. Our new Volunteer Hub is a new space where volunteers can read the latest news, updates and information related to their role, and find links to events and training, helping to keep this vital part of the IWA community as up to date as possible.

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.

## 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.

## Volunteer awards

IWA's annual Volunteer Awards were announced at the virtual AGM on Saturday 26<sup>th</sup> September 2020 and introduced by Audrey Smith OBE, Chair of the Association's Volunteer Awards panel. The Award winners were:

### Cyril Styring Trophy

IWA's premier award is given to an individual IWA member who has, in the opinion of the trustees, made an outstanding contribution to furthering the Association's campaigns, and was awarded to John Pomfret in 2020 for his volunteering work since he became a member over 50 years ago. John has led IWA's Freight Group and served on Navigation Committee, providing expertise on environmental and inland shipping issues almost continuously for over thirty years. John has also served as a trustee, regional chair, on IWA Northampton Branch's committee and the Board of Essex Waterways Ltd. John is the author of IWA's Waterways Directory and a number of influential IWAC publications.

### John Heap Salver

The 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. John Brice of IWA Chiltern Branch was this year's deserving recipient, having been involved with his branch for at least 25 years and raised over £50,000 during this time.

### Richard Bird Medals

Received by volunteers nominated by their colleagues for the significant benefits they have brought to IWA over a sustained period. This year they were awarded to David Venn, Robin Bishop, Adrian Sturgess, Jack Wootton and Colin Bird.

### IWA's Branch Achievement Award

Given annually to the Branch that has made the greatest progress in promoting the Association's aims and objectives during the past year. This year's worthy recipient was IWA West Country Branch, which was given the award for its unique combination of campaigning and practical hands-on waterside volunteer work. They bring the theme of one IWA to reality by assembling expertise from across the Association – engineers, planners and heritage advisors, WRG Forestry and WRG BITM volunteers – to advance the branch campaigning objectives.

### Christopher Power Prize

This prize is awarded to a person, society or trust who has made the most significant contribution to the restoration of an inland waterway. The winner, Athina Beckett, was nominated for her dedicated and enthusiastic contribution to the ongoing restoration of the Grand Union Canal's Buckingham Arm. Athina receives the Christopher Power Prize and Buckingham Canal Society receives a cheque in the sum of £1,000.

## Plans for 2021

This year has brought new challenges and changes in the way we work, and this looks set to carry on in 2021 and beyond. We continue to manage the risks associated with Covid-19, working to maximise our impact in the new normal and act on any opportunities.

As we plan, we are keen to ensure that the lessons we have learned from our activity over the last few months are carried forward and built upon. We intend to develop areas where the charity has demonstrated resilience and continue to progress 'One IWA' whilst refocusing our work under the new strategic themes.

Our vision and mission remain unchanged, with an enduring focus on being 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. We will act to ensure this remains at the centre of everything we do, whilst we respond to what is going on around us.

This means we will:

- 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.
- Work to embed the key themes of Regeneration, Influencing, Sustainability, and Engagement so that they define our work at every level of the Association and lead to the delivery of meaningful outcomes for the waterways.
- Continue to enrich and energise our volunteers, investing more in the recruitment, training and support of our volunteers to deliver improved collaboration at every level of the Association.
- Continue to strengthen our digital resources to communicate better with members, supporters and waterway users.
- Transform our ability to recruit new supporters through online channels and manage new engagement and fundraising activities in a more efficient way.
- Develop our website as the voice of the waterways, to educate and engage supporters with our campaigns.
- Launch the new database which brings together our Waterway Recovery Group restoration volunteers, our Essex Waterways customers and our IWA members, volunteers and supporters.
- Continue to develop our resources and services for the waterway restoration sector to inspire a renewed momentum in as Covid-19 restrictions ease.
- Continue to explore how our waterways can be more sustainable for the future, and to lobby for alternative propulsion to be more accessible and affordable to support net carbon emissions by 2050.

## **Inland Waterways Association**

### **Trustees' annual report**

#### **For the year ended 31 December 2020**

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- Develop our relationships with national and local decision makers, creating targeted communications to emphasise the importance of supporting waterways through funding, policy and planning.

## 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.

Covid-19 restrictions during 2020 prevented many of IWA's regular activities, such as practical restoration work, festivals and in-person branch events from going ahead. However, many such activities would normally run on a near breakeven basis, so their cancellation did not cause a net adverse impact on the organisation's finances. The organisation seized the opportunity to reach more of its members by running online events. Grant funders were also very understanding of the circumstances and allowed postponement of the funding and related activities.

By the year end, investments had recovered from their initial sharp and heavy fall at the beginning of the pandemic to end the year on a net gain.

## Principal funding sources

The Association's principal funding sources for 2020 were:

	Unrestricted	Restricted
	£	£
Subscriptions from members	340,188	-
Donations	21,308	15,774
Grant Income	91,838	58,658
Legacies	165,551	(4,572)
Investment income	35,832	-

Other fundraising income is shown in note 3 of the financial statements.

## 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	£
Susan Greenfield	50,000
Christopher Hewer	99,381
David Hodgkinson	7,395
Joan James	3,367
Daphne Luff	820

## Inland Waterways Association

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#### For the year ended 31 December 2020

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Paul Marrion	1,000
Donald Murray – adjustment for overpayments	(225)
Alison Spooner – adjustment for final settlement of estate post 2019 audit accrual	(5,572)
Kenneth Todd	1,000
Richard Wyld	3,813
<b>Total</b>	<b>160,979</b>

Total net incoming resources available during 2020 were £1,409,909 (2019: £2,263,171). This enabled expenditure of £1,723,186 (2019: £1,751,823). Combined with the gain on investments of £31,057 this decreased the Total Funds carried forward to £2,542,382.

## Fundraising

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

Expenditure on charitable activity was £918,695 in 2020 which includes £778,825 on our campaigns to protect the waterways. Roughly 37% of this came from membership subscriptions, 4% came from grant income and a further 22% was raised through legacy and donations. Essex Waterways Limited made an operating profit of £23,919 and trading income was £688,907.

Much of our face-to-face branch, volunteer and event activity was cancelled or postponed over the year due to the Covid crisis but we continued to encourage donations and gifts in wills; an annual raffle took place in December; grant applications continued to be made; and our series of webinars brought in new audiences.

Members continued to renew and sign up to the charity through our website.

Our website outlines our complaints policy for the public and clearly explains how an individual can complain. We received no complaints in the 2020 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 use or 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 or long-standing contracts to enable and support the charity's campaigning work as well as the waterways project activities of our subsidiary Essex Waterways:

CB & HH Taylor 1984 Trust  
Cobb Charitable Trust  
D'Oyly Carte Charitable Trust  
Edward & Dorothy Cadbury Trust  
Grimmitt Trust  
Heart of Bucks  
Heritage Lottery Fund  
Historic England  
Richard Cadbury Charitable Trust  
William Dean Countryside and Educational Trust  
Angling Trust Ltd  
Environment Agency  
Chelmsford City Council  
Essex County Council  
Maldon District Council  
Northumbrian Water  
Rees Jeffreys Road Fund  
Stansted Airport Community Fund  
Suez Communities Trust Ltd

## Investment performance

The Association's investments showed a net gain of £31,057 during the year, from a portfolio value of £1,489,025 at 31 December 2020 and £1,431,559 at 31 December 2019. 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 £1,409,842 at 31 December 2020 and £1,381,933 at 31 December 2019 (see financial statements note 16). Investment income amounted to £35,832 (2019: £36,868). 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

The overall financial objective is:

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

#### 2. Investment objective is

- To produce best financial return within an acceptable level of risk.
- To produce a total return of at least CPI plus 3.5% over the long term.

#### 3. Risk

- Inflation risk mitigated through investment in real assets.
- Capital volatility can be tolerated if consistent with expectations.
- Diversification of assets required, with a maximum concentration risk of 10% in any one investment.
- There shall be no investment in futures, forwards, options, swaps, hedge funds, cryptocurrencies and other derivatives.
- Sterling base currency.
- Minimum A- credit rating for deposit (other than company bankers) taking institution, maximum £170,000 cash deposit per counterparty.
- Bond exposure should be focused on investment grade issuers.

#### 4. Liquidity

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

#### 5. Time Horizon

- Restricted and designated funds < 3 years.
- Free reserve > 3years.

#### 6. Ethical Policy

- Invested in line with the Association aims.

#### 7. Management, Reporting and Monitoring

- The trustees have delegated decision making to the Investment Working Group (IWG).
- IWG monitors the investment manager.
- Investment management is delegated to an investment manager.
- Performance is monitored against agreed market benchmarks and the investment objective of CPI +3.5% over the long term.

8. Approval and Review

- Effective from 12<sup>th</sup> December 2020.
- Reviewed annually.

## Principal risks and uncertainties

Maintaining a regular review of risk is one of trustees' key duties. A thorough update of the risk register was begun during 2020 by a designated trustee working group. This included the agreement of an updated Risk Management Policy and process in December 2020. In April 2021, the trustees agreed a revised set of strategy risks to IWA grouped into five categories: Governance, Operational, Finance, Environmental & External and Law & Regulation. Early in 2021, Finance Committee has reviewed the latest assessment of IWA's internal controls on financial risks.

The key potential risks identified are:

- The perceived absence of clear, unique and compelling strategic proposition could lead to IWA being seen as irrelevant, resulting in ineffective marketing, poor staff and member recruitment and financial loss.
- Governance structure of IWA does not align to, or support, its strategic objectives, leading to a risk of objectives not being achieved.
- Failure to develop and reposition IWA as a diverse, inclusive and accessible organisation potentially impacting on its long-term membership growth and campaigning influence.
- Lack of resilience in IWA's IT infrastructure and failure to innovate and update systems potentially causing business interruption.
- Failure to effectively communicate IWA's vision, strategic objectives and progress potentially leading to disengagement with members and volunteers and a decline in membership.
- Potential lack of performance against agreed financial objectives through membership and other external income sources means IWA is unable to fulfil its charitable objects.
- Over-dependency on core income sources and failure to identify and explore new and diversified sources potentially impacts on IWA's growth and the financing of its planned activities and strategic development.
- Changes in Government policy lead to unfavourable grant funding environments, potentially resulting in a lack of key sources of income and investment in core activities.
- Potential failure to maintain and leverage relationships with other organisations and stakeholders in the sector mean IWA's national and local influence is reduced.
- Failure to recognise changing trends and opportunities in the wider waterways sector potentially leads to disengagement with future audiences and a decline in membership.
- Failure to provide adequate control of health and safety risks arising from activities for staff and volunteers potentially leads to potential legal action against the Association and its representatives.

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 extensive health and safety information is publicly available, and (d) by site specific risk assessments undertaken for all activities.

The outbreak of Covid-19 and consequent lock down has affected virtually every facet of life, and the Association has not escaped this. IWA swiftly reacted to the new situation, with staff and volunteers alike settling into new patterns of working smoothly. In many ways, the Association was fortunate in having tried and tested procedures for home working and using 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.

## Reserves policy and going concern

### 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 and donations 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 higher, unless the funds have been allocated (but not committed) for a specific purpose. Such allocations should not exceed a period of 12 months without an annual resolution approved by the Finance Committee. Committed funds should be current, i.e. likely to be spent within 3 years and if not spent should be reassigned. If the commitment of funds has been communicated to the recipient then it should be treated as expenditure or if raised for a specific purpose it should be transferred to a restricted fund.

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

## Inland Waterways Association

### Trustees' annual report

#### For the year ended 31 December 2020

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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.

Total funds held by the group at 31 December 2020 were £2,542,382. Of this, £1,048,612 were restricted, including £343,000 relating to a property held by the charity for residential rental but which may not be sold. £154,934 were designated for the use of the branches, £214,022 designated for other purposes, leaving £1,124,814 of unrestricted funds. The free reserves of the charity at the same date were £854,366. In addition to commitments already given, trustees have planned an excess of expenditure over income for unrestricted funds of £255,488 in 2021.

Trustees will continue to review the reserves policy annually, with the next review pending the outcomes of the current major risk review. No funds were materially in deficit at the year end.

### Going concern statement

The Association has a range of income streams to fund its charitable work, some stable and regular, others fluctuating from year to year. As well as increasing the organisation's reach, this range of activities spreads the risk of reductions in income.

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher external risk, such as legacies, investment valuation and fundraising, suffer significantly in 2021 and/or 2022. The scenarios also considered increased support to IWA's subsidiary company, Essex Waterways Ltd. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and their conclusions documented. The scenarios showed IWA is resilient to realistic downturns in its highest risk income sources and assets.

The directors of Essex Waterways Ltd have similarly carried out an assessment for the subsidiary. Their scenarios particularly tested loss of visitors to the trip boats and kiosk and high, sudden maintenance expenditure.

Together, the assessments concluded that the group would be able to meet its liabilities as they fall due for at least the twelve months from the date the annual accounts are approved. The Board is also committed to sound financial planning, for which a current review aims to further improve IWA's financial resilience.

## **Inland Waterways Association**

### **Trustees' annual report**

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Impacts on the organisation to date in 2021 due to the Covid pandemic are referenced in note 30 'Post Balance Sheet Events'. Downturns experienced in 2020 informed the scenarios described above.

## Structure, governance and management

### Organisation

The Board of Trustees consists of twelve members. Trustees are meeting every month since October 2020 and met nine times during 2020.

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 is 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.

### 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 (2019: £1,429).

### Principal appointed officers

National Chairman: Paul Rodgers

Deputy National Chairmen: Richard Barnes, David Chapman, Christopher Howes (until July 2020)

National Treasurer: Raymond Carter (until October 2020)  
John Butler (from October 2020)

## Inland Waterways Association

### Trustees' annual report

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

Chief Executive:	Neil Edwards (until July 2020) Phil Hornsey (from February 2021)
Interim Chief Executive:	Sarah O'Grady (from July 2020 until December 2020)
Administration Manager:	Tracy Higgin
Campaigns & Public Affairs Manager:	Alison Smedley
Finance Manager:	Eileen Holland and Genevieve Wilson (job share)
Marketing Manager:	Alicen Stenner (until January 2021)
Acting up Marketing Manager:	Gemma Bolton (from February 2021)
Restoration Hub and Volunteer Co-ordinator:	Jenny Morris
General Manager (Essex Waterways Limited):	Anthony Comber (from March 2021)
Navigation Manager (Essex Waterways Limited):	David Hewitt (until March 2020), Steve Cottis (from April 2020 until February 2021)

A six month interim chief executive, Sarah O'Grady, succeeded Neil Edwards on his retirement during 2020. Phil Hornsey was appointed as the Association's new permanent chief executive in February 2021.

### Remuneration policy for key management personnel

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 and performance of the relevant employees. Due to changes in personnel and an ongoing organisation-wide review of committees around the year end, Remuneration Committee did not meet in the reporting period, but the review of 2021 salaries was carried out and approved by the Board.

### 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 24 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 and relationships with other organisations

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.
- Inland Waterways Enterprises Limited began trading in August 2017 to undertake certain commercial activities to support IWA. It was 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 appropriate members to serve as trustees/directors on the Boards of 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.

The organisation is a charitable company limited by guarantee, incorporated on 2 October 1958 and registered as a charity on 17 December 1962.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

## Appointment of trustees

From 2020, the trustee recruitment process is carried out by a panel, and based on a skills audit. The panel's 2021 recommendations will be put to the AGM for approval 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 a list of documents for recommended study and, in normal circumstances, invited to attend induction days where they are given introductions to the activities of each team, as well as time speaking directly with the staff at Chesham office. In 2020, because of the Covid pandemic, new trustees attended a number of virtual meetings with different departments, to meet staff and learn about IWA. New trustees are also provided with informal guidance from existing trustees.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Inland Waterways Association for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 11,387 (2019: 11,890). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 11 September 2021 and signed on their behalf by



Paul Rodgers  
National Chair

## Independent auditor's report

To the members of

Inland Waterways Association

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### Opinion

We have audited the financial statements of Inland Waterways Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### 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 group financial statements section of our report. We are independent of the group and 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Inland Waterways Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Independent auditor's report

To the members of

Inland Waterways Association

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### Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 their 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 in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

Inland Waterways Association

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit and finance committees, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

## Independent auditor's report

To the members of

### Inland Waterways Association

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- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report

To the members of

Inland Waterways Association

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### Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sayer Vincent LLP*

Judith Miller (Senior statutory auditor)

17 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Inland Waterways Association

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	Restated 2019 Total £
<b>Income from:</b>							
Donations, legacies and subscriptions	2	527,047	11,202	<b>538,249</b>	462,747	782,755	1,245,502
Charitable activities	3	120,684	58,658	<b>179,342</b>	85,598	123,414	209,012
Other trading activities	4	645,317	2,832	<b>648,149</b>	756,149	13,790	769,939
Investments	5	44,169	-	<b>44,169</b>	38,718	-	38,718
<b>Total income</b>		<b>1,337,217</b>	<b>72,692</b>	<b>1,409,909</b>	<b>1,343,212</b>	<b>919,959</b>	<b>2,263,171</b>
<b>Expenditure on:</b>							
Raising funds	6	779,156	25,335	<b>804,491</b>	638,936	9,521	648,457
Charitable activities							
Campaign and restoration costs	6	729,851	48,974	<b>778,825</b>	754,229	188,329	942,558
Membership support costs	6	135,638	1,590	<b>137,228</b>	145,799	817	146,616
Public meetings and other activities	6	2,639	3	<b>2,642</b>	14,192	-	14,192
<b>Total expenditure</b>		<b>1,647,284</b>	<b>75,902</b>	<b>1,723,186</b>	<b>1,553,156</b>	<b>198,667</b>	<b>1,751,823</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(310,067)</b>	<b>(3,210)</b>	<b>(313,277)</b>	<b>(209,944)</b>	<b>721,292</b>	<b>511,348</b>
Net gains / (losses) on investments	16	<b>31,057</b>	-	<b>31,057</b>	133,432	-	133,432
<b>Net income / (expenditure) for the year</b>	8	<b>(279,010)</b>	<b>(3,210)</b>	<b>(282,220)</b>	<b>(76,512)</b>	<b>721,292</b>	<b>644,780</b>
Transfers between funds		(30,000)	30,000	-	(13,305)	13,305	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(309,010)</b>	<b>26,790</b>	<b>(282,220)</b>	<b>(89,817)</b>	<b>734,597</b>	<b>644,780</b>
Gains / (losses) on revaluation of fixed assets		-	-	-	10,690	-	10,690
<b>Net movement in funds</b>		<b>(309,010)</b>	<b>26,790</b>	<b>(282,220)</b>	<b>(79,127)</b>	<b>734,597</b>	<b>655,470</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,802,780	1,021,822	<b>2,824,602</b>	1,881,907	287,225	2,169,132
<b>Total funds carried forward</b>		<b>1,493,770</b>	<b>1,048,612</b>	<b>2,542,382</b>	<b>1,802,780</b>	<b>1,021,822</b>	<b>2,824,602</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 25a to the financial statements.

As at 31 December 2020

		Group		Charity	
	Note	2020	Restated 2019	2020	Restated 2019
		£	£	£	£
<b>Fixed assets:</b>					
Intangible assets	13	74,200	51,646	74,200	51,646
Tangible assets	14	219,866	263,304	10,075	38,028
Investment properties	15	343,000	313,000	343,000	313,000
Investments	16	1,489,025	1,431,559	1,538,514	1,498,579
		<b>2,126,091</b>	<b>2,059,509</b>	<b>1,965,789</b>	<b>1,901,253</b>
<b>Current assets:</b>					
Stock	19	6,574	7,541	6,574	7,541
Debtors	20	144,613	553,531	101,739	537,430
Cash at bank and in hand		569,427	467,066	428,084	321,625
		<b>720,614</b>	<b>1,028,138</b>	<b>536,397</b>	<b>866,596</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	21	(267,628)	(219,990)	(131,116)	(141,065)
<b>Net current assets</b>		<b>452,986</b>	<b>808,148</b>	<b>405,281</b>	<b>725,531</b>
<b>Total assets less current liabilities</b>		<b>2,579,077</b>	<b>2,867,657</b>	<b>2,371,070</b>	<b>2,626,784</b>
Creditors: amounts falling due after one year	23	(36,695)	(43,055)	(6,903)	(7,763)
<b>Total net assets</b>		<b>2,542,382</b>	<b>2,824,602</b>	<b>2,364,167</b>	<b>2,619,021</b>
<b>The funds of the charity:</b>	25a				
Restricted income funds		1,048,612	1,021,822	1,012,879	995,370
Unrestricted income funds:					
Designated funds		368,956	296,576	368,956	296,576
Fair value reserve		-	-	-	-
Revaluation reserve		10,690	10,690	-	-
General funds		1,114,124	1,495,514	982,332	1,327,075
Total unrestricted funds		<b>1,493,770</b>	<b>1,802,780</b>	<b>1,351,288</b>	<b>1,623,651</b>
<b>Total charity funds</b>		<b>2,542,382</b>	<b>2,824,602</b>	<b>2,364,167</b>	<b>2,619,021</b>

Approved by the trustees on 11 September 2021 and signed on their behalf by


Paul Rodgers  
National Chair

John Butler  
National Treasurer

Inland Waterways Association

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		(282,220)		644,780	
Amortisation charges		2,660		-	
Depreciation charges		56,798		72,346	
Investment property received as bequest		-		(313,000)	
(Gains)/losses on investments		(31,057)		(133,432)	
Dividends, interest and rent from investments		(42,635)		(36,982)	
(Profit)/loss on the disposal of fixed assets		-		4,027	
(Increase)/decrease in stocks		967		2,075	
(Increase)/decrease in debtors		408,918		(233,392)	
Increase/(decrease) in creditors		46,778		(26,980)	
<b>Net cash provided by operating activities</b>			<b>160,209</b>		<b>(20,558)</b>
<b>Cash flows from investing activities:</b>					
Bank interest received		1,587		1,850	
Investment income received		42,582		36,868	
Purchase of fixed asset investments		(197,477)		(63,248)	
Purchase of additions to investment property		(30,000)		-	
Purchase of intangible fixed assets		(25,214)		(51,646)	
Purchase of tangible fixed assets		(13,360)		(28,599)	
Proceeds from sale of fixed asset investments		200,625		74,264	
<b>Net cash used in investing activities</b>			<b>(21,257)</b>		<b>(30,511)</b>
<b>Cash flows from financing activities:</b>					
Loan repayment including interest		(7,034)		(7,236)	
<b>Net cash used in financing activities</b>			<b>(7,034)</b>		<b>(7,236)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>131,918</b>		<b>(58,305)</b>
Cash and cash equivalents at the beginning of the year			<b>516,692</b>		<b>574,997</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>648,610</b>		<b>516,692</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 January 2020 £	Cash flows £	Other non- cash changes £		At 31 December 2020 £
Cash at bank and in hand	467,066	102,361			569,427
Investment cash	49,626	29,557			79,183
<b>Total cash and cash equivalents</b>	<b>516,692</b>	<b>131,918</b>			<b>648,610</b>

**1 Accounting policies**

**a) Statutory information**

Inland Waterways Association is a charitable company limited by guarantee and is incorporated in England & Wales.

The registered office address is Island House, Moor Road, CHESHAM, HP5 1WA.

**b) 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees have carried out a detailed assessment of the organisation's going concern status. Projections of the financial position and cashflow of unrestricted funds have been tested through scenarios where areas of higher external risk, such as legacies, investment valuation and fundraising, suffer significantly in 2021 and/or 2022. The scenarios also considered increased support to IWA's subsidiary company, Essex Waterways Ltd. The Board and its Finance Committee reviewed and challenged the assessment, with the final paper and their conclusions documented.

The directors of Essex Waterways Ltd have similarly carried out an assessment for the subsidiary and concluded they are satisfied with Essex Waterways Limited's ability to continue as a going concern. Their scenarios particularly tested loss of visitors to the trip boats and kiosk and high, sudden maintenance expenditure. A loan facility from IWA, to be provided under market conditions, in case of testing times or large investment expenditure requirements, has also been agreed and included in the parent's assessment of going concern.

As a result of the above, the trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**1 Accounting policies (continued)**

**e) Income**

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

Income from government and other 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.

For legacies, entitlement is taken as the earlier of the dates 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 charity 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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) 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 or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting policies (continued)**

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of campaigning and restoration activities undertaken to further the purposes of the charity 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.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

- |  |     |
|--|-----|
| ● Raising funds                        | 47% |
| ● Campaign and restoration costs       | 45% |
| ● Membership support costs             | 8%  |
| ● Public meetings and other activities | 0%  |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) 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 Accounting policies (continued)**

**n) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are 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

**o) Investment properties**

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

**p) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**q) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**r) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**s) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**t) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

# Inland Waterways Association

## Notes to the financial statements

### For the year ended 31 December 2020

#### 1 Accounting policies (continued)

##### u) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### v) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### w) Financial instruments

The charity only has financial assets and financial 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.

#### 2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations	21,308	15,774	<b>37,082</b>	25,665	14,103	39,768
Legacies	165,551	(4,572)	<b>160,979</b>	90,552	768,652	859,204
Membership subscriptions	340,188	-	<b>340,188</b>	346,530	-	346,530
	<u>527,047</u>	<u>11,202</u>	<u><b>538,249</b></u>	<u>462,747</u>	<u>782,755</u>	<u>1,245,502</u>

IWA has been notified of legacies with an estimated value of £232,000 (2019: £166,000) which have not been included in income for the year ended 31 December 2020, because either probate has not been received or IWA is not satisfied that the amount receivable can be reliably measured.

#### 3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Publications income	1,844	-	<b>1,844</b>	4,270	-	4,270
Public meetings and other activities	2,798	-	<b>2,798</b>	14,311	-	14,311
Grant income	91,838	58,658	<b>150,496</b>	39,183	123,414	162,597
Fundraising	24,204	-	<b>24,204</b>	27,834	-	27,834
Total income from charitable activities	<u>120,684</u>	<u>58,658</u>	<u><b>179,342</b></u>	<u>85,598</u>	<u>123,414</u>	<u>209,012</u>

Restricted grant income includes grant proceeds from Historic England to fund specific waterway restoration work by the Restoration Hub and the Environment Agency to fund the construction of fishing platforms along the Chelmer and Blackwater Navigation.

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

4 Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Navigation management income	568,012	–	<b>568,012</b>	575,246	–	575,246
Charitable trading	3,696	–	<b>3,696</b>	13,525	–	13,525
Other events and activities	73,609	2,832	<b>76,441</b>	167,378	13,790	181,168
	<b>645,317</b>	<b>2,832</b>	<b>648,149</b>	<b>756,149</b>	<b>13,790</b>	<b>769,939</b>

5 Income from investments

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Rental income	6,750	–	<b>6,750</b>	–	–	–
Bank interest	1,587	–	<b>1,587</b>	1,850	–	1,850
Income from quoted investments	35,832	–	<b>35,832</b>	36,868	–	36,868
	<b>44,169</b>	<b>–</b>	<b>44,169</b>	<b>38,718</b>	<b>–</b>	<b>38,718</b>

All income from investments is unrestricted.

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

6a Analysis of expenditure (current year)

	Charitable activities				Governance costs £	Support costs £	2020 Total £	2019 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £				
Staff costs (Note 9)	301,335	331,214	85,088	-	39,522	137,272	<b>894,431</b>	795,152
Building and infrastructure costs	5,037	62,516	16,402	-	6,829	23,719	<b>114,503</b>	94,641
Meeting, travel and officers' expenses	-	3,188	-	-	-	-	<b>3,188</b>	9,352
Donations and grants	-	91,241	-	-	-	-	<b>91,241</b>	63,121
Work Party costs	-	4,526	-	-	-	-	<b>4,526</b>	42,804
WRG restoration costs	-	47,336	-	-	-	-	<b>47,336</b>	99,446
Branch and region magazines, printing, advertising expense	-	19,405	-	-	-	-	<b>19,405</b>	19,965
Campaign costs	-	7,606	-	-	-	-	<b>7,606</b>	68,233
Other direct costs	-	66,614	-	-	-	-	<b>66,614</b>	102,637
Restoration Hub	-	7,962	-	-	-	-	<b>7,962</b>	28,958
Membership and recruitment	-	-	16,154	-	-	-	<b>16,154</b>	16,766
Public meetings and other activities	-	-	-	2,265	-	-	<b>2,265</b>	12,729
Depreciation and amortisation	28,845	25,973	-	-	-	4,640	<b>59,458</b>	72,346
Investment management costs	8,957	-	-	-	-	-	<b>8,957</b>	8,211
Investment interest	6,768	-	-	-	-	-	<b>6,768</b>	4,994
Navigation management costs	323,492	-	-	-	-	-	<b>323,492</b>	265,753
Charitable trading	657	-	-	-	-	-	<b>657</b>	3,044
Other events and activities	14,592	-	-	-	-	-	<b>14,592</b>	6,668
Audit fees	-	-	-	-	29,535	-	<b>29,535</b>	28,002
Legal and professional services	-	-	-	-	-	1,967	<b>1,967</b>	3,833
Trustee indemnity insurance costs	-	-	-	-	1,429	-	<b>1,429</b>	1,429
AGM and other meeting costs	-	98	-	-	1,002	-	<b>1,100</b>	3,739
	<b>689,683</b>	<b>667,679</b>	<b>117,644</b>	<b>2,265</b>	<b>78,317</b>	<b>167,598</b>	<b>1,723,186</b>	<b>1,751,823</b>
Support costs	78,245	75,749	13,347	257	-	(167,598)	-	-
Governance costs	36,563	35,397	6,237	120	(78,317)	-	-	-
<b>Total expenditure 2020</b>	<b>804,491</b>	<b>778,825</b>	<b>137,228</b>	<b>2,642</b>	<b>-</b>	<b>-</b>	<b>1,723,186</b>	
Total expenditure 2019	<b>648,457</b>	<b>942,558</b>	<b>146,616</b>	<b>14,192</b>	<b>-</b>	<b>-</b>		<b>1,751,823</b>

Inland Waterways Association

Notes to the financial statements

For the year ended 31 December 2020

6b Analysis of expenditure (prior year)

	Charitable activities						2019 Total £
	Raising funds £	Campaign and restoration costs £	Membership support costs £	Public meetings and other activities £	Governance costs £	Support costs £	
Staff costs (Note 9)	271,142	324,703	91,411	-	75,527	32,369	795,152
Building and infrastructure costs	-	73,912	20,729	-	-	-	94,641
Meeting, travel and officers' expenses	-	9,352	-	-	-	-	9,352
Donations and grants	-	63,121	-	-	-	-	63,121
Work Party costs	-	42,804	-	-	-	-	42,804
WRG restoration costs	-	99,446	-	-	-	-	99,446
Branch and region magazines, printing, advertising expense	-	19,965	-	-	-	-	19,965
Campaign costs	-	68,233	-	-	-	-	68,233
Other direct costs	-	95,621	5,682	-	934	400	102,637
Restoration Hub	-	28,958	-	-	-	-	28,958
Membership and recruitment	-	-	16,766	-	-	-	16,766
Public meetings and other activities	-	-	-	12,729	-	-	12,729
Depreciation and amortisation	34,538	37,478	330	-	-	-	72,346
Investment management costs	8,211	-	-	-	-	-	8,211
Investment interest	4,994	-	-	-	-	-	4,994
Navigation management costs	265,753	-	-	-	-	-	265,753
Charitable trading	3,044	-	-	-	-	-	3,044
Other events and activities	6,668	-	-	-	-	-	6,668
Audit fees	-	-	-	-	28,002	-	28,002
Legal and professional services	-	-	-	-	3,833	-	3,833
Trustee indemnity insurance costs	-	-	-	-	1,429	-	1,429
AGM and other meeting costs	-	-	-	-	3,739	-	3,739
	594,350	863,593	134,918	12,729	113,464	32,769	1,751,823
Support costs	12,125	17,695	2,621	328	0	(32,769)	-
Governance costs	41,982	61,270	9,077	1,135	(113,464)	-	-
<b>Total expenditure 2019</b>	<b>648,457</b>	<b>942,558</b>	<b>146,616</b>	<b>14,192</b>	<b>-</b>	<b>-</b>	<b>1,751,823</b>

Notes to the financial statements

For the year ended 31 December 2020

7a Grant making (current year)

	Grants to institutions £	2020 £
<b>Cost</b>		
Contribution towards rebuilding School House Bridge, Montgomery Canal, Shropshire	70,000	70,000
Contribution towards Sculptor at Canal Museum Stoke Bruerne	575	575
Contribution towards Derbyshire County Council Waterways Project Officer	756	756
Small donations made by branches to local causes	19,448	19,448
	<u>90,779</u>	<u>90,779</u>
At the end of the year	<u>90,779</u>	<u>90,779</u>

Montgomery Canal Partnership was awarded £70,000 in response to IWA's invitation to groups in 2016 to bid for funds bequeathed to IWA from the late Tony Harrison.

7b Grant making (prior year)

	Grants to institutions £	2019 £
<b>Cost</b>		
Christopher Power Prize to Wendover Arm Trust	1,000	1,000
Contribution towards Trailboat event costs – Lancs & Cumbria	1,000	1,000
Contribution towards Sculptor at Canal Museum Stoke Bruerne	2,529	2,529
Cost of interpretive panels – Northampton Arm Canal	6,000	6,000
Contribution to supporting Crusader Community Boating boat	10,000	10,000
Contribution towards Derbyshire County Council Waterways Project Officer	2,000	2,000
Small donations made by branches to local causes	24,202	24,202
	<u>46,731</u>	<u>46,731</u>
At the end of the year	<u>46,731</u>	<u>46,731</u>

The grants to the Canal Museum, Northampton Arm Canal and Crusader Community Boating were made from funds bequeathed to IWA from the late John Faulkner in 2016.

The donations and grants figure in note 6b includes National Restoration Appeal project costs not issued as a grant payment so not included in the list above.

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation and amortisation	59,458	72,346
Operating lease rentals	62,692	63,759
Auditor's remuneration (excluding VAT):		
Audit	29,535	24,970
Other services	-	8,475
	<u>151,685</u>	<u>169,550</u>

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020 £	2019 £
Salaries, wages and related costs	782,985	697,329
Social security costs	62,204	52,455
Employer's contribution to defined contribution pension schemes	49,242	45,368
	<u>894,431</u>	<u>795,152</u>

No employee earned more than £60,000 during the year (2019: nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £367,137 (2019: £266,726).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

The members of the Board of Trustees receive no remuneration for their services. During the year 8 (2019: 10) members were reimbursed travel and incidental expenses incurred in respect of their services to the Group totalling £2,393 (2019: £6,367). Included in creditors at the year end is £229 (2019: £361) owed to Trustees for their expenses. The premium for trustee indemnity insurance for members of the Board of Trustees was £1,429 (2019: £1,429).

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 40 (2019: 41).

**11 Related party transactions**

During the year the group purchased goods (net of VAT) totalling £4,262 (2019: £9,854) 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 2020 was £61 (2019: £nil). All transactions were undertaken on a commercial arm's length basis.

Aggregate donations from related parties were £102 (2019: £299).

**12 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

13 Intangible fixed assets

	IT software and website	Total
	£	£
<b>Group and Charity Cost</b>		
At the start of the year	51,646	51,646
Additions in year	25,214	25,214
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	76,860	76,860
	<hr/>	<hr/>
<b>Amortisation</b>		
At the start of the year	-	-
Charge for the year	2,660	2,660
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	2,660	2,660
	<hr/>	<hr/>
<b>Net book value At the end of the year</b>	<hr/> <b>74,200</b> <hr/>	<hr/> <b>74,200</b> <hr/>
	<hr/>	<hr/>
At the start of the year	51,646	51,646
	<hr/> <hr/>	<hr/> <hr/>

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

No amortisation was charged on the new CRM system as the asset had not yet been brought into use.

## 14 Tangible fixed assets

	Buildings and leasehold improvements	Computer equipment	Plant and equipment	Motor vehicles	Total
<b>Group Cost</b>	£	£	£	£	£
At the start of the year	10,288	24,341	489,926	182,097	<b>706,652</b>
Additions in year	6,201		7,159	-	<b>13,360</b>
Disposals in year	-	(9,940)	-	-	<b>(9,940)</b>
At the end of the year	<b>16,489</b>	<b>14,401</b>	<b>497,085</b>	<b>182,097</b>	<b>710,072</b>
<b>Depreciation</b>					
At the start of the year	9,312	20,994	262,404	150,638	<b>443,348</b>
Charge for the year	1,216	1,579	28,530	25,473	<b>56,798</b>
Eliminated on disposal	-	(9,940)	-	-	<b>(9,940)</b>
At the end of the year	<b>10,528</b>	<b>12,633</b>	<b>290,934</b>	<b>176,111</b>	<b>490,206</b>
<b>Net book value At the end of the year</b>	<b>5,961</b>	<b>1,768</b>	<b>206,151</b>	<b>5,986</b>	<b>219,866</b>
At the start of the year	976	3,347	227,522	31,459	263,304
		Computer equipment	Plant and equipment	Motor vehicles	Total
<b>Charity Cost</b>	£	£	£	£	£
At the start of the year		24,341	102,622	164,393	<b>291,356</b>
Additions in year				-	
Disposals in year		(9,940)	-	-	<b>(9,940)</b>
At the end of the year		<b>14,401</b>	<b>102,622</b>	<b>164,393</b>	<b>281,416</b>
<b>Depreciation</b>					
At the start of the year		20,994	99,400	132,934	<b>253,328</b>
Charge for the year		1,579	901	25,473	<b>27,953</b>
Eliminated on disposal		(9,940)	-	-	<b>(9,940)</b>
At the end of the year		<b>12,633</b>	<b>100,301</b>	<b>158,407</b>	<b>271,341</b>
<b>Net book value At the end of the year</b>		<b>1,768</b>	<b>2,321</b>	<b>5,986</b>	<b>10,075</b>
At the start of the year		3,347	3,222	31,459	38,028

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

Notes to the financial statements

For the year ended 31 December 2020

15 Investment properties

	2020	2019
	£	£
<b>Group and charity</b>		
Fair value at the start of the year	313,000	–
Additions	30,000	313,000
Disposals	–	–
Revaluation during the year	–	–
Fair value at the end of the year	<u>343,000</u>	<u>313,000</u>

A professional valuation was carried out in 2019 by Berrys, property advisors. The balance at 31 December 2020 represents the full valuation, refurbishment to bring the property up to a lettable standard having been completed during the year.

As the property cannot be sold, the professional valuation is assessed on the basis of rental income. A tenancy contract was in place at 31 December 2020, achieving a net rental in line with that assumed in the valuation. Therefore the valuation stated in the year end 2019 accounts was considered still appropriate at balance sheet date.

16 Investments

	2020	2019
	£	£
Fair value at the start of the year	1,431,559	1,269,538
Additions at cost	197,477	63,248
Disposal proceeds	(200,625)	(74,264)
Decrease in cash awaiting investment	(6,275)	2,737
Dividends and interest received	35,832	36,868
Net gain / (loss) on change in fair value	31,057	133,432
	<u>1,489,025</u>	<u>1,431,559</u>
Cash held by investment advisors pending reinvestment	(79,183)	(49,626)
Fair value at the end of the year	<u>1,409,842</u>	<u>1,381,933</u>

Investments comprise:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Listed investments	1,409,840	1,381,931	1,409,842	1,381,933
Other investments	2	2	–	–
Loan to Essex Waterways Ltd	–	–	49,485	67,016
Cash deposits	79,183	49,626	79,183	49,626
Shares in subsidiary companies	–	–	4	4
	<u>1,489,025</u>	<u>1,431,559</u>	<u>1,538,514</u>	<u>1,498,579</u>

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

**17 Subsidiary undertaking**

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 16.

Inland Waterways Enterprises Limited (IWEL) started trading activities in 2017. It was dormant in 2020 (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).

Essex Waterways Limited generated a profit of £23,919 (2019: profit of £19,026), from total revenue of £688,907 (2019: £621,647) and costs of £664,987 (2019: £602,621). The aggregate Balance Sheet can be seen:

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Fixed assets	209,786	–	<b>209,786</b>	225,271	–	225,271
Current assets	172,225	12,589	<b>184,814</b>	159,519	2,022	161,541
Current liabilities	(177,783)	–	<b>(177,783)</b>	(120,791)	–	(120,791)
Long term liabilities	(61,745)	–	<b>(61,745)</b>	(84,868)	–	(84,868)
	<b>142,483</b>	<b>12,589</b>	<b>155,072</b>	<b>179,131</b>	<b>2,022</b>	<b>181,153</b>

**18 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	<b>831,323</b>	1,808,780
Result for the year	<b>(254,854)</b>	629,623

**19 Stock**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Goods for resale	<b>6,574</b>	7,541	<b>6,574</b>	7,541
	<b>6,574</b>	7,541	<b>6,574</b>	7,541

**20 Debtors**

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	<b>15,523</b>	25,759	<b>78</b>	14,379
Amounts due from associated undertakings	–	–	–	–
VAT recoverable	–	–	<b>599</b>	–
Other debtors, accrued income and prepayments	<b>129,090</b>	527,772	<b>101,062</b>	523,051
	<b>144,613</b>	553,531	<b>101,739</b>	537,430

21 Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	50,902	46,414	27,263	40,416
Taxation and social security	19,277	12,859	14,919	8,650
VAT payable	4,188	14,030	-	(1,174)
Life membership account	2,050	2,149	2,050	2,149
Other creditors	130,378	103,208	73,350	65,391
Victoria Loan payments due	5,500	5,500	-	-
Amounts due to associated undertakings	-	-	2,682	910
Deferred income (note 22)	55,333	35,830	10,852	24,723
	<b>267,628</b>	<b>219,990</b>	<b>131,116</b>	<b>141,065</b>

At the balance sheet date, IWA held funds on behalf of Lancaster Canal Regeneration Partnership (LRCP) in a separate bank account amounting to £16,362 (2019: £16,362). These funds have not been accounted for as assets or liabilities of the IWA.

22 Deferred income (group)

Deferred income comprises income received in advance for waterways events due to be held in 2021, annual canoe licence fees paid in advance, trip boat hire postponed to 2021, some mooring income paid in advance and a small amount of grant income received in 2020 for projects commencing in 2021. Amounts released to income include refunds made as a consequence of events unable to take place due to Covid restrictions.

	2020 £	2019 £
Balance at the beginning of the year	35,830	35,281
Amount released to income in the year	(25,249)	(35,280)
Amount deferred in the year	44,752	35,829
Balance at the end of the year	<b>55,333</b>	<b>35,830</b>

23 Creditors: amounts falling due after one year

Life Membership & Victoria Loan account

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

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Life membership	6,903	7,763	6,903	7,763
Loan for trip boat Victoria	29,792	35,292	-	-
	<b>36,695</b>	<b>43,055</b>	<b>6,903</b>	<b>7,763</b>
Repayable in greater than 5 years	4,203	10,410	1,912	2,118

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

2026	£841
2027	£566
2028	£285
2029	£173
2030	£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 £5,500p.a, except in 2027 where it will be £2,292.

## 24a Analysis of net assets between funds (current year)

Group	General unrestricted £	Designated £	Restricted £	Total funds £
Intangible fixed assets	74,200	-	-	74,200
Tangible fixed assets	219,866	-	-	219,866
Investment properties	-	-	343,000	343,000
Investments	716,367	164,022	608,636	1,489,025
Net current assets	151,076	204,934	96,976	452,986
Long term liabilities	(36,695)	-	-	(36,695)
<b>Net assets at 31 December 2020</b>	<b>1,124,814</b>	<b>368,956</b>	<b>1,048,612</b>	<b>2,542,382</b>

## Analysis of net assets between funds (current year)

Charity	General unrestricted £	Designated £	Restricted £	Total funds £
Intangible fixed assets	74,200	-	-	74,200
Tangible fixed assets	10,075	-	-	10,075
Investment properties	-	-	343,000	343,000
Investments	765,856	164,022	608,636	1,538,514
Net current assets	139,104	204,934	61,243	405,281
Long term liabilities	(6,903)	-	-	(6,903)
<b>Net assets at 31 December 2020</b>	<b>982,332</b>	<b>368,956</b>	<b>1,012,879</b>	<b>2,364,167</b>

## 24b Analysis of net assets between funds (prior year)

Group	General unrestricted £	Designated £	Restricted £	Restated total funds £
Intangible fixed assets	51,646	-	-	51,646
Tangible fixed assets	263,304	-	-	263,304
Investment properties	-	-	313,000	313,000
Investments	679,904	134,022	617,633	1,431,559
Net current assets	554,405	162,554	91,189	808,148
Long term liabilities	(43,055)	-	-	(43,055)
<b>Net assets at 31 December 2019</b>	<b>1,506,204</b>	<b>296,576</b>	<b>1,021,822</b>	<b>2,824,602</b>

## Analysis of net assets between funds (prior year)

Charity	General unrestricted £	Designated £	Restricted £	Restated total funds £
Intangible fixed assets	51,646	-	-	51,646
Tangible fixed assets	38,028	-	-	38,028
Investment properties	-	-	313,000	313,000
Investments	746,924	134,022	617,633	1,498,579
Net current assets	498,240	162,554	64,737	725,531
Long term liabilities	(7,763)	-	-	(7,763)
<b>Net assets at 31 December 2019</b>	<b>1,327,075</b>	<b>296,576</b>	<b>995,370</b>	<b>2,619,021</b>

## 25a Movements in funds (current year)

Group	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	6,385	-	-	-	6,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	5,923
Waterway Recovery Group Fund	147,998	16,606	(17,691)	-	146,913
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	31,939	-	(775)	-	31,164
Keith Ayling Legacy Fund	132	2,000	(756)	-	1,376
Averil Dobson Legacy Fund	306,612	-	-	-	306,612
Mary Jackson Legacy Boat House Fund	313,000	-	-	30,000	343,000
Alison Spooner Legacy Fund	146,040	(5,572)	-	-	140,468
Kenneth Todd Legacy Fund	-	1,000	-	-	1,000
Historic England Fund	4,222	20,020	(20,829)	-	3,413
Heritage Lottery Fund	2,345	-	(6,915)	-	(4,570)
Essex Waterways Ltd Trip Boat Grant	24,426	-	(1,286)	-	23,140
Environment Agency	-	15,000	(4,384)	-	10,616
Other Grants	3,242	23,638	(23,266)	-	3,614
<b>Total restricted funds</b>	<b>1,021,822</b>	<b>72,692</b>	<b>(75,902)</b>	<b>30,000</b>	<b>1,048,612</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	162,554	22,779	(30,399)	-	154,934
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Chelmer & Blackwater Number 3 Fund	-	-	-	50,000	50,000
Tony Harrison legacy	70,118	-	(70,000)	-	118
Waterways in Progress	-	-	-	100,000	100,000
<b>Total designated funds</b>	<b>296,576</b>	<b>22,779</b>	<b>(100,399)</b>	<b>150,000</b>	<b>368,956</b>
<b>Revaluation reserve</b>	<b>10,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,690</b>
<b>General funds</b>	<b>1,495,514</b>	<b>1,345,495</b>	<b>(1,546,885)</b>	<b>(180,000)</b>	<b>1,114,124</b>
<b>Total unrestricted funds</b>	<b>1,802,780</b>	<b>1,368,274</b>	<b>(1,647,284)</b>	<b>(30,000)</b>	<b>1,493,770</b>
<b>Total funds</b>	<b>2,824,602</b>	<b>1,440,966</b>	<b>(1,723,186)</b>	<b>-</b>	<b>2,542,382</b>

## Notes to the financial statements

For the year ended 31 December 2020

## Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
<b>Charity</b>					
<b>Restricted funds:</b>					
Charles Hadfield Fund	5,856	-	-	-	5,856
Lancashire Canals Fund	96	-	-	-	96
The Christopher Power Award Fund	6,385	-	-	-	6,385
The New Power Family Award Fund	23,603	-	-	-	23,603
Research & Studies Fund	5,923	-	-	-	5,923
Waterway Recovery Group Fund	147,998	16,606	(17,691)	-	146,913
Frederick Woodman Fund	3	-	-	-	3
J Faulkner Fund	31,939	-	(775)	-	31,164
Keith Ayling Legacy Fund	132	2,000	(756)	-	1,376
Averil Dobson Legacy Fund	306,612	-	-	-	306,612
Mary Jackson Legacy Boat House Fund	313,000	-	-	30,000	343,000
Alison Spooner Legacy Fund	146,040	(5,572)	-	-	140,468
Kenneth Todd Legacy Fund	-	1,000	-	-	1,000
Historic England Fund	4,222	20,020	(20,829)	-	3,413
Heritage Lottery Fund	2,345	-	(6,915)	-	(4,570)
Other Grants	1,216	5,000	(4,579)	-	1,637
<b>Total restricted funds</b>	<b>995,370</b>	<b>39,054</b>	<b>(51,545)</b>	<b>30,000</b>	<b>1,012,879</b>
<b>Unrestricted funds:</b>					
Funds held by Regions and Branches	162,554	22,779	(30,399)	-	154,934
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Chelmer & Blackwater Number 3 Fund	-	-	-	50,000	50,000
Tony Harrison legacy	70,118	-	(70,000)	-	118
Waterways in Progress	-	-	-	100,000	100,000
<b>Total designated funds</b>	<b>296,576</b>	<b>22,779</b>	<b>(100,399)</b>	<b>150,000</b>	<b>368,956</b>
<b>General funds</b>	<b>1,327,075</b>	<b>769,490</b>	<b>(934,233)</b>	<b>(180,000)</b>	<b>982,332</b>
<b>Total unrestricted funds</b>	<b>1,623,651</b>	<b>792,269</b>	<b>(1,034,632)</b>	<b>(30,000)</b>	<b>1,351,288</b>
<b>Total funds</b>	<b>2,619,021</b>	<b>831,323</b>	<b>(1,086,177)</b>	<b>-</b>	<b>2,364,167</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 25b Movements in funds (prior year)

Group	Restated at 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	Restated at 31 December 2019 £
<b>Restricted funds:</b>					
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
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
<b>Total restricted funds</b>	<b>287,225</b>	<b>919,959</b>	<b>(198,667)</b>	<b>13,305</b>	<b>1,021,822</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	162,554
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Tony Harrison legacy	70,118	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-
Total designated funds	316,953	54,870	(65,698)	(9,549)	296,576
Revaluation reserve	-	10,690	-	-	10,690
<b>General funds</b>	<b>1,564,954</b>	<b>1,421,774</b>	<b>(1,487,458)</b>	<b>(3,756)</b>	<b>1,495,514</b>
<b>Total unrestricted funds</b>	<b>1,881,907</b>	<b>1,487,334</b>	<b>(1,553,156)</b>	<b>(13,305)</b>	<b>1,802,780</b>
<b>Total funds</b>	<b>2,169,132</b>	<b>2,407,293</b>	<b>(1,751,823)</b>	<b>-</b>	<b>2,824,602</b>

## Movements in funds (prior year)

	Restated at 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	Restated at 31 December 2019 £
<b>Charity</b>					
<b>Restricted funds:</b>					
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
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
<b>Total restricted funds</b>	<b>252,443</b>	<b>918,770</b>	<b>(189,148)</b>	<b>13,305</b>	<b>995,370</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Funds held by Regions and Branches	173,382	54,870	(65,698)	-	162,554
Chelmer & Blackwater Number 2 Fund	63,904	-	-	-	63,904
Tony Harrison legacy	70,118	-	-	-	70,118
Elsie May Watson legacy	9,549	-	-	(9,549)	-
Total designated funds	316,953	54,870	(65,698)	(9,549)	296,576
<b>General funds</b>	<b>1,420,002</b>	<b>835,140</b>	<b>(924,311)</b>	<b>(3,756)</b>	<b>1,327,075</b>
<b>Total unrestricted funds</b>	<b>1,736,955</b>	<b>890,010</b>	<b>(990,009)</b>	<b>(13,305)</b>	<b>1,623,651</b>
<b>Total funds</b>	<b>1,989,398</b>	<b>1,808,780</b>	<b>(1,179,157)</b>	<b>-</b>	<b>2,619,021</b>

**Purposes of restricted funds**

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 was a bequest to be used towards the Restoration Fund for the Cotswold Canals.

The Kenneth Todd Legacy Fund was a bequest to be used towards the Cumbria project.

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 waterway 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.

The Environment Agency grant funds the Fisheries Improvement Project, being the construction of fishing landing stages on the Chelmer & Blackwater Navigation.

**Purposes of designated funds**

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

The Chelmer and Blackwater Number 3 Fund was established to further assist with repairs and refurbishments on the Chelmer & Blackwater Navigation.

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 Waterways in Progress Fund will pay grants awarded in response to IWA's invitation to waterways groups in 2019 to bid for funding to run projects which promote the benefit of restoration schemes. The fund comprises unrestricted legacy income previously bequeathed to IWA.

Notes to the financial statements

For the year ended 31 December 2020

**26 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	35,000	35,000	4,112	5,826
One to five years	43,750	78,750	8,225	12,337
	<b>78,750</b>	113,750	<b>12,337</b>	18,163

**27 Operating lease commitments receivable as a lessor**

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2020	2019
	£	£
Less than one year	6,102	-
	<b>6,102</b>	-

**28 Capital commitments**

At the balance sheet date, the charity had committed to:

	2020	2019
	£	£
Waterway restoration and development projects	116,117	104,932
Branch and region waterway projects	32,435	26,994
Improvements to the Chelmer & Blackwater Navigation	1,694	23,250
Development of internal systems	11,435	31,278
Office contracts	40,308	62,230
Loans to canal societies	-	25,000
	<b>201,989</b>	273,684

## 29 Prior period adjustment

## Group

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Reserves position	31 December 2019			1 January 2019		
	£	£	£	£	£	£
Funds previously reported	1,738,876	1,085,726	2,824,602	1,818,003	351,129	2,169,132
<b>Adjustments on restatement</b>						
Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds	63,904	(63,904)	-	63,904	(63,904)	-
<b>Funds restated</b>	<b>1,802,780</b>	<b>1,021,822</b>	<b>2,824,602</b>	<b>1,881,907</b>	<b>287,225</b>	<b>2,169,132</b>

	Unrestricted	Restricted	Total
Impact on income and expenditure	31 December 2019		
	£	£	£
Net income / (expenditure) as previously reported	-	-	-
Adjustments on restatement	-	-	-
<b>Net income / (expenditure) as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Charity

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Reserves position	31 December 2019			1 January 2019		
	£	£	£	£	£	£
Funds previously reported	1,559,747	1,059,274	2,619,021	1,673,051	316,347	1,989,398
<b>Adjustments on restatement</b>						
Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds	63,904	(63,904)	-	63,904	(63,904)	-
<b>Funds restated</b>	<b>1,623,651</b>	<b>995,370</b>	<b>2,619,021</b>	<b>1,736,955</b>	<b>252,443</b>	<b>1,989,398</b>

	Unrestricted	Restricted	Total
Impact on income and expenditure	31 December 2019		
	£	£	£
Net income / (expenditure) as previously reported	-	-	-
Adjustments on restatement	-	-	-
<b>Net income / (expenditure) as restated</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Details of adjustments

Reallocation of Chelmer & Blackwater Number 2 Fund from restricted funds to designated funds

Donations from the subsidiary, Essex Waterways Ltd, to its parent, IWA, for the purposes of future maintenance work of the Chelmer & Blackwater Navigation, the waterway managed by Essex Waterways Ltd, had previously been put into a restricted fund. They should have been received as unrestricted funds and designated for their purposes on receipt by IWA. Therefore this prior year adjustment corrects their allocation from restricted funds into designated funds.

**30 Post balance sheet events**

Severe restrictions on daily life, made necessary by the Covid-19 pandemic and re-imposed during the Christmas season, have been in place for the first quarter of 2021. Spring is seeing their gradual, staged lifting and so the restarting of some group activities. Generally, there is a more positive outlook in the UK with regards to the future impact of the virus, fuelled by a successful vaccination programme, though maintained vigilance for new developments in the virus.

IWA and Essex Waterways Ltd continue to monitor government guidelines carefully and run operations accordingly. Careful planning is going into the resuming of Covid-safe restoration camp activity, but unfortunately the May Canalway Cavalcade festival had to be cancelled for a second year, this year replaced by an online event.

**31 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.