



Canal &
River Trust

Annual Report 2016/17



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The Canal & River Trust is a registered charity formed in 2012 to care for 2,000 miles of historic inland waterways across England and Wales. Our vision is for living waterways that transform places and enrich lives.

We work in partnership with others to support the health and wellbeing of millions of local people, offering sustainable routes which connect communities, and providing access to learning and education for thousands of children and young people. We license and support boating on our waterways as well as promoting a wide variety of other uses from canoeing and angling to freight and renewable energy.

The inland waterway network in our care is among the finest examples of working industrial heritage in the world and includes 72 reservoirs and four inland ports, along with hundreds of bridges, aqueducts, tunnels, locks, embankments and important wildlife sites. Built over two centuries ago to enable the Industrial Revolution it comprises the third largest collection of listed buildings in the country, 49 Scheduled Ancient Monuments, two museums, and five World Heritage Sites, one of which we manage directly.

We rely on our Government grant, fees from boat owners and businesses, and our investment and commercial income to fund the cost of maintaining our network, which exceeds £100m per year. Our work is increasingly supported through lottery funds, corporate and local authority partnerships, growing voluntary donations from members of the public, and our dedicated volunteers who, last year, gave us half a million hours of their time.

4.3m

During a typical two-week period 4.3m people visit one of our waterways. Some may only use the waterways once, others may visit most days walking their dog or commuting to work.

Below are some of the most common activities and the number of people taking part*

650k

Running/
jogging

180k

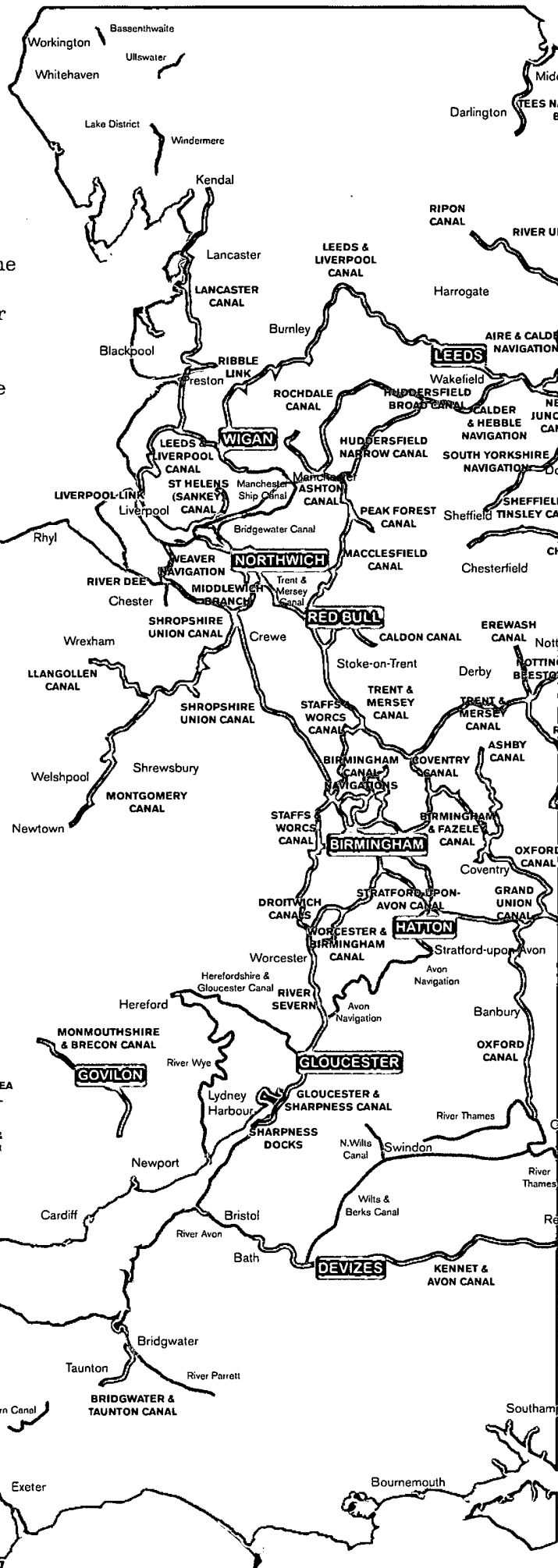
Fishing

350k**

Boat with
engine

142k

Boat without
engine



This map includes waterways managed by members of the Association of Inland Navigation Authorities (AINA). There are other inland waterways that have not been included, the information on this map is for guidance only, for accurate information please visit our website

Annual Report 2016/17

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Introduction from Chair & CEO



Allan Leighton



Richard Parry

In a year of dramatic national and international surprises there was comfort to be found in the timeless qualities of our historic canals and rivers. Indeed, it is easy to forget that these waterways were revolutionary once. When they were carved across the face of Britain 250 years ago they transformed the nation – joining towns and cities to each other and carrying goods, ideas and people to new places. They opened up the interior of the country to the rest of the world and changed the way we thought about ourselves as a nation.

Our canals and river navigations helped to shape modern Britain. The challenge we face now is to ensure that they are connected with, relevant to, valued and supported by the millions of people and diverse communities they serve today. For, while our waterways have undergone a remarkable revival over the past few decades, much of the network still runs through some of the most deprived communities in England & Wales; many of which have felt isolated, fractured and ill at ease.

Our vision now is for living waterways that transform places and enrich lives. To achieve this, we want to release our canals and rivers' potential as catalysts again – especially in those areas that need it most.

We can't do this alone. We need to harness the millions of people who already use and enjoy our canals and rivers to put the pride back into these places and create new opportunities to deliver wider economic and social benefit. We've already begun work to realise this vision.

Last year members of the public volunteered over ½ million hours of their time to support us. Over 180 community groups have taken up our call to adopt their local stretch of waterway. We now have over 20,000 individual Friends donating to support our work every month. Our partnerships with Help for Heroes and the Scouts are giving new skills and hope to wounded veterans and engaging more young people in our work. We have made a strong contribution to the Welsh Government's aspirations as set out in its Well-being of Future Generations Act. Our commercial teams are winning investment and support for regeneration initiatives in areas that have been starved of both. And we have the ideal platform to help take the Northern Powerhouse and Midlands Engine from concepts to reality – supporting sustainable transport, low carbon energy, digital communication and even water-borne freight, which could return to Yorkshire's large-scale waterways.

With 25 million people, from all backgrounds and demographics, right on our doorstep – and around 4.3 million regular visitors – we are uniquely positioned to make a powerful impact across the country.

Allan Leighton

12 July 2017

Richard Parry

12 July 2017

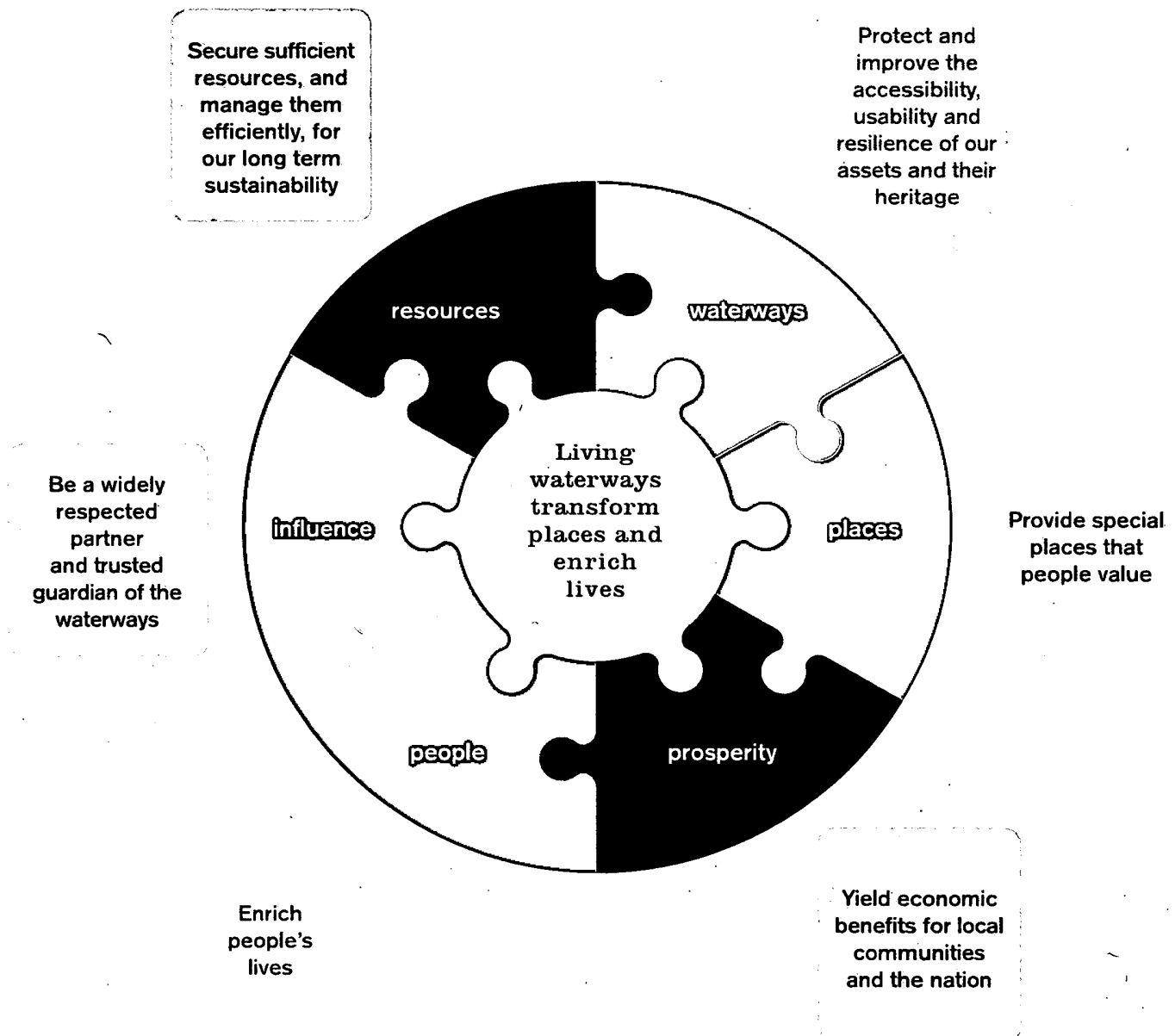


—Images: Farnhill - Leeds
& Liverpool Canal—

Our vision & strategy

Our 10-year strategy sets out the six areas that underpin our ambitious vision for living waterways that transform places and enrich lives.

It highlights the changes the Trust must make between now and 2025 to become more customer and community focussed, and more effective, productive, and financially sustainable.



Our performance

We measure our performance against our 10 year strategy with reference to a number of key performance measures. The key ones are listed below:

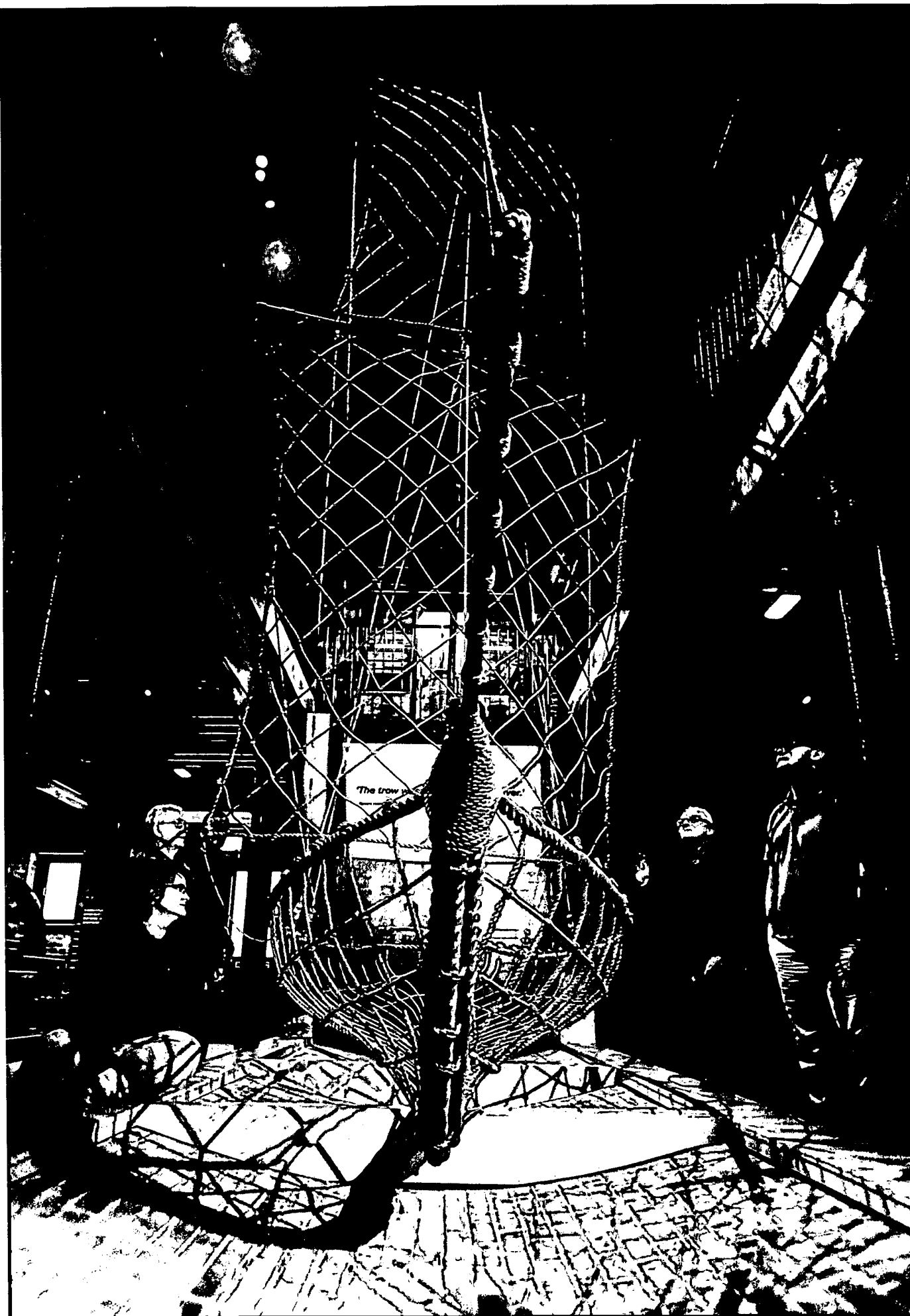
Defra Waterway Targets – improving our waterways/assets <i>Defra targets are explained in more detail on pages 46 and 47</i>	2015/16	2016/17	2016/17 Target
Towpath condition grade C or better	78%	78%	≥60%
Principal assets grade C or better	86%	86%	≥75%
Condition of flood management assets graded C or better	98.56%	99.04%	≥96%

Waterway measures	2015/16	2016/17	2016/17 Target
Boating customer satisfaction	68%	76%	70%
Visitor satisfaction	83%	85%	85%
Regular visitor numbers to reach each fortnight (from our monthly surveys)	4.4m	4.3m	4.7m
Public safety measure – % of reported incidents on our network attributable to infrastructure defects	7.8%	7.1%	<7.5%
Internal safety measure – accident frequency rate expressed as number of accidents per 100,000 hours worked.	0.34	0.26	<0.24
Unplanned navigation closures	630	549	<570 days

Other measures	2015/16	2016/17	2016/17 Target
Employee engagement (those answering positively to six key engagement measures)	64%*	66%	n/a**
Volunteer satisfaction	89%	94%	90%
Volunteer hours	481,700	540,700	520,000
People aware of the Trust	29%	33%	33%
Friends actively donating to the Trust each month	15,800	20,600	22,500
Number of children reached in our education programme	63,900	92,700	70,000
Community adoptions	147	181	180

* Restated to be consistent with the new survey.

** Target not set as a new survey was adopted during the year.





Our waterways are busier and more popular now than ever before. Caring for such an extraordinary working heritage is a year-round task. The Trust's specialists work with volunteers and partners to release the potential in every waterway to make sure they can be used and enjoyed for generations to come.

Keeping our waterways open and in good working order

During the course of 2016/17 we spent £157m on our charitable activities, notably maintaining and repairing our waterways, an increase of 6% from the year before. We undertook our largest ever programme of lock repairs and gate replacements with 197 lock 'stoppages' and 160 lock gate leaves replaced. We carried out hundreds of thousands of minor repair and maintenance tasks ranging from tree felling and servicing of bridges and locks to building repairs and vital inspections of embankments and hidden culverts. We have ensured that unplanned navigation closures continue to reduce when compared to previous years.

Undertaking major repairs and improvements

Through our integrated delivery team we spent almost £46m on major repairs and improvements, which included over £10m on flood remediation work. We spent £6.3m on 22 priority dredging projects which included the Lancaster, Kennet & Avon and Birmingham & Fazeley Canals and Gloucester Docks. In addition we spent £15.2m on vegetation management and customer service facilities.

Ongoing work to repair the damage caused to our northern canals by the 2015 Boxing Day floods included major repairs of a breach and land slip in the Calder Valley and the complete dismantlement and reconstruction of the Grade II listed Elland Bridge, work which was funded by the Department for Transport and praised by Historic England.

Other major projects have included: almost £1.1m spent securing Prees Embankment on the Llangollen Canal; around £600,000 repairing Brick Lock on the River Stort and; the £1.1m repair of Marsh Lock in Runcorn, one of the largest locks on the River Weaver. We also: overhauled the Grade II listed Saul Junction Lock at the junction of the Stroudwater and Gloucester & Sharpness canals; repaired Telford's Engine Arm Aqueduct on the Birmingham Canal Navigations and; completed the refurbishment and installation of new pumps at Tringford Pumping Station.

Restoring our industrial heritage

Significant grants from the Heritage Lottery Fund (HLF) have brought the dream of restoring the Pocklington, Montgomery, and Grantham canals and Wendover Arm of the Grand Union Canal

a step closer. Funding from HLF also enabled us to pass important milestones in conserving 'Mosssdale' and reconstructing 'George', two of the most significant boats in the Historic Boat Collection.

Improving and extending towpaths

One of the transformations of the waterways that has affected most people over recent years has been on the towpaths, where we have been working with partners and funders to turn muddy, pothole-ridden paths into green, sustainable routes accessible for people of all abilities.

This year we have continued to upgrade towpaths across the country. Major funders of these works included: Transport for London's 'Quietways' programme; Birmingham's 'Cycle Revolution'; West Yorkshire Combined Authority; Transport for Greater Manchester and Greater Manchester Combined Authority. Data from Birmingham suggests the improved surfaces have increased towpath use by over 50% resulting in healthier people and less congestion on the local road network.

Image: New displays at the National Waterways Museum, Gloucester

We want more people to discover the pleasures of time spent on or besides canals and rivers.

Encouraging more visitors to the waterways

We want more people to discover the pleasures of time spent on or besides canals and rivers. During 2016/17, 4.3 million visitors made an estimated 396 million visits to our waterways.

We again, in partnership with the Angling Trust, hosted Britain's biggest canal angling competition, the Canal Pairs Championship, and introduced hundreds of newcomers to the sport through our Go Fish campaign.

Our ambitious plan to create England's first coast-to-coast canoe route – The Desmond Family Canoe Trail – is progressing well and this year we officially opened the Wigan and Blackburn hubs.

Over 13,000 copies of our 'places to visit' guides have been downloaded from our website and our mobile app now includes details on 121 waterway destinations for people to discover. Also this year Anderton Boat Lift, one of our main attractions with 120,000 visitors each year, won Visit England's prestigious Best Story Told accolade.

Delighting our customers

We are continuing to improve the experience we provide our customers. We met our target for visitor satisfaction (85%) and exceeded our 70% target for boating customer satisfaction (76%).

Following feedback from boaters, we launched an independent consultation on our craft licensing system, which has remained largely unchanged for more than two decades. We have introduced a new online, self-service booking system to allow boaters to book passage through Anderton Boat Lift, Standedge Tunnel, Liverpool Canal Link, Ribble Link, and Frankton Lock as well as use of Wigan and Ellesmere dry docks.

In London we have set out plans to develop a mooring strategy to address the unique challenges of boating in the capital. Working with waterway users, and covering all aspects of London moorings, we aim to complete the strategy by the end of 2017. We worked hard to make boating better in London over the last year, with: 125 new mooring rings; 14 new long-term moorings; over 700m of new or improved moorings; 2.25km of bankside dredging and; new bins and facilities.

Making our waterways safe

We are committed to ensuring that people visiting, using, and working on our waterways can do so safely.

The percentage of incidents involving visitors where the condition of our infrastructure was a contributory factor has continued to fall and is down to 7.1% of the incidents reported, despite an increase in incidents reported during the year. Fewer injuries to our people occurred with 98 reported during the year (compared to 102 the year before). The number of the most serious injuries affecting our employees, volunteers, and contractors also showed an improvement although we narrowly missed our target. There were 14 reportable injuries in 2016/17 compared to 18 in 2015/16 and no serious work related injury occurred to a volunteer during this time.



Case Study

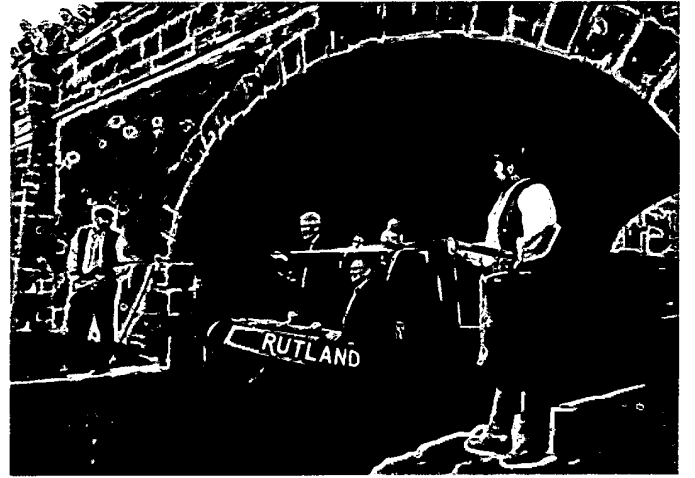
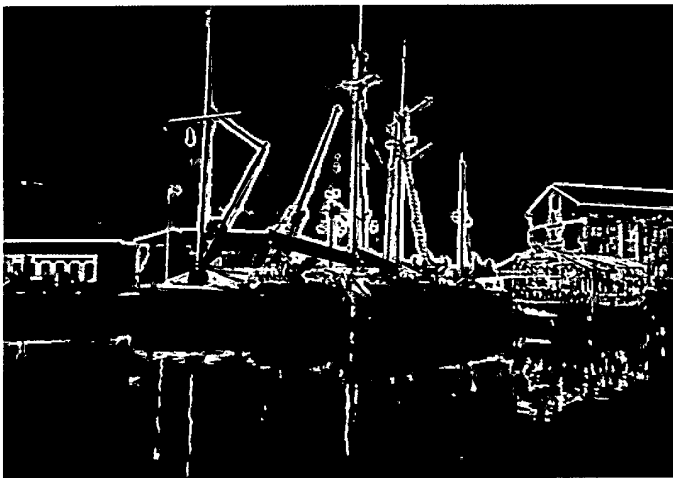
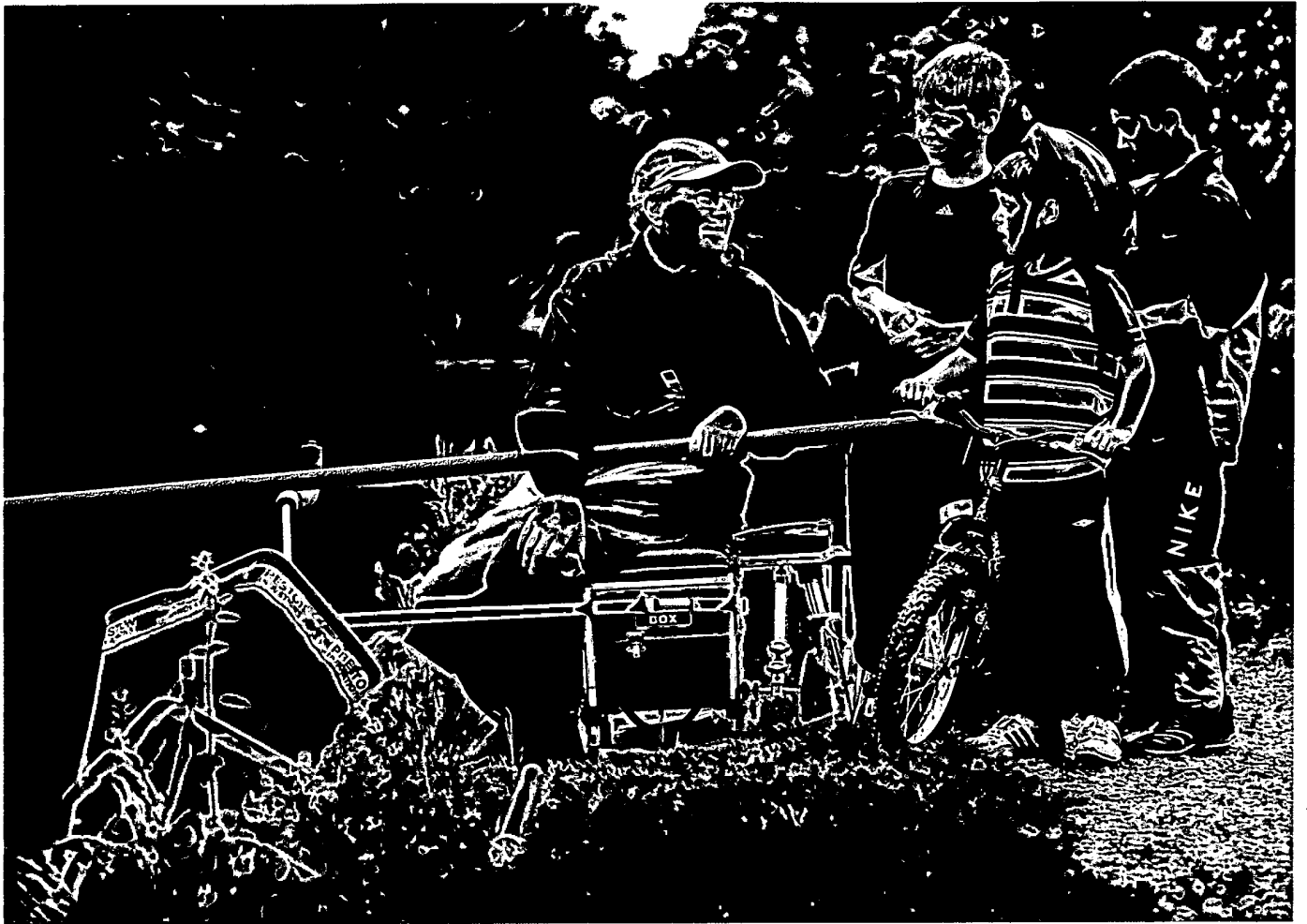
Grantham Canal Restoration

The restoration of lock 15 on the beautiful Grantham Canal is the first volunteer-led major construction project ever delivered by the Trust, and a demonstration of just what can be achieved.

During 2016 volunteers dismantled part of the lock, near Woolsthorpe, and concrete weirs, before rebuilding the walls and installing new coping stones to the original William Jessop design.

The £1.9m project, which was funded by a £830,000 HLF grant, has so far resulted in 3,000 volunteer days in major engineering by volunteers from the Grantham Canal Society, Mercian Archaeology, Waterway Recovery Group, Gleeds Associates, and Trident Feeds.

Images: Clockwise from top: Go Fish! campaign, Reopening Elland Bridge, Share the Space campaign – Regent's Canal, Maida Hill Tunnel Inspection, Gloucester Docks.



Places

Our canal and river network is a national treasure linking the past, present, and future of the nations it runs through. Over the past three centuries the waterways have adapted to meet the needs of successive generations and the Canal & River Trust is unlocking their potential to support local communities today and tomorrow.

Opening a window on our past

2016 was a year of significant anniversaries and a chance to reflect on the impact the waterways have had on Britain.

The National Waterways Museum, Ellesmere Port, held an exhibition to commemorate the 40 years since its founding as a voluntary society. As part of our HLF-funded 'Windows on the World' project we opened up the museum's original slipway to the Manchester Ship Canal using 'augmented reality' technology to bring the site to life.

2016 also marked the 300th anniversary of the birth of canal pioneer James Brindley and we held a special exhibition and conference at the museum to commemorate and raise awareness of his legacy.

In July we reopened the National Waterways Museum, Gloucester, after a seven-month refurbishment of the building and galleries funded by HLF and DCMS/Wolfson Museums & Galleries Improvement Fund, with displays now showcasing the historic role played by the area's docks and canals.

We celebrated the 200th anniversary of the completion of the Leeds & Liverpool Canal with dozens of events and festivals throughout the year along the canal's 127-mile route. Celebrations led by us, the Leeds & Liverpool Canal Society, the Inland Waterways Association, and the 12 boroughs through which the canal travels included: a project to replace missing mile markers; a new choral symphony as part of the Super Slow Way arts project; work with 200 schools and; the recreation of the first trans-Pennine journey along the canal by the heritage education boat 'Kennet'.

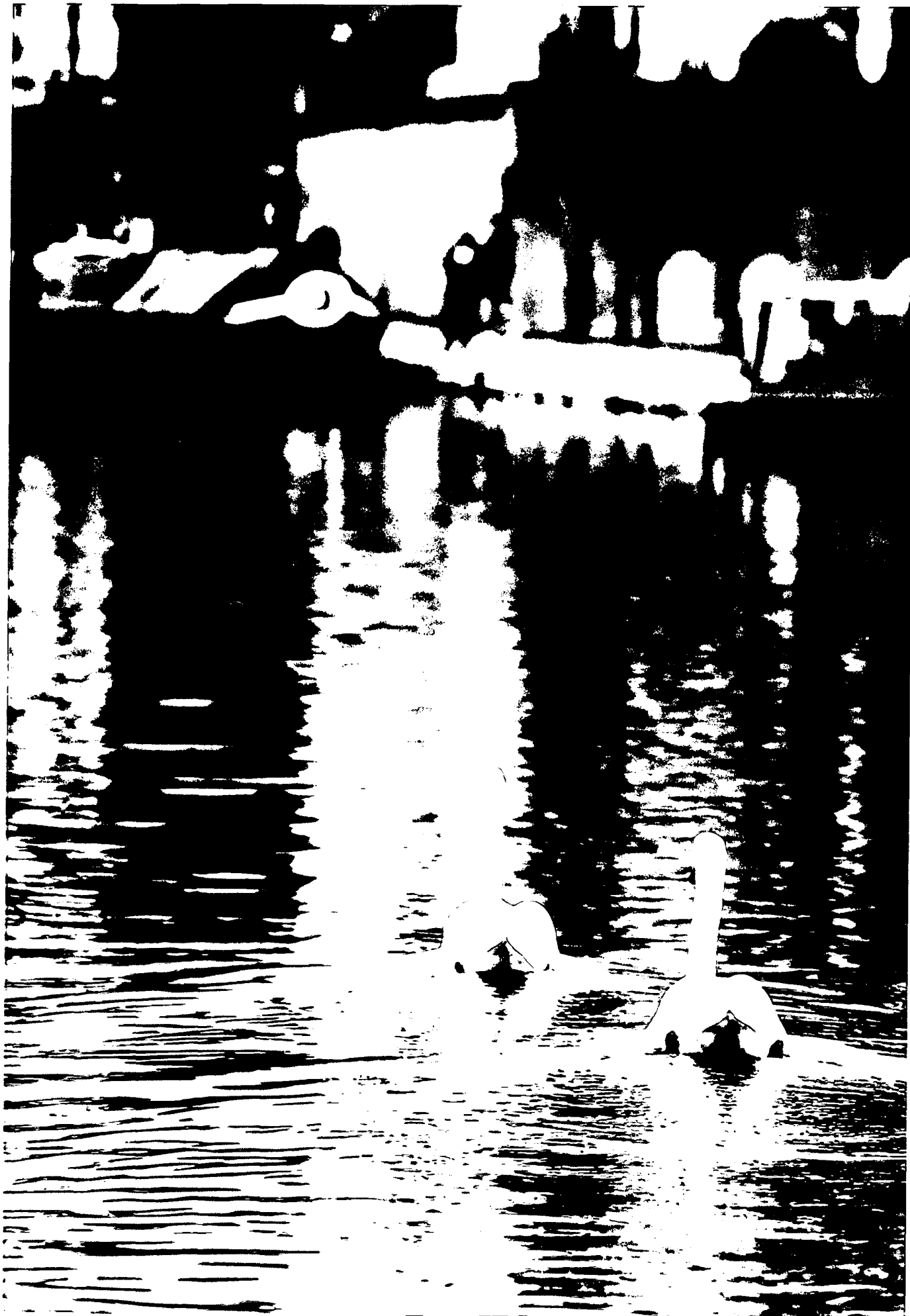
Contributing to a green future

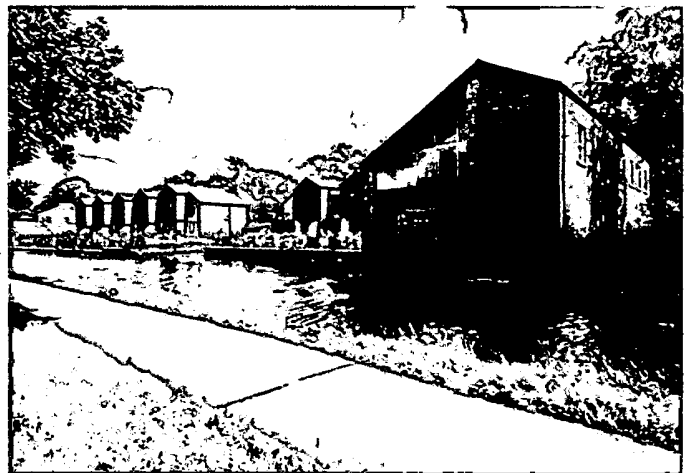
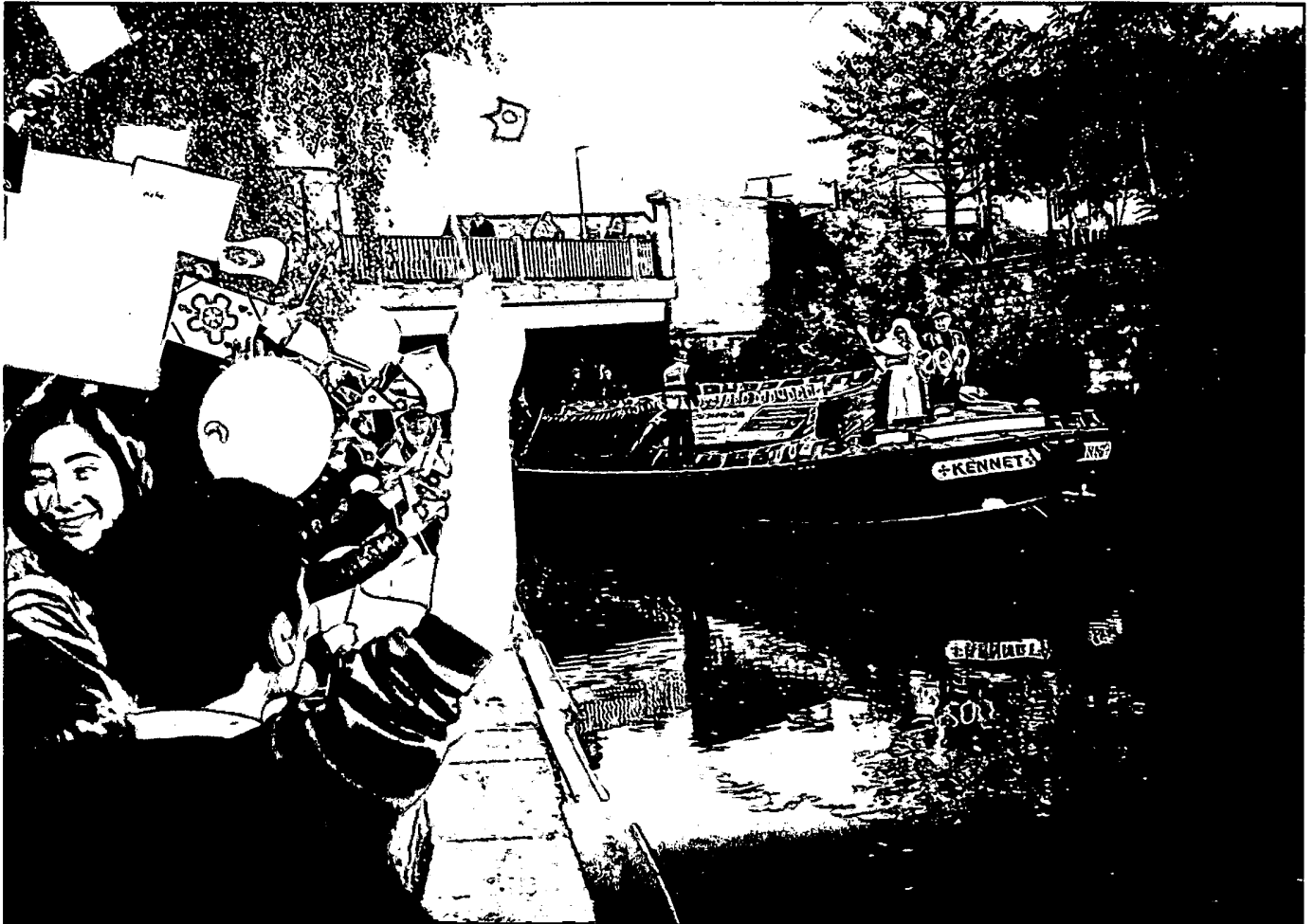
Where canals and rivers once served the carbon-based economy we are now finding new ways in which they can contribute to greener, low carbon technologies.

Working with a range of partners we have completed hydroelectric schemes at Kirkthorpe, Thrybergh, Killington Reservoir, Holme Lock and Aldwarke and wind turbines at Sharpness and Boddington which, combined, will generate around 10 million KWH – or enough to power approximately 2,600 average UK homes. We have also begun work on hydroelectric schemes at Knottingly and Chapel Haddersley and begun extending an existing scheme at Linton which will generate a further 5.5 million KWH.

We continue to promote the use of water as a low carbon coolant. In London's Docklands for example we have worked with the developer of an innovative, 45-storey residential building, Baltimore Wharf Tower, to use dock water to cool the building, saving energy and generating an income for the waterways at the same time.

Image: Little Venice, London





Canals have always shaped and influenced the places they run through and today is no different.

Shaping places

Canals have always shaped and influenced the places they run through and today is no different.

In Paddington Basin, for example, we are working with partners to animate the once derelict waterspace with hire boats, a water taxi, an information boat, floating café, floating pocket park, as well as additional trade and visitor moorings.

Working through our property partnership, H2O Urban, we have transformed the former waterway office at Aldcliffe Yard in Lancaster from a derelict eyesore into an attractive canalside environment and much improved gateway into the city centre. The scheme was awarded the 2016 Lancaster District Design Award.

Creating a space where nature and people can thrive

Our work to conserve waterway habitats gives millions of people the opportunity to experience and connect with nature right on their doorsteps.

The waterways provide vital wildlife corridors for rare and endangered species and we care for 63 Sites of Special Scientific Interest. Thanks to the players of People's Postcode Lottery we have established the 'Saving our Vital Nature' project to improve nine of our highest priority sites.

We won £120k from the Tesco Bags of Help scheme to support grassroots community projects all working with local people to improve their own spaces. The projects have helped to fund hedgerow planting, bridge murals, bat roosts, interactive nature trails, and urban orchards, enabling communities to protect local habitats for future generations to come.

Through our partnership agreement with Natural England we have begun implementing new management plans and initiatives – from dredging and vegetation management to new habitats for Great Crested Newts – for important wildlife sites on the Pocklington, Montgomery, and Ashby canals. These will be templates for managing waterways for nature conservation and navigation.

This year, working with partners including the Severn Rivers Trust and Environment Agency, we secured EU LIFE and stage one HLF funding towards an ambitious £20m scheme to reopen the River Severn to native and threatened fish species, many of which have been absent from the upper reaches since the 1800s.

Images: Clockwise from top:

Celebrating the Leeds & Liverpool Canal bicentenary, Aldcliffe Yard regeneration – Lancaster, The Canal Museum at Stoke Bruerne – Grand Union Canal, Volunteering at Foxton Locks, Wind Turbine at Boddington Reservoir.



Case Study

Skyway Community Garden

Hidden corners are one of the quirks of the Regent's Canal, but many of these small, fenced-off triangles of land have become overgrown, littered, and abused. One such area in Hackney has been totally transformed by local charity Skyway, in association with the Canal & River Trust, into a new restorative community garden.

Designed with and for local young people, Skyway Community Garden is now an organic and ever-evolving quiet space where locals and commuters can spend their lunch breaks, have conversations, and get a bit of respite in a busy part of the city while enjoying the benefits and beauty of the canal and its seasons.





Canals and rivers have long been corridors for growth and investment. The Canal & River Trust plays an active role in releasing the potential of its waterways to generate opportunities – boosting tourism, education, and learning, creating a canvas for culture and enterprise, and breathing new life into disused industrial spaces.

Catalysts for growth

Our waterways are catalysts for regeneration and we work with a range of commercial and public sector partners to revive once derelict and disused waterside land.

This year, working with Wigan Borough Council, we secured planning consent for 470 new homes on an underused 21-hectare site adjacent to the Leigh Branch of the Leeds & Liverpool Canal. In Birmingham we have formed a partnership with the City Council, Places for People, and Urban Splash to take forward the major regeneration of Icknield Port Loop, on the edge of the city centre, with more than 1,200 new homes and an improved canalside space. Our property partnership H2O Urban completed two award-winning residential developments, bringing new life to historic buildings in Lancaster and Marsworth, and is on site with schemes at Bow in London and Tyseley in Birmingham. While our property partnership, Waterside Places, started on site with the second Phase of its Brentford development.

Image: Market at Limehouse Basin

Fostering social enterprises

Vibrant waterside businesses are vital elements to a lively, loved, and active waterway and we play a key role in encouraging investment in new waterside ventures.

On the Regent's Canal we have established the monthly Limehouse Social Market to attract a range of independent traders and local businesses selling home-made produce. Begun as a way to tackle anti-social behaviour in the area, the market is now successfully fostering new social enterprises and a sense of community around Limehouse Basin.

On the Caldon Canal in Staffordshire a partnership between ourselves and a local entrepreneur has given a new purpose and future to a former corn store warehouse and wharf at Froghall Basin, creating a new café and gift shop, holiday accommodation, and trip boat mooring.

Promoting skills

We provide opportunities for communities and individuals to equip themselves with new skills, training, and knowledge.

Through our Heritage Skills programme, and backed by the HLF, we support young people by offering valuable work experience and apprenticeship opportunities. This year 17 trainees have worked with us to develop their skills, and nine apprentices completed their training with us, with the majority securing permanent contracts with the Trust.

In Burnley our Big Lottery-backed Brightwork project tackles unemployment and worklessness by training local people with new skills. The programme, which has so far involved over 4,400 volunteers, offers help towards finding employment and encourages a greater sense of ownership and pride in the local waterway. More than 30 participants have gained qualifications, 10 have got jobs, and 17 are now taking leadership roles in their communities.

Our ground breaking 'Heritage Heroes' project is a two-year collaboration with Help for Heroes and local canal societies. Funded by the players of People's Postcode Dreamfund the project aims to create a self-sustaining career recovery programme helping 60 veterans to retrain and get back into work through restoring four canals alongside our volunteers.

We provide opportunities for communities and individuals to equip themselves with new skills, training and knowledge.

Our education team worked alongside tutors from the Workers' Educational Association to support a group of Pakistani women in Bradford. The pilot programme aims to raise the group's awareness of the local area's heritage and waterway history.

Providing a stage for events and festivals

Our waterways play host to hundreds of events throughout the year. These offer a wonderful way of engaging the public in what the waterways have to offer and provide a boost for the many businesses that depend on our canals and rivers.

The Crick Boatshow, organised by Waterways World in association with ourselves and Crick Marina, is the biggest annual inland waterway event. This year it attracted 270 exhibitors and a record attendance of almost 27,000 people for three days of trading and family entertainment in May.

In October the Nottingham Canal Festival, run in conjunction with the City Council, attracted over 3,000 people to the waterside and, in Foxton, almost 8,000 local people joined us for our Illuminated Boat Festival. Communities along the length of the Leeds & Liverpool Canal came out to celebrate its bicentenary at festivals in towns and cities such as Burnley, Blackburn, and Leeds.

Creating Britain's longest cultural space

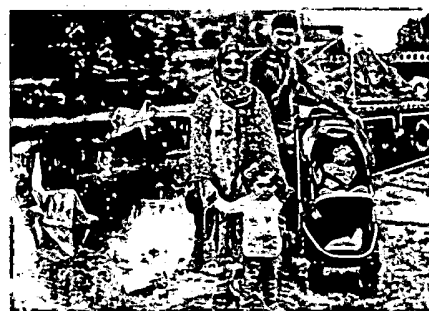
Our *Arts on the Waterways* programme, backed by strategic agreements with the Arts Councils of England and Wales, continues to generate exciting new connections between artists, ourselves, and the communities we serve. This year we were involved in 45 arts projects, including our flagship partnership Super Slow Way, with more than 250 artists engaging over 77,000 people.

One of the highlights was *Dance on Water*, a series of waterways-inspired workshops, produced by Matthew Bourne's acclaimed Re:Bourne company, which culminated in twenty 16–25 year olds from disadvantaged areas performing at both The Lowry, Salford, and Birmingham's Hippodrome.

Canal Laureate, Luke Kennard, performed at the Royal Festival Hall and canalside locations around the country as part of our partnership with the Poetry Society and author, photographer, and broadcaster Jasper Winn became our first ever 'Writer in Residence' in a two-year collaboration and book deal with Profile books.

Working with Arts Alive Wales, and supported by NESTA and the BBC, we hosted an arts residency which streamed a series of live illuminations from a limekiln on the Monmouthshire & Brecon Canal to Cardiff's city centre Castle Arcade.

Images: Clockwise from top: Crick Boat Show, Brightworks project – Blackburn, Foxton Locks Illuminated Festival, 'Dance on Water', Our heritage trainees.



Case Study

Super Slow Way

The Arts Council England-funded Super Slow Way went from strength to strength in 2016 and brought an artistic flavour to the bicentenary celebrations for the Leeds & Liverpool Canal.

This year more than 30 projects involving over 200 artists have worked with communities and local authority partners along the canal corridor in East Lancashire, reaching an estimated 40,000 local people.

Highlights have included the Super Slow Way Rhapsody, written by poet Ian McMillan, and performed at King George's Hall, Blackburn; the 'Exbury Egg', a workspace and art installation temporarily housed at Finsley Gate which challenged people's perceptions of what it means to be a community; and the Kinara Festival, a month of events exploring Islamic art and culture.



People

Half the population of England & Wales lives within a few miles of the Canal & River Trust's network and our waterways are important contributors to people's mental and physical wellbeing. We are improving the experience for our visitors and customers and finding new ways to connect local people to our canals and rivers.

Offering the best possible experience for our volunteers

The growth in volunteering has been one of the bedrocks of our success over the past five years and 2016/17 was no different. Our wonderful volunteers gave us over 540,000 hours of their time, an increase of 12% from the year before.

Perhaps no voluntary role on our waterways has caught the public imagination quite as much as that of Volunteer Lock Keeper. Launched with the help of the irrepressible Brian Blessed the initiative has gone from a standing start to a record 750 people signing up in 2016 at 86 sites. Volunteers are heavily motivated by a desire to keep fit and healthy and, in an average week, they speak to thousands of people on boats and on the towpath.

Image: Lock keeper at Bingley

Not everyone is able to commit time to a long-term volunteering role, which is why we launched monthly 'Towpath Taskforces', at 40 locations around the country, for people interested in helping to care for their local canal or river. The events offer a great introduction for people considering other volunteering opportunities in the Trust.

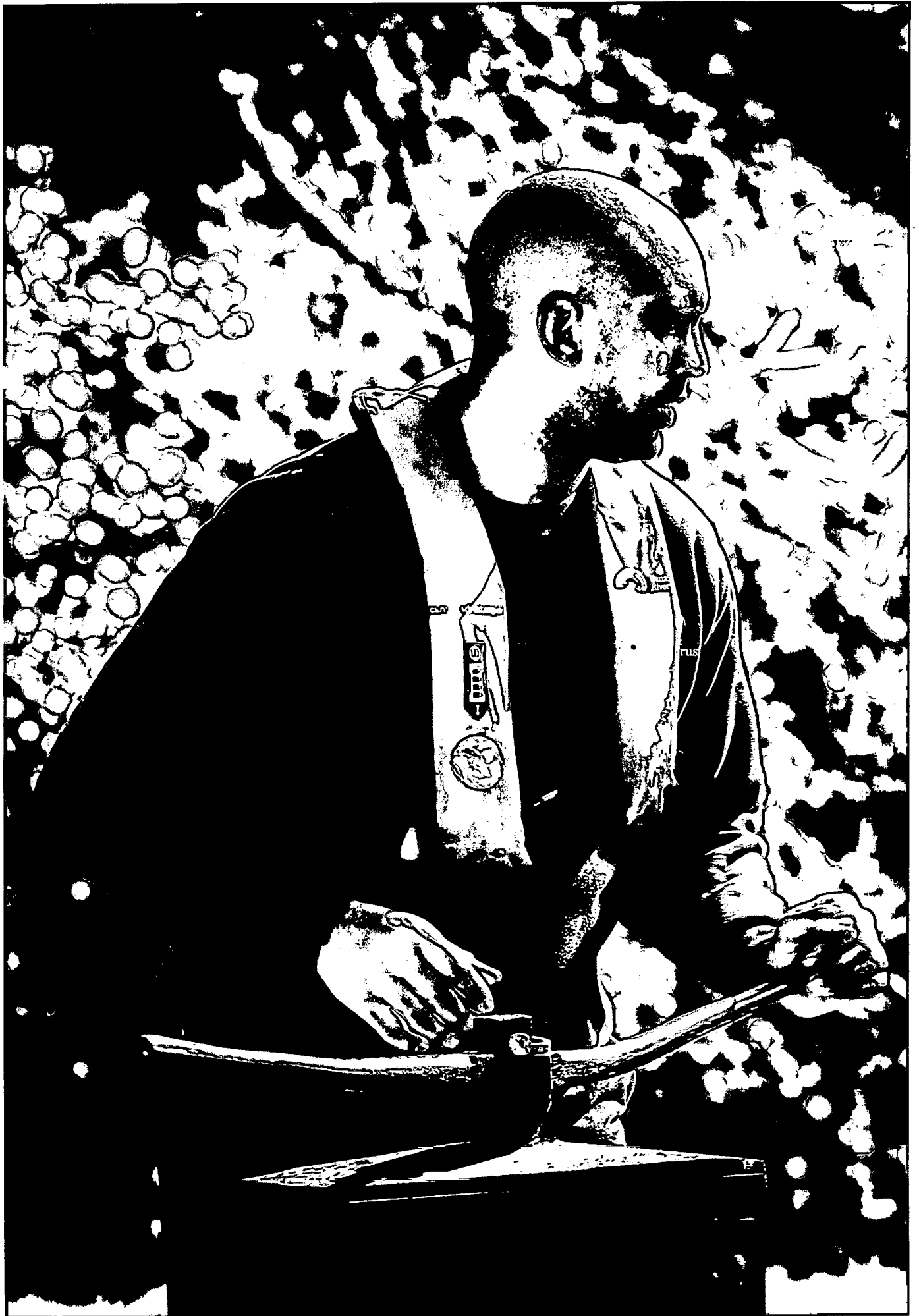
We have continued to work with larger companies interested in volunteering opportunities for their staff, with partners including: Yorkshire Water, now into the third year of their adoption in Leeds; Bank of America Merrill Lynch in Chester; and Burges Salmon on the Kennet & Avon Canal.

Nurturing pride in local waterways

181 community groups have now 'adopted' a stretch of their local canal or river, a 23% increase from last year. Waterway adoptions are a wonderful example of how canals and rivers can connect people and strengthen communities. One adoption, by 'The Feast', a Birmingham-based charity promoting interfaith cohesion, brought together a group of young Muslims and Christians to rejuvenate a stretch of the Grand Union Canal.

Another great example is Community Roots, an environmental and engagement programme, funded by the Esmée Fairbairn Foundation and the players of the People's Postcode Lottery. The three-year project aims to create and support social action and ownership on our waterways, with a focus on our SSSI sites along the Rochdale Canal, Huddersfield Narrow Canal, and the Birmingham canal network. The project has already raised awareness and involved local people in the improvement, protection, and enhancement of significant local wildlife sites, creating a legacy of community engagement at the heart of our conservation work.

Responding to feedback and suggestions from local people we created a Wild Garden alongside the Tees Barrage. Backed by the Big Lottery Fund, and delivered by volunteers and staff from the Trust and Groundwork, the project has turned a 20-year old dumping ground into a haven for people, bees and other wildlife.





Our waterways provide a wonderful education resource for thousands of young people.

We now have 20 projects underway on our waterways as part of our 'A Million Hands' initiative with the Scouts. These projects focus on helping young people explore how they can make a difference to their community's use of our amazing waterways, such as at the 79th Clayton Scouts, who have led on improvements to a picnic area on the Trent & Mersey Canal to create a peaceful haven for local people.

New perspectives on our canals and rivers

We are always looking for new ways to engage with people visiting the waterways and our flagship programme of Open Days had its most successful year. With a total of 19 events we attracted 20,000 visitors (compared to 16,000 last year).

As well as the ever-popular opportunities for members of the public to venture into drained lock chambers and work sites to meet our skilled teams and volunteers, we tried a number of new things this year. These included: the first ever 'gig in a lock' in Camden; a live art sound installation in St Pancras Lock; a fire festival at Turnerwood Locks on the Chesterfield Canal and; canoe taster sessions at Stoke Bruerne, where 50 people signed up as Friends of the Trust, the highest number recruited at an Open Day.

Images: Clockwise from top: Young volunteers planting bulbs alongside the canal at Foxton Locks, Ikon Gallery's Black Country Voyages, Canal & River Trust Open Day at Stoke Bruerne, Scouts on The Desmond Family Canoe Trail, Canal & River Explorers

A 2,000-mile classroom

Our waterways provide a wonderful education resource for thousands of young people, and engagement with canals and rivers early in life can often lead to a lifelong enthusiasm.

This year over 92,000 children took part in our primary school programme, Canal & River Explorers, more than ever before. Through our winter water safety campaign Explorers volunteers have delivered interactive assemblies to over 200 primary schools across England and Wales.

We also launched our first school competition, Corridor for Nature, funded by players of the People's Postcode Lottery. The competition, which received over 700 entries, challenged schools to design their own canal habitat, with the winning design to be recreated in the school grounds by a landscape architect.

With support from Rolls Royce we are building a high quality STEM learning programme aimed at secondary schools to inspire a new generation of engineers and waterway supporters. Last year 3,000 7-14 year olds engaged with the programme by learning about water pressure, water quality, erosion, and hydraulics.

More than 750 girls took part in our Girlguiding Challenge Badge which we launched this year with Girlguiding Birmingham. Rainbows, Brownies, and Guides earned the badge by completing six waterway-themed activities on their local stretch of waterway.



Case Study

St Pancras Lock

In February we ran a showcase Open Weekend at St Pancras Lock in central London to give members of the public a unique, behind the scenes, glimpse into the workings of the waterways and the people who keep them flowing.

Supported by local and central staff and volunteers this three-day event included: boat trips; children's activities; curry and chips on the towpath, and goody bags for visitors. We tested new contactless fundraising technology, ran special events for local bloggers and dignitaries, and even ran an evening arts event with canal-inspired music in the lock chamber itself. It was our most popular open day of the year with 3,377 visitors and 48 people signing up as Friends.



Influence

Over the past fifty years our canals and rivers have undergone a remarkable transformation – from national disgrace to national treasure. We champion the waterways among policy-makers and politicians, influencers and the general public, so that our precious waterways continue to thrive and survive and never again fall into dereliction.

Engaging with politicians and policy-makers

Around a third of all Westminster MPs has one of our waterways in their constituency and we regularly welcome MPs and members of the Welsh Assembly to our canals and rivers to learn about our work.

We were delighted that Sajid Javid MP chose our Brentford Lock regeneration site for his first visit after being appointed Secretary of State for Communities & Local Government and were pleased to host waterways minister Dr Thérèse Coffey MP on a tour of central Birmingham's canals. Dr Coffey also showed her support by speaking at our annual Parliamentary Reception in the Palace of Westminster where we were joined by around 60 MPs and Peers from across the political spectrum.

Putting our waterways on the agenda

Decisions by government, at a national, devolved and local level have a significant impact on our canals and rivers and we work hard to ensure policy makers and legislators understand the challenges and opportunities facing the waterways.

During 2016/17 we continued our dialogue with HS2 Ltd with the aim of mitigating the impact of the different phases of the development on both our waterways and those owned by others. In July we signed our Side Agreement with the Secretary of State for Transport to give the waterways additional protections during Phase 1 over and above the provisions in the High Speed Rail Act. We will work with HS2 and its contractors to ensure the additional protections we secured are delivered on the ground.

In Autumn 2016 we distributed our prospectus, 'Routes to Growth,' to key government and local authority decision-makers, highlighting the contribution our waterways could make to the Northern Powerhouse agenda. In March we met with Northern Powerhouse minister, Andrew Percy MP, to brief him on the opportunities for using the waterways for: water-borne freight; 4G and 5G infrastructure; improving environmental resilience and; creating more liveable communities for local people.

Image: Llangynidr – Monmouthshire & Brecon Canal

During the year we have been working with the Environment Agency to explore the potential of a Defra-backed proposal to transfer 640 miles of river navigations from the Agency to the Trust. The move, which would include the non-tidal Thames, Great Ouse, Wye, and Anglian waterways, could unlock significant benefits for the waterways and those who use them and we hope to convince Government to agree to promote the transfer in the months ahead.

This year we established an External Reference Group to act as a sounding board for our Outcomes Measurement Framework which we developed with Cardiff University. With the group's guidance, we have taken part in nationally significant work commissioned by Government, Non-Departmental Public Bodies, Fellowships and Forums such as the Cabinet Office, Sport England, What Works Centre for Wellbeing, the Town & Country Planning Association, and Public Health England. A case study on waterways and local places, included in a British Academy report, highlighted how our waterways add value by contributing to community resilience and creating a strong sense of place.

We work with a wide range of local partners, from canal societies and councils to local businesses.

Building partnerships and making connections

As the guardians of a 2,000-mile network we are well placed to make strategic connections and partnerships between organisations, joining up the public, private, and voluntary sectors in a way that few other charities can do.

Nationally we are pleased to be among six charities partnering with the Scouts' 'A Million Hands' initiative which was recognised with a Downing Street reception and Charity Times award for 'Best Sector Partnership'.

Locally we work with a wide range of local partners, from canal societies and councils to local businesses. Our partnership with the IWA, Lancaster Canal Trust, and five local councils, for example, has unlocked a funding package to create a new walking trail along the unrestored Northern Reaches of the Lancaster Canal.

Much of our local engagement is supported by our 10 regional Waterway Partnerships, made up of individual volunteers drawn from all walks of life, who help us build closer connections and engagement with communities, businesses, waterway users, and local authorities. For example our Partnerships have helped us increase community adoptions and volunteering in Mirfield, Yorkshire, establish a community workboat in Worcestershire, and secure Green Flag Awards for the Peak Forest and Macclesfield Canals. We have now made new Green Flag applications for seven more sites representing 8% of our network (166 miles).

Growing awareness of and support for our work

As a relatively new charity a key challenge for us is to increase the number of people who know who we are and support what we do.

As of 31 March 2017 we had increased our followers on Twitter by 44%, to more than 36,000, received nearly 68,000 followers on Facebook, and grown our Instagram following to over 3,600. Our revamped website continued to grow, achieving on average 309,000 visits per month (an increase of 28% month-on-month from last year). Having invested in making the site fully mobile-responsive over 50% of our traffic now consistently comes from mobile and tablet traffic, representing a big shift from around 30% only two years ago.

We now have over 67,000 email newsletter subscribers and are seeing consistently strong engagement rates with around 60% of recipients regularly opening and clicking through to our website.

We proactively communicate via traditional print and broadcast media and achieved a monthly average of more than 320 items of coverage mentioning the Trust. Around 89% of the coverage is positive in tone and 8% neutral. Our teams have won plaudits externally with awards this year from the Chartered Institute of Marketing, CorpComms, and PR Moment Awards.

We also increased our presence at third party events. In August, staff, volunteers, and friends from across the Trust donned a variety of colourful outfits to take part for the first time in Manchester's annual Gay Pride festival – the UK's largest LGBT event. In June we had two stands at Gardener's World Live – which attracts over 100,000 visitors – to increase support and awareness for our work.

With a greater emphasis on targeted marketing and communications campaigns, improved signage, and greater digital presence we have managed to increase prompted awareness of the Trust amongst the general public to 33% (compared to 29% last year).



Case Study

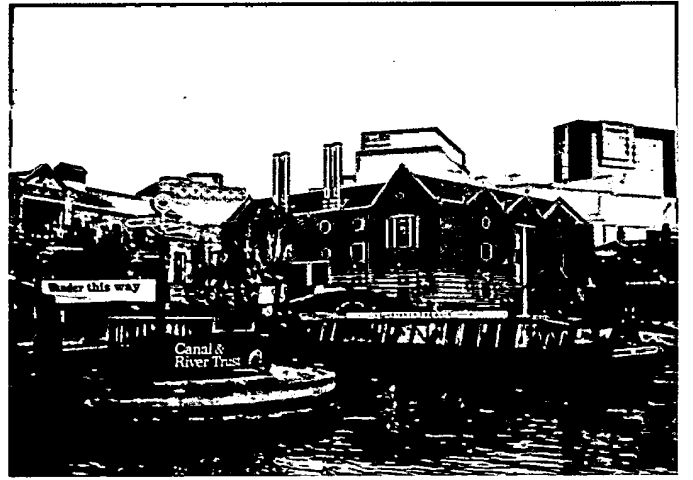
Living Waterways Awards

Our annual Living Waterways Awards celebrate the many, often unsung, people and projects that help to make the UK's canals, rivers, lochs, and lakes so vibrant.

Led by an independent panel of experts from the voluntary, environmental, arts, heritage, engineering, and architecture sectors, and covering eight different categories, the Awards celebrate the fantastic difference that individuals, communities, and organisations make to the waterways.

The 2016 finalists, announced at a ceremony in Birmingham's Town Hall, ranged from a canal-based theatre company, a waterside pocket park, butterfly habitat improvements, and the conservation of an historic aqueduct. The Outstanding Achievement Award went to Di Skilbeck MBE in recognition of a lifetime's contribution to the creation and development of the National Waterways Museum at Ellesmere Port.

Images: Clockwise from top: Waterway Minister Thérèse Coffey visiting Birmingham's canals, New signage at Birmingham's Old Turn Junction, River Thames, Volunteering at Mirfield, Trust teams at Manchester Pride Festival.



Resources

Caring for our 200-year old working heritage is important and expensive work. We aim to promote more efficient and cost-effective ways of working and to generate new sources of income and support for our work.

Creating a great place to work

We are committed to widening the experience and talent of the people who work for us and better reflecting the communities we serve. So, this year, we have made a step change in driving diversity and inclusion within our workforce, rolling out awareness training to all of our teams, establishing internal groups to focus on gender balance, diversity and inclusion, and reviewing and enhancing our policies on wellbeing so as to make the Trust as family friendly and mindful an employer as we can be.

We have put in place a range of initiatives to grow employee engagement which, while below our target, continues to improve. Our 'Growing our Trust' employee engagement and change programme, supported by a team of 65 volunteer 'People Champions', has continued to increase employee voice across the organisation, facilitating 115 listening groups and introducing a toolkit to embed engagement as an ongoing activity. The success of our work was 'highly commended' in the Chartered Institute of Public Relations Inside Story Awards and Employee Engagement Awards 2017.

Growing support from donors and partners

More and more people are supporting our work through one-off and regular donations. As of 31 March 2017 there were 20,638 active Friends of the Trust, who contributed over £1.2 million to our work in 2016/17. Our number of Friends, while just short of our target, was an increase of 31% on the same point the previous year. Major donors, trusts, and grant making organisations gave us over £500,000 in valuable financial support and we received over £500,000 from our corporate partners.

We secured more than £23 million this year from key partners such as councils and transport bodies to invest in towpaths and other infrastructure, helping to meet our shared ambitions to create safe and accessible waterways that all local people can enjoy.

We have had considerable success in securing funding to improve our museums' resilience with £420,000 worth of additional income raised from Arts Council England, Esmée Fairbairn Foundation, the Museum Development Network, and the Association of Independent Museums for projects to conserve, store, and interpret the historic boat collection.

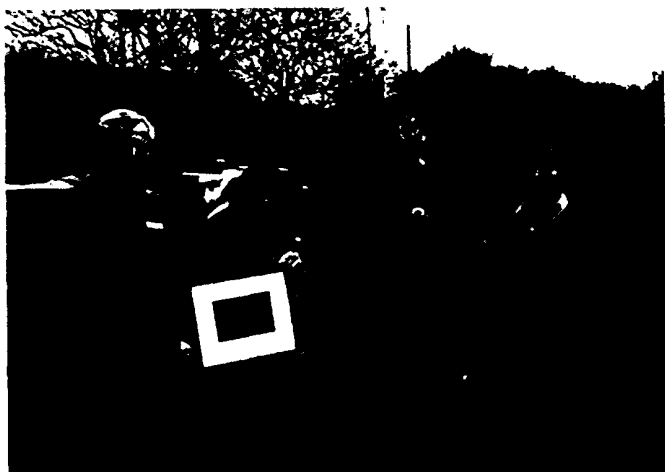
Investing for the future

During 2016/17 we continued to grow and diversify our investment income. The total value of our endowment investments have increased by 10% to £773.8m and our work has been given a clean bill of health by our independent, Defra-appointed, 'Protector'. Our returns from property at 10% were ahead of the market benchmark at 3.8% and included 5.2% of capital growth, comfortably exceeding our long-term target of exceeding CPI inflation by 1% per annum. Our non-property investments also performed well during the year at 18.8% (also ahead of their benchmark of 7.3%), thus reversing the difficult 2015/16 performance.

We continued to rationalise our property holdings, reducing the number of low value, high management cost assets and reinvesting in better quality investment properties, notably in Manchester and Bristol.

Image: Staff at Leeds office





Every pound we save is another pound we can spend looking after the waterways.

Collectively our utilities, water, and moorings businesses performed in line with expectations. Income from our property wayleaves estate continues to make a significant contribution to the Trust's financial targets with an expected over-performance of £1.7 million in the current financial year. We continue to encourage innovative commercial uses of our waterway corridors, including the installation of 18.7km of telecommunications apparatus by a third party, highlighting the value of our network for such uses in densely populated areas.

Income from our Waterside Moorings business has increased by 9% year-on-year, with market prices increasing and demand for moorings remaining strong. Our new moorings website has proved popular with customers, helping to reduce void periods, while the number of moorings available to let has increased modestly by around 2%, predominantly off-line and/or residential berths.

Working more efficiently

Every pound we save is another pound we can spend looking after the waterways and we have continued to push for more efficient ways of working this year.

We changed the way our Midlands waterways are managed, reducing our number of regional offices from 11 to 10 and relocating our main work base from Fazeley to central Birmingham. We have also overhauled the way we manage our workboats, creating a Trust-wide hiring system and disposing of craft which have reached the end of their working lives.

At the end of September 2016, and following a consultation with our employees, we closed the defined benefit Waterways Pension Fund to future benefit accrual and replaced it with a new defined contribution scheme open to all our employees. The move reduced risk, ensured cost certainty and affordability, and has created a situation

where all employees enjoy equality of pension benefits. We were pleased with the constructive way in which our employees engaged with the change, and the recognition of a Pensions & Lifetime Savings Association award for outstanding communication and engagement.

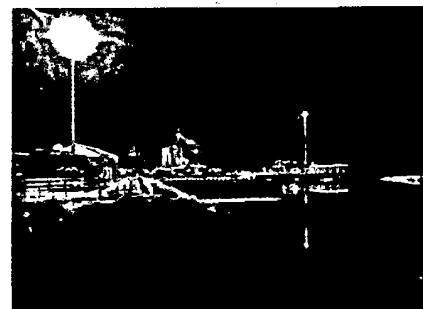
We were proud to be re-certified to The Carbon Trust Standard showing a 6.7% reduction in our CO₂ emissions between 2014 and 2016. The award recognises our hard work: encouraging more travel by train instead of car; introducing electric vehicles and charge points; using fuel management software and; investing over £350,000 in energy efficient LED lighting.

Preserving natural resources

Since we published our first Water Resources Strategy in October 2015 we have made good progress against the five-year programme of strategic actions. This has included considerable work to create new computer models of the canal network to allow us to simulate more accurately the impact of climate change, new legislation, changing patterns of network use, new water transfers and marinas on the reliability of our water supply during drought events.

To complement this, we are exploring how we manage current and future flood risks, both to and from our waterways, and reflect on the lessons learned from the December 2015 storms. We expect to carry out a consultation in autumn 2017, asking for our customers and users views on our approach to flood risk management, as we put together plans for the next 5 to 35 years.

We are a large user of timber and so were delighted to be recognised, in November 2016, by the World Wide Fund for Nature (WWF) for our long-term use of sustainable timber over the past decade. More than 97% of the timber we use comes from credibly certified sources.



Case Study

Sharpness Docks . LED lighting

In March, with the support of our volunteers, we completed a major overhaul of the lighting in Sharpness Dock, replacing conventional, energy and maintenance intensive lighting with low carbon, energy efficient LED lighting.

The project features an innovative system whereby lighting for ship passage will be improved and activated by smart controls, yet dimmed to minimum levels for the vast majority of hours from dusk till dawn.

The project is expected to save up to 57,000 kWh of electricity annually – a 90% reduction in energy use and an energy saving equivalent of 14 UK homes and reduction of 26 tonnes of CO₂ per year. At the same time it has reduced maintenance and improved light patterns for wildlife.

Images: Clockwise from top: Ice Wharf at Kings Cross on Regent's Canal, Stanley Ferry Workshop open day, Towpath fundraiser at King's Cross, Stanley Ferry Workshops receive WWF plaudit, 'Heritage Heroes' on the Pocklington Canal.

Wales



Glandŵr Cymru, the Canal & River Trust in Wales, is working with Welsh Government and other partners to release the potential of Wales's canals, which are among the most spectacular in the world.

We are supported by our voluntary Welsh advisory panel, Bwrdd Glandŵr Cymru, chaired by Nigel Annett who this year succeeded Lynne Berry in the role.

Our approach – embracing the natural, built, and social heritage of our waterways and delivering environmental, social and economic outcomes – works with the grain of Wales's growing legislative framework. In particular it embraces the definition of sustainable development within the Well-being of Future Generations (Wales) Act and the sustainable management of natural resources described within the Environment (Wales) Act and the ways of working included in both. This has been best exemplified by our work this year on the Monmouthshire & Brecon Canal. Working in partnership with Welsh Government, and with an award of £2.538 million from its Green Infrastructure Investment Fund, we have been able to invest significantly in the resilience of the canal's structures, water supply, and habitats.

Finding new ways of looking at the canal's natural environment

The funding created an opportunity to look for the first time at the canal's role within the wider landscape – as a corridor for connecting habitats, a foraging route and an interconnecting and complementary ecosystem with the River Usk.

Our actions on the Monmouthshire & Brecon Canal are an exemplar which fed into a 'Waterways and Wildlife: managing our natural environment' handbook for Wales's canals. This has included a new management plan for woodland and hedgerows to extend the range of habitats for dormice and reopen historic views of the Brecon Beacons National Park, enhancing visitors' experience of the canal.

Protecting the canals for the future

Overall we spent £4.8 million in Wales during 2016/17 on essential maintenance and repair work. The largest project was the relining of the 650m Llangattock embankment of the Monmouthshire & Brecon Canal. Funded by Welsh Government these vital works will reduce water loss and prevent the canal from failing in the future. In March almost 600 local people visited the site and took the opportunity to walk along the newly lined canal bed and meet with our volunteers and partners.

Increasing access to our canals

With our partners' support we are continuing to make the canal towpaths more accessible for people traveling to work or school or just trying to get fit or spend time with their family. This year Welsh Government invested £175k in the Montgomery Canal to continue the improvements already made between Newtown and Welshpool with further surfacing taking place between Four Crosses and Maerdy.

This year a four-year programme of towpath enhancements is being delivered through Community Payback, improving the canal while also helping offenders to build skills and confidence through meaningful activity.

The Llangollen Canal is becoming increasingly popular for recreational paddle sports, with an estimated 5,000 visits per year, and this is a trend we are keen to encourage. With the assistance of Natural Resources Wales we have created new canoe access points at Llantysilio and Llangollen, run taster sessions for young people, and published a new, bilingual guide for visiting canoeists and kayakers.

Creating special places

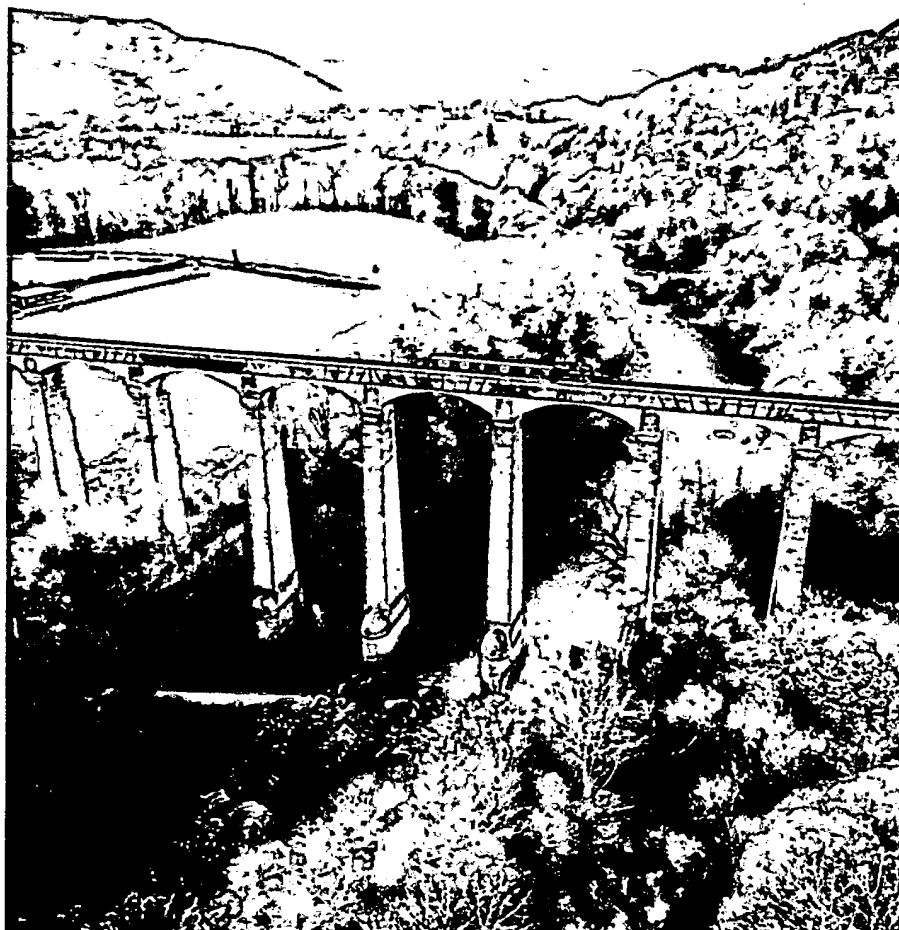
The Pontcysyllte Aqueduct & Canal World Heritage Site is already a very special place, with 300,000 visits every year. Our ambition is to improve the visitor experience, to encourage more people to visit the site, and to stimulate investment in the local community. This year saw the beginning of a partnership between ourselves, local landowner Eastmans, and Wrexham County Borough Council to explore the future of Eastmans' landholding and the potential for permanent car and coach parking to open up the World Heritage Site.

Plans to restore the Montgomery Canal received a major boost in October with the announcement that £4.2m of work to restore a further part of it is to get underway thanks to a £2.53m grant from the Heritage Lottery Fund. The bid, led by the Trust and supported by the Montgomery Canal Partnership, is a major step forward in the 47-year restoration of the historic canal.

Connecting with communities

Volunteers play a key role in sustaining Wales's canals. Proportionately Wales has more adoptions and a greater volunteer contribution than the rest of the Trust's network.

Images: Clockwise from top: Canoeing on the Montgomery Canal, Royal Welsh Show, Pontcysyllte Aqueduct World Heritage Site.



The Llangattock Woodland Group extended its existing adoption to embrace an additional area of wet woodland and grazing and Talybont on Usk Community Council also adopted its local stretch of the canal. Swansea Canal Society formally adopted a section of that waterway and continue to help care for the canal and encourage people of all ages and abilities to get involved in paddle sports.

Our Waterway Explorer volunteers are vital in helping us make connections with young people, and they engaged with around 1,600 children on our stand at the Royal Welsh Show and made 359 class and site-based visits.

We have forged strong relationships with third party canal networks in South Wales such as in Neath and the southern end of the Monmouthshire & Brecon Canal. We have also developed, with the Swansea Canal Society, a management plan for the Swansea Canal and we chair the multi-agency Swansea Bay Inland Waterways Partnership.

Showing our canals in a new light

This year, with support from Heritage Lottery Fund and the Brecon Beacons Trust, we created a limekiln trail to focus attention on the three best preserved Grade II listed limekilns on the Monmouthshire & Brecon Canal. Developed through a combination of specialist contractors and volunteers, the project created a series of bilingual interpretations describing the history and

context of each site. The trail culminated in a partnership with Arts Alive Wales and Peak Art to demonstrate the lighting of a small limekiln at Llangattock which was attended by local people and broadcast live to Cardiff.

Our three-year arts residency programme, in partnership with Arts Council of Wales, concluded this year. The programme included international collaborations between Emscherkunst, a public arts organisation in the Ruhr region of Germany, Bevilacqua La Masa, a leading arts space in Venice, and Chapter Arts in Cardiff. All the artists are now working on their final exhibition which will take place in Newtown in the early summer of 2017.

Finance Review

Financial Activity	2016/17 £m	2015/16 £m	change %
Income	202.9	189.7	
Expenditure on raising funds	(41.2)	(39.4)	
Net income available for charitable activities	161.7	150.3	8%
Charitable spend	(156.9)	(148.5)	6%
Net Income before gains and losses	4.8	1.8	
Gains on investments	48.4	37.8	
Net Income	53.2	39.6	
Pension actuarial (losses)/gains	(66.8)	36.8	
Taxation credit	0.7	0.9	
Net Movement in Funds	(12.9)	77.3	

Overview

The Trust's net income available for charitable activities was **8% higher than last year**. The increase in net income has enabled the Trust to achieve **net income before gains and losses of £4.8m** in the year. However, this is before allowing for an **additional pension contribution of £5.0m** to the Pension Accumulation Fund as part of the 2016 deficit recovery plan, paid in May 2017.

Overall income growth is driven by the additional third party income received for bridge, wash-wall and towpath repairs following the 2015 winter floods. Property and investment income has also grown, principally due to additional capital employed.

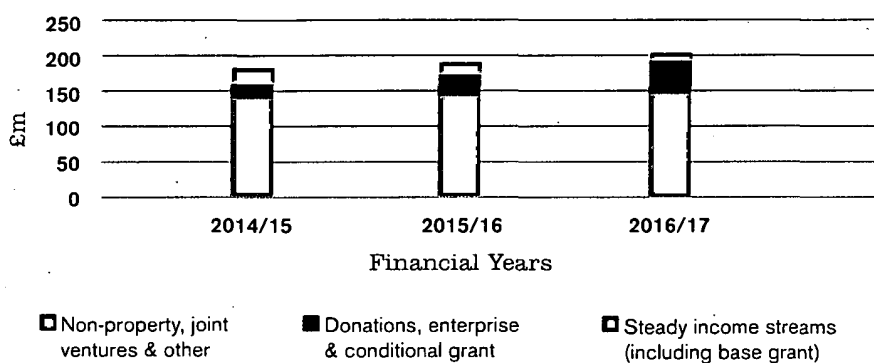
Gains on investments have increased by 28% in the year. The principal driver of this is favourable market conditions on non-property investments, resulting in returns well ahead of the previous year.

The increase in net income has enabled the Trust to increase spend on charitable activities, growing by 6%. Much of this additional spend relates to the works performed following the winter floods – particularly the repairs in the Calderdale area.

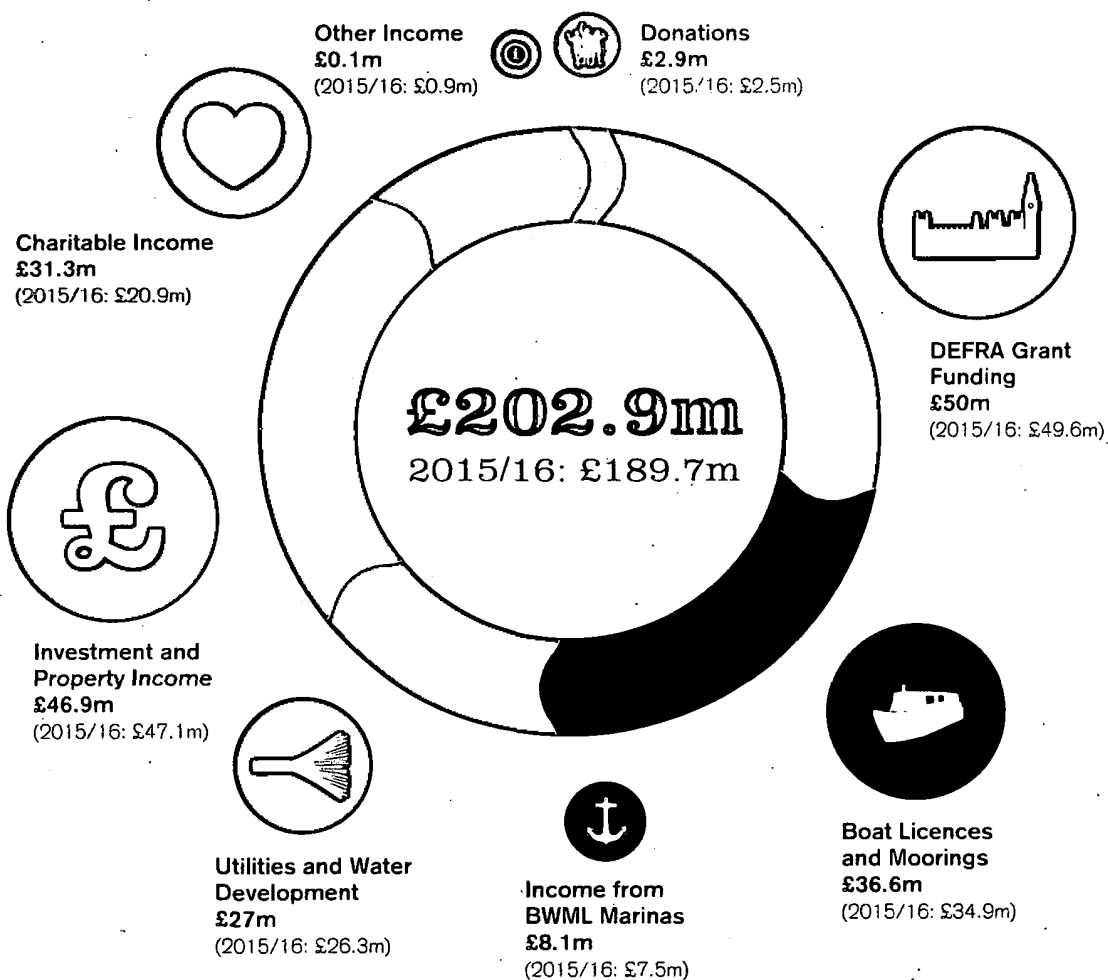
The pension actuarial loss in the year results mainly from adverse changes to discount rate and inflation assumptions. This is partially offset by actuarial gains on assets invested but the net result is a significant deficit in the year.

Income

The Trust is unusual in the charity sector as it generates around 60% of its income from commercial sources with just over 1% from donations. It also receives a large proportion of its total income from reliable income sources:

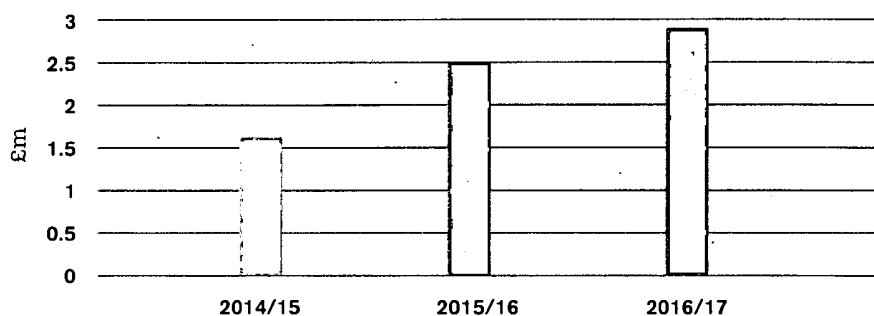


Income sources can be summarised as follows:



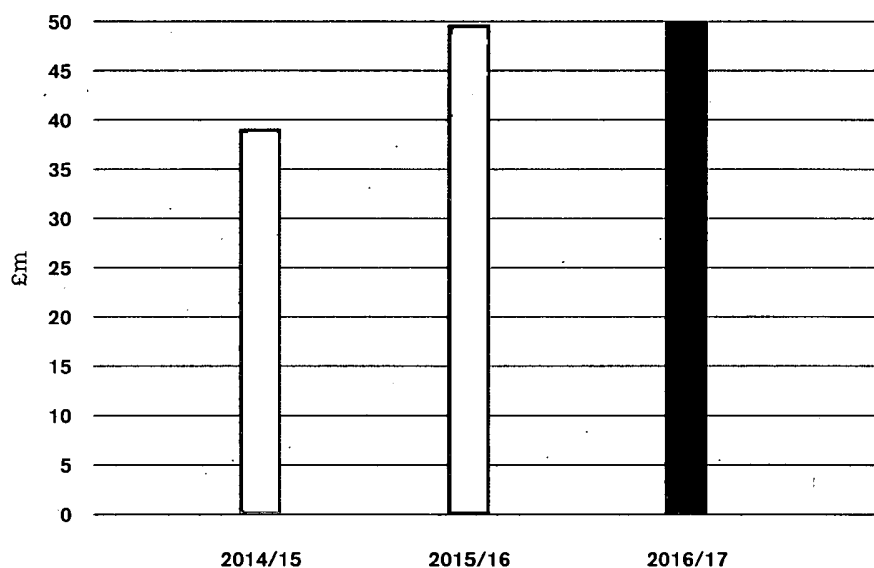


Donations: as a relatively new charity the amount raised by way of donations is in accordance with our expectations, currently representing around 1.5% of income. We have increased the number of Friends regularly supporting the Trust from 15,800 to over 20,600, driving an increase in income from £2.5m to £2.9m.



Defra grant funding represents amounts due under the grant agreement dated 2 July 2012. Part of this income is conditional, based on performance criteria being met, described further on page 46.

Under the agreement, the core amount due in 2016/17 was £40.0m, with an extra £10m received due to satisfactory performance against these performance conditions. This conditional element of grant funding is at this level until 2022 before declining as we approach the end of the grant period in 2027.



Boating and moorings income is analysed further below:

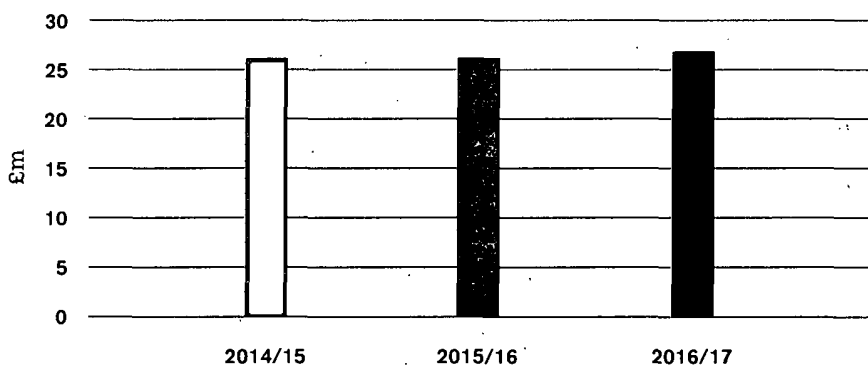
	2017	2016	% change
Boat licences			
Boat licence income	£19.6m	£19.3m	1.6%
Number of boats with a licence at 31 March*	33,536	32,899	1.9%
Income per private 12 month licence (annualised)	£620	£614	1.0%
Income from mooring permits	£5.9m	£5.4m	9.3%
Boating Trade	£9.7m	£8.9m	9.0%
Income from BWML Marinas	£8.1m	£7.5m	8.0%
Other	£1.4m	£1.3m	7.7%
Total Boating and Moorings Income	£44.7m	£42.4m	5.4%

* excludes licences for 1 month or less

Boating trade income is received from boating businesses undertaking trading activities on the waterways.

The increase in income from BWML marinas is helped by strong occupancy levels and the continued success of prime London sites.

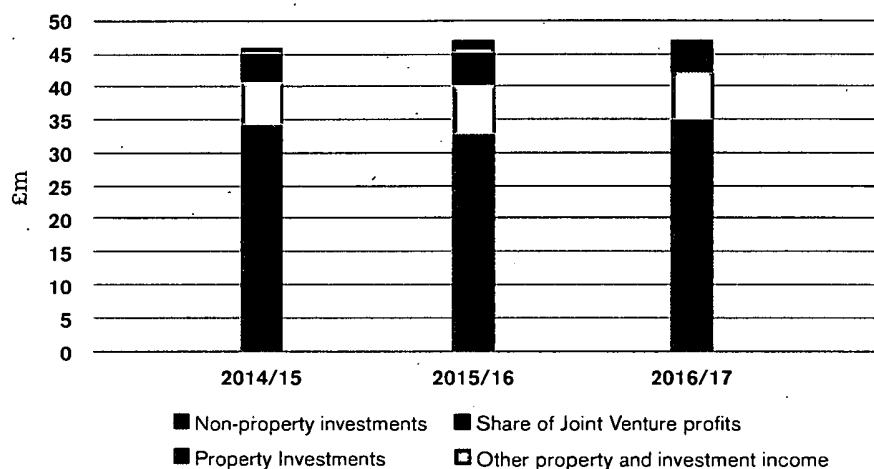
Utility and water development income is received from third parties who use the towpaths or bridges to route their infrastructure cables for data, telecoms or electricity. Income from water development arises through abstraction of water from the canal as well as discharges of excess water into the canal and the use of water for heating and cooling of buildings.





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

Overall income is broadly comparable with 2015/16. In all categories other than Joint Ventures the Trust has outperformed the previous year.



Non-property investments: Dividend income from has grown each year as the Trust has historically added to its capital employed in this area. Whilst the level of additional capital slowed in 2016/17, the return grew significantly thanks to favourable market conditions. Non-property investment performance is discussed in more detail on page 38.

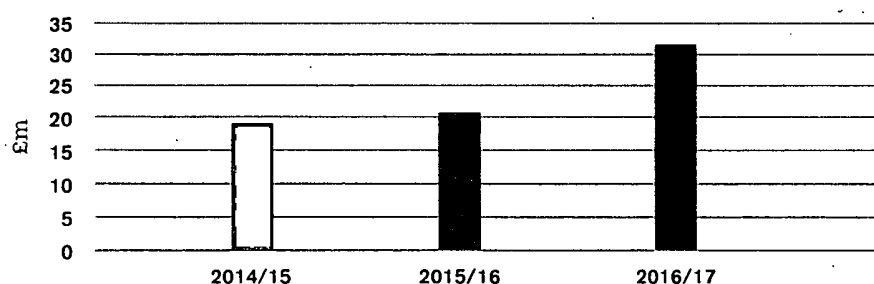
Share of Joint Venture profits: The main joint venture interests of the group, Waterside Places LP and H20 Urban (No2) LLP, engage in waterside property developments from which a share of income is also derived. The share of profit in 2016/17 is close to nil as there were few mature schemes delivering sales. However the schemes in the development pipeline will see sales volumes and profits increase in future periods.

Other property and investment income includes wayleaves, interest receipts and premiums received by the Trust's reinsurance subsidiary. The slight increase in this category is owing to a rise in wayleave income.

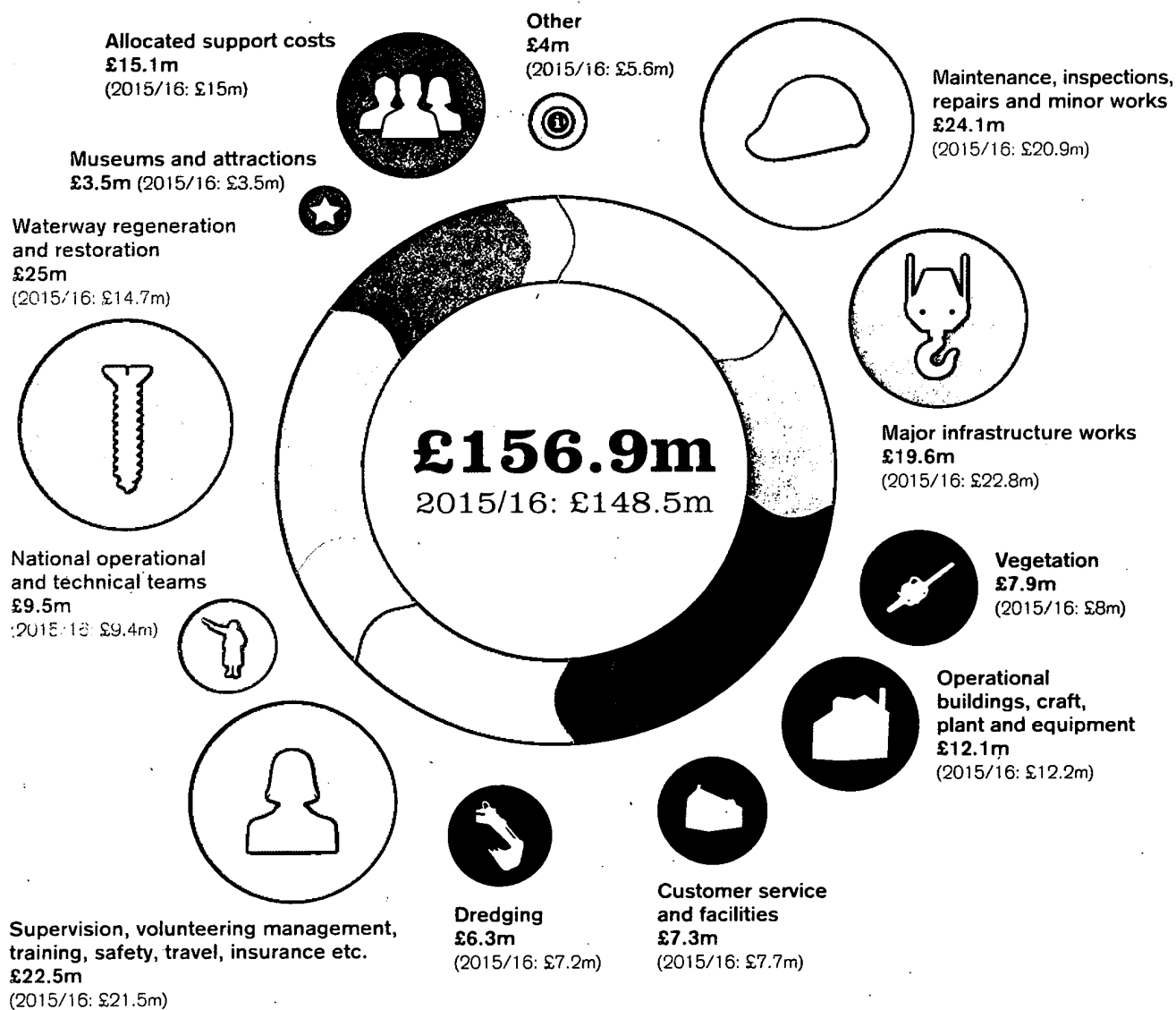
Property investments form the largest part of this income – being rents and premiums from our large property portfolio which has performed consistently well over the past three years. The increase in income against prior year is primarily due to additional capital employed, including utilisation of revolving credit facility funds. These funds have enabled the Trust to acquire additional investment properties providing returns greater than the cost of finance.

Charitable income represents amounts received to maintain waterway infrastructure, along with funding from local and national partners to regenerate and restore the waterways. Museums and visitor attractions run by the Trust also generate charitable income.

Following the 2015 winter floods, significant funds were received from partners to fund repair and restoration work, most notably at Elland and Crowther bridges in Calderdale. This accounts for much of the growth seen over the past year.



Resources expended on Charitable activities



Spend on charitable activities continues to grow, as it has done in every year since the Trust was created. Much of the increase this year relates to the Waterway regeneration and restoration works performed following the winter floods. The projects undertaken are discussed in more detail in the achievements section of the report on pages 6 to 31.

Gains/(losses) on investments

The property portfolio value grew by £25.4m (2016: £33.0m) which together with £6.0m of realised gains on disposals produced a 5.2% positive capital return for the year. This was comfortably ahead of UK commercial property market benchmarks which showed a slight fall in capital values in a market adversely affected by uncertainty following the UK's decision to leave the EU. The Trust's return was aided by significant exposure to London ground rents, which have been especially robust as investors favour secure, 'bond-like' returns in a climate of volatility.

Our non-property portfolio of investments also grew, up £17.0m (2016: £4.6m loss). Local Brexit uncertainties have had little impact on the global investment market where global economic growth is recovering to moderate levels. The Trust's investment portfolio benefitted from the broader positive market sentiment together with a favourable sterling/dollar exchange rate and the out-performance of our investment advisor in tactical asset allocation and manager selection.

Pension actuarial gains/(losses)

The deficit disclosed in the group accounts in relation to the Waterways Pension Fund (WPF) is calculated in accordance with the accounting rules set out in FRS 102. The Group's share of the deficit increased by £64.8m to £116.1m due to changes in the actuarial assumptions, principally in relation to a lower discount rate and higher inflation assumption, which resulted in an actuarial loss of £66.8m.

The trust has two properties that have been pledged to the WPF trustees to cover any funding shortfall on the WPF up to £125m when the property funding partnership matures on 8 July 2031. On consolidation, the WPF's interest in the partnership does not represent a plan asset for the purposes of the Group consolidated accounts as the underlying assets have been included in the Trust's investment properties.

The position of the pension scheme for funding purposes is calculated on a different basis. A formal valuation is undertaken once every three years and was last undertaken in 2016 when it showed a deficit, before the property funding partnership (PFP) assets, of £99.0m. Including the PFP assets the deficit for funding purposes reduced to £4.7m. The Fund's Deficit Recovery Plan allows for post March 2016 valuation market volatility and includes the full potential payment due in 2031 in respect of this investment, which is not fully valued in the Fund's assets. A further £5m one-off contribution was paid in May 2017 as part of the 2016 deficit recovery plan.

To reduce the risk of the funding deficit of the defined benefit scheme worsening in the future, agreement was reached with the WPF Trustees to close the scheme to future benefit accrual with effect from 30 September 2016.

Summary Consolidated Balance Sheet

	General Fund £m	Restricted and Designated Funds £m	2016/17 £m	2015/16 £m
Tangible fixed assets	26.3	53.6	79.9	79.5
Fixed asset investments	-	787.4	787.4	709.7
Net current assets	3.9	26.8	30.7	18.0
Creditors: amounts falling due after one year	(3.4)	(53.0)	(56.4)	(17.1)
Provisions for liabilities	(2.0)	(2.3)	(4.3)	(4.7)
Pension fund liability	(0.1)	(116.1)	(116.2)	(51.4)
Net assets including pension fund liability	24.7	696.4	721.1	734.0

Overview

Whilst the Trust's group balance sheet position is very strong, the majority of the Trust's net assets are held in restricted or designated funds. The general fund has a small balance of net current assets, complemented by operational fixed assets. The Trust holds cash and current asset investments in the general fund sufficient to support our current liabilities.

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

Investments increased significantly during the year. This is a result of significant capital growth and additional fixed asset investment funded by a combination of surplus funds and a revolving credit facility.

Net current assets have increased due to additional current investment deposits with our investment advisors Partners Capital, partially offset by £10m of the revolving credit facility being due in less than one year and a lower year end cash balance. Short term investments through Partners Capital are held for future investment activity in accordance with the Trust investment strategy.

Creditors: amounts falling due after one year increased primarily due to £40m of the £50m revolving credit facility being due in more than one year.

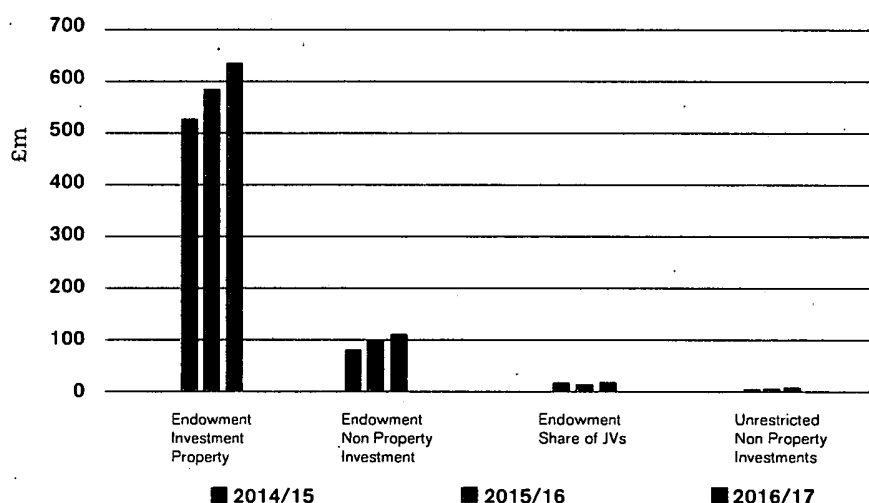
Pension fund liability increased for the reasons set out under 'Pension actuarial gains/(losses)' on page 38.

Investments: Protected Endowment and Investment Strategy

The Protected Endowment is defined under the Grant Agreement and comprises all the investment assets and liabilities of the Trust such as investment properties, investments in subsidiary companies, financial investments, cash available for investment, protected operational buildings and is net of any liabilities that are effectively secured on, or due for payment from, the assets in the Protected Endowment as transferred to the Trust under the Statutory Transfer Scheme on 2 July 2012.

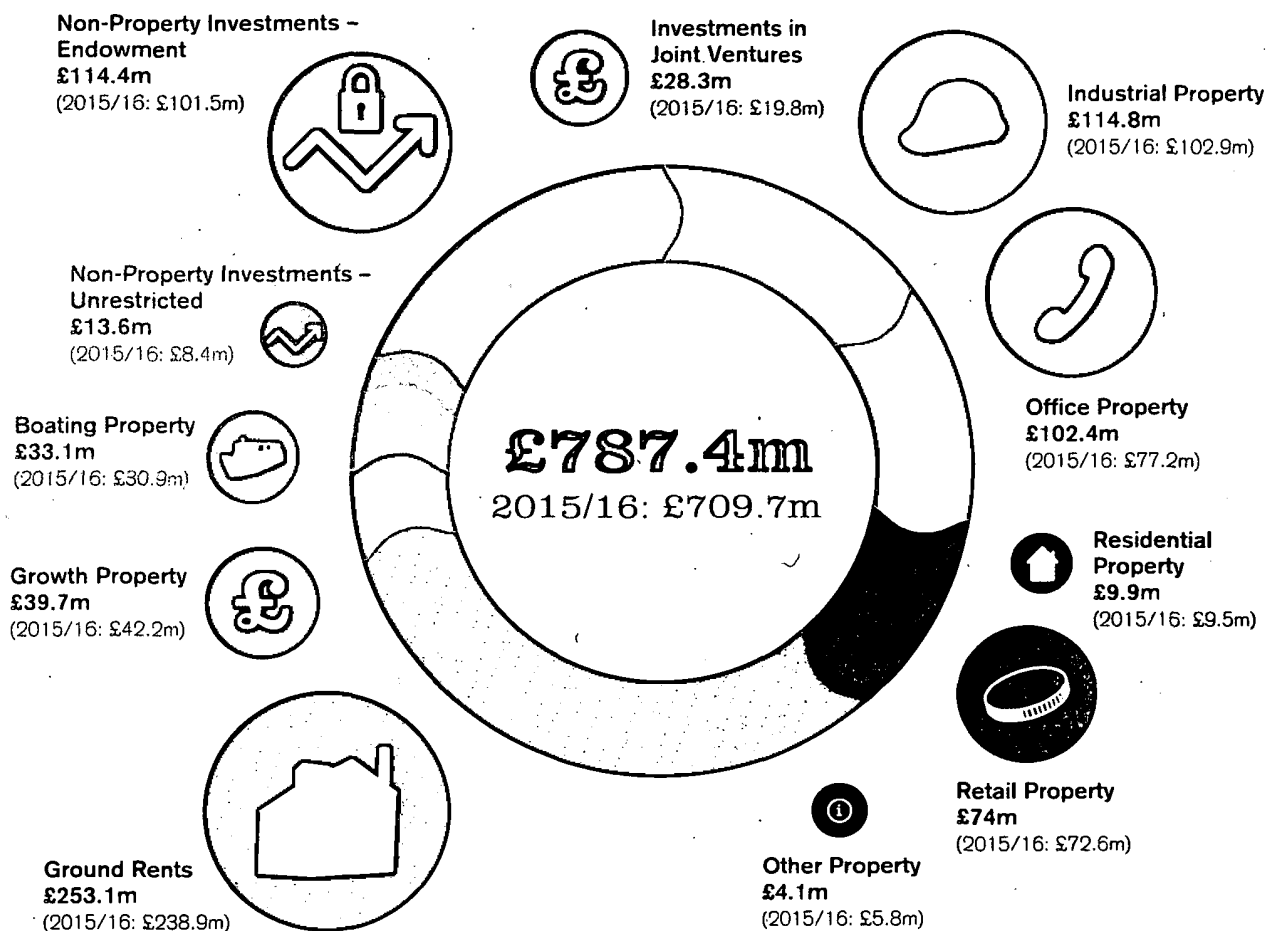
The Trustees have approved an investment strategy that specifies real estate property investments in the UK as the main asset class but allows up to 40% of the portfolio to be invested in a more diverse range of asset classes such as equities, absolute return funds, bonds and private equity. The objective is to provide recurring income whilst growing the value of the portfolio to ensure that, over the medium term, income and capital can grow in real terms. In risk terms, whilst the Trust is able to tolerate modest short term volatility, the main objective of the investment strategy is to avoid permanent loss in value of the portfolio.

The investment portfolio grew by £77.7m over the year to £787.4m and generated £39.6m of investment and property income to spend on charitable activities.



The proportion of the investments remaining in property, excluding JVs, at 31 March 2017 was around 80% with the largest element of this being ground rents:

Investment by Type



The Trust started to diversify away from property in 2014 into other investment sectors. A total returns policy for the non-property investment fund has been adopted whereby a target of 4% of the total return on the average capital balance can be applied as income to fund charitable activities provided that a retained capital return of UK CPI+1% on the average capital balance invested has been achieved over the medium term.

The Trust's investment portfolio has had a very strong performance this year with property continuing to outperform its IPD benchmark at total return level and the non-property investment portfolio returned significantly ahead of the CPI+5% target.

For income returns, property was below the market benchmark due to the high weighting to lower yielding ground rents – which increased in capital value. For non-property investments the Trust decided not to withdraw any additional funds beyond the natural income yield of 3.9% but rather retain all capital growth for the future to help protect against future income volatility:

	Actual	Benchmark	Variance
Endowment portfolio			
Property investments (including JVs)			
Total	10.0%	3.8%	+6.2%
Income	4.8%	5.6%	(0.8)%
Non-property investments			
Total	18.8%	7.3%	+11.5%
Income	3.9%	4%*	(0.1)%

* internal target

Within the Investment Policy, reference is made to the adoption of an ethical policy consistent with the Trust's policies in respect of other areas of its business, notably fundraising. More generally, individual investments may be excluded if they are perceived to conflict with the Trust's objects and purposes.

Funds

Addressing our perpetual financial obligations

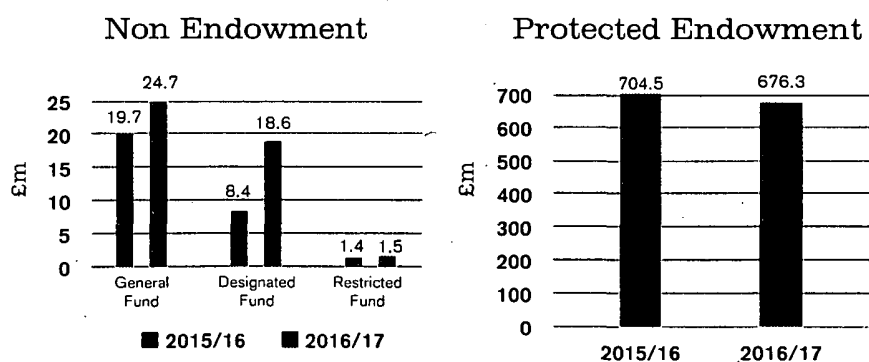
We have responsibility for over 2,000 miles of waterways and towpaths along with associated structures that form part of the Waterway Infrastructure Trust transferred from government in 2012. Our purpose is to hold, operate and manage these for the benefit of the nation in perpetuity.

The waterways and the associated structures represent a financial burden to the Trust and have an annual maintenance and repair requirement that significantly exceeds the related income generated. Accordingly, the economic value of the waterways is estimated to be substantially negative.

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

Funds Movement

The total funds of the Trust have reduced from £734.0m to £721.1m. All non-endowment funds have increased in the year. However, these have been more than offset by a decrease in the protected endowment fund driven by a larger pension deficit:



Reserves policy

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

As a relatively new charity it will take time to build sufficient unrestricted reserves to address the risks held by the Trust. We will need a strong financial performance over the longer term to achieve this.

The Trust holds financial reserves to be applied to future activities in several categories:

- Unrestricted funds – available to be applied, at the discretion of the trustees, to any of the Trust's charitable purposes.
- Restricted endowment funds – to be retained for the benefit of the Charity as a capital fund. Permanent endowments require the capital to be maintained and only the income and capital growth can be utilised. With expendable endowments the capital may also be utilised.
- Restricted voluntary income funds – to be applied to the specific purpose(s) intended by the donor.

Unrestricted Funds

General Fund – £24.7m (2016: £19.7m)

The undesignated general fund represents funds that are accumulated from surpluses of net income resources that are held specifically for the charitable purposes of the Trust and the Trust's statutory obligations. Support costs and cost of ancillary activities that support, facilitate or promote that expenditure are deducted from the General Fund.

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

As a relatively new charity the Trust has not yet built up any surplus free reserves.

Unlike many other charities, the Trust has a high degree of certainty over its future income streams with over 70% coming from reliable and predictable sources. In addition, there is £9.1m of unapplied total return available from investments in the Protected Endowment. It is also able, in emergencies, to use funds from the Protected Endowment fund provided that plans are in place to replenish the funds borrowed as soon as possible.

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

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

This will require challenging growth in our various income streams over the longer term coupled with the retention of premium receipts from our property investments.

Pension Accumulation Designated Reserve – £18.6m (2016: £8.4m)

The Pension Accumulation Reserve comprises funds that are designated from the General Fund to create a fund for repaying any deficit that exists on the Waterways Pension Fund in 2031 when the Government guarantee of the pension fund deficit expires. Any income arising from this designated fund is accumulated within the fund.

In 2016 the Trustees reviewed the long-term forecast for the pension fund deficit and subsequently agreed to increase the transfer from general reserves to the pension accumulation fund (PAF) from £2m to £4m per annum with effect from 1 April 2016. During the year, the Trustees agreed to transfer a further £5m from the General Fund out of current year profits to the PAF and, in May 2017, £5m was paid from the PAF to the WPF in line with the WPF Deficit Recovery Plan that was agreed following the 2016 valuation (see page 38). This one-off contribution, along with the higher level of transfer to the pension accumulation fund and the £5m annual payment directly made to the Waterways Pension Fund, is anticipated to cover any deficit existing in 2031. The fund closed to future benefit accrual from 30 September 2016.

Restricted Funds

Protected Endowment Fund – £676.3m (2016: £704.5m)

The Protected Endowment is a restricted reserve. It is defined under the Defra Grant Agreement and comprises all the investment assets and liabilities of the Trust such as investment properties, investments in subsidiary companies, financial investments, cash available for investment and protected operational buildings. It is net of any liabilities that are effectively secured on, or due for payment from, the assets in the Protected Endowment as transferred to the Trust under the Statutory Transfer Scheme on 2 July 2012 supplemented by assets acquired using the RCF and the funding for these assets.

Income generated from the investments in the Protected Endowment Fund is used to fund maintenance of the waterways charged to the General Fund. Capital gains and losses remain within the Protected Endowment Fund, although it is permissible for funds to be withdrawn in exceptional circumstances with the obligation for such funds to be repaid as soon as is practicable to do so. The Protected Endowment Fund is a permanent endowment fund whilst the Defra Grant Agreement is in place.

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

Restricted Income Fund – £1.5m (2016: £1.4m)

The Restricted Income Reserve comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied so that the Trustees have limited discretion over their use. The purpose of each restricted fund is set out in the notes to the financial statements. Restricted donations of less than £20,000, unless part of a larger project, are reported in aggregate.

Cash Flow

The Trust has sought to strengthen its treasury management by utilising higher-return short-term deposits with our Investment Managers, to complement its cash holdings. This can be illustrated by reference to the cashflow statement:

	2016/17	2015/16	Movement
	£m	£m	£m
Net cash used in operating activities	(46.5)	(53.9)	7.4
Net cash (used)/provided by investing activities	(11.5)	31.4	(42.9)
Cash flows from financing activities	50.0	-	50.0
Change in cash and cash equivalents	(8.0)	(22.5)	14.5
Cash and cash equivalents at 1 April	30.0	52.5	
Cash and cash equivalents at 31 March	22.0	30.0	

Operating activities: spend on charitable activities has increased in the year. However, as much of this work was fully-funded enterprise projects net cash used in operating activity has slightly fallen, also supported by income growth across other trading activities.

Investing activities: the property portfolio is a major source of income for the Trust and the net funds generated from this activity are integral to spend on the waterway. Net cash generated from our investing activities has increased considerably in the year, primarily due to additional capital employed, although this is masked in the cash flow statement by £36.5m being paid into short term deposits to be utilised on future property purchases. Additionally, investing cashflows were higher in 2015/16 due to an exceptional £17.6m receipt for deferred disposal consideration.

Financing activities: The Trust has fully drawn £50m of funding from its revolving credit facility, contributing towards £36.5m placed on short-term deposit with Partners Capital ahead of future investment activity.

Publication Data – required under the Defra Grant Agreement

Publication Data

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

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

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

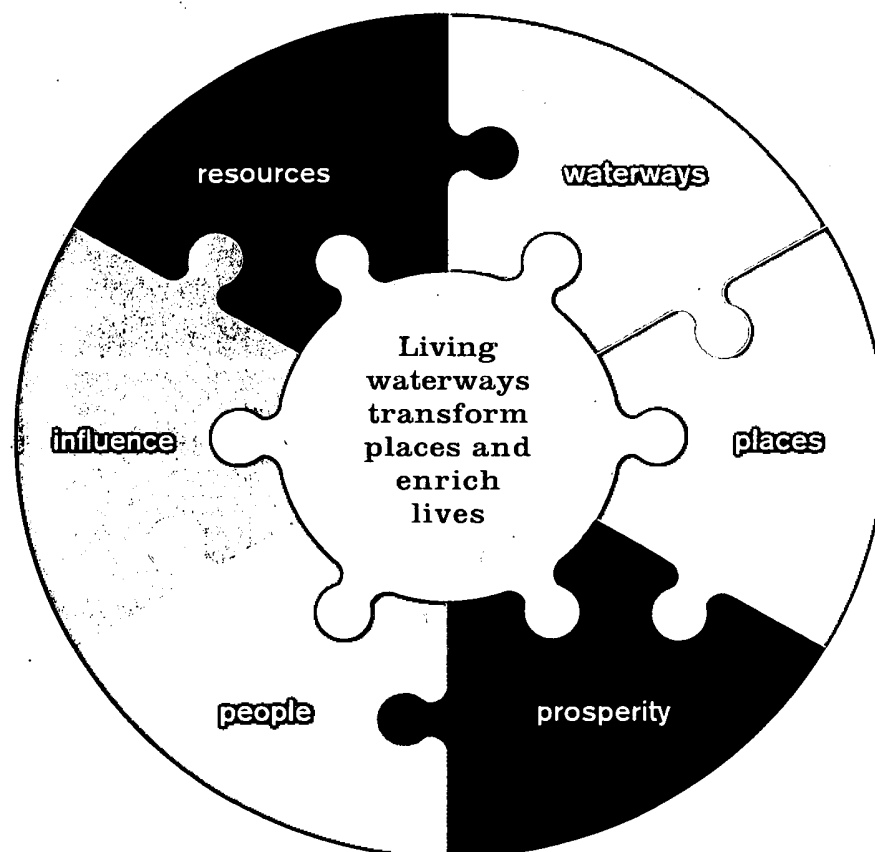
Measure	Description	Outcome Result
Network Stewardship Score	A combined measure of waterway functionality and public benefit as at 31 March 2017.	120 (2016: 119)
Safety		
Number of reported incidents involving customers relating to infrastructure failure	The numbers of injuries are for the year ended 31 March 2017.	27 (2016: 21) customer incidents where an infrastructure defect was a significant contributory cause.
Number of reported incidents involving employees	The numbers of injuries for the year ended 31 March 2017.	21 (2016: 17) employee lost time injuries which includes 12 HSE Riddor reportable "over 7 day" injuries (2016: 11). 83 (2016: 71) total employee recorded injuries
Percentage of waterway assets in Classes D and E*	Based on Principal Asset condition grades. The Relevant Standard is for the aggregate of assets in classes D&E not to exceed 25% of the total.	Aggregate percentage of principal assets in condition classes D&E was 13.4% as at 31 March 2017 (2016: 13.8%).
Towpaths		
Number of towpath visitors (based on annual survey data)	Number of visits and visitors for the year ended 31 March 2017. This is based on a survey of members of the public, expressed in millions.	Total visits 396m (2016: 380m) Average visitors during a two week period 4.3m (2016: 4.4m)
Number and duration of unplanned towpath closures	Defined as unplanned closures that are caused by asset or infrastructure failure for the year ended 31 March 2017.	<ul style="list-style-type: none"> Number of closures 24 (2016: 31) Number of closure days 294 (2016: 851)
Percentage of towpaths in conditions A to C*	The Relevant Standard is no less than 60% aggregate in conditions A to C.	Aggregate percentage of towpaths in condition classes A, B and C was 78.5% as at 31 March 2017 (2016: 78.4%).

Measure	Description	Outcome Result
Flood management*		
Percentage of principal culverts and embankments in Class D and Class E	The Relevant Standard is for the aggregate of flood management assets in classes D&E not to exceed 4% of the total flood management assets.	Aggregate percentage of flood management assets in condition classes D&E was 0.96% as at 31 March 2017 (2016: 1.44%).
Sites of Special Scientific Interest (SSSIs)		
Percentage area of SSSIs under Trust management in favourable or unfavourable recovering condition	The data is available only for sites in England and is obtained from Natural England. It covers a total of 718 hectares of SSSI sites under the Trust's management.	Favourable 38.4% (2016: 38.4%) Unfavourable recovering 23.6% (2016: 23.6%)
Heritage		
Percentage of Heritage Assets assessed on completion of work as good or adequate with double weighting given to good assessments	This measure includes work on several assets that have heritage qualities and is not limited to waterway infrastructure assets only.	99.6% (2016: 96.9%)
Volunteer participation		
Number of volunteer days contributed to the Trust	Number of volunteer days for the year ended 31 March 2017.	72,244 days (2016: 68,817 days)
Trust owned housing forecast figures	Based on the property development activity on the Trust's sites (including joint ventures) – actual for the year ended 31 March 2017 and forecast for the year ending 31 March 2018. (These figures also include development sites previously disposed of by the Trust. These are not formally monitored by the Trust and are reported on the basis agreed previously with the Homes and Communities Agency.)	2016/17: 424 residential units completed (250 forecast) 2017/18: Over 375 units under construction currently. Over 540 units anticipated to commence construction in 2017/18. Approximately 238 units forecast to be completed in 2017/18.

The Publication Data items denoted with an * comprise the Relevant Standards for the purpose of the conditional element of the Defra Grant. The information in the table above demonstrates that the Relevant Standards have been met for the period to 31 March 2017 and accordingly the Trust will apply for payment of the conditional portion of the Defra Grant funding for the year ending 31 March 2018 which comprises £10m.

Our plans for the future

We will continue with our 10 year strategy, outlined on page 4, to realise our ambitious vision to create **“living waterways that transform places and enrich lives”**.



Our plans for the year ahead are focussed on three areas:

Financial targets	To ensure we secure the resources we need and live within our means to generate a surplus
Key performance measures, with targets and core programmes	To measure our day-to-day performance and ensure we deliver our core service
Suite of key strategic programmes, with planned outputs and key milestones	To ensure we deliver our plans to change and enhance the Trust and our waterways

Our first responsibility is to meet the requirements of the Defra Government contract as set out in the table below. Our performance on these measures in 2016/17 was significantly better than the targets:

Defra Waterway Targets – improving our waterways/assets	
Defra targets are explained in more detail on pages 46 and 47.	
All Government contract conditions to be comfortably exceeded.	2017/18 Targets
All government contract conditions to be comfortably exceeded	
Towpath condition grade C or better	≥60%
Principal assets grade C or better	≥77%
Condition of flood management assets graded C or better	≥96%

Our ambition goes well beyond these contractual targets. Some of our key performance measures are summarised in the table below, reflecting the breadth of the Trust's activities, and builds on the progress that we have already made.

Waterway measures	2017/18 Targets
Customer satisfaction rating of boaters	72%
Customer satisfaction rating of visitors and towpath users	86%
Number of individual visitors to our waterways in typical two-week period (over last 12 months)	4.5m
Public safety – number of reported incidents	350
Combined employee, volunteer and contractor RIDDOR accident frequency rating (accidents per 100,000 hours)	0.24
Number of days of unplanned closures to navigation within our control, or reasonably plan for, above 48 hours each year	400

Other measures	2017/18 Targets
% of employees engaged as per employee engagement survey result	68%
Volunteer satisfaction/recommendation ratings of %	90%
Number of volunteer hours per annum	600,000
% of prompted people that are aware of the Trust (over last 12 months)	40%
Number of active Friends attracted and retained, regularly donating	28,500
Number of children who have participated in face to face education sessions each year	75,000
Number of adoptions of our waterways (each adoption scheme roughly equates to 1 mile)	220
Propensity to support the waterways	Baseline +2%
Diversity – % staff BAME	5%
Diversity – % senior management female	25%

To deliver our plans to change and enhance the Trust and our Waterways we will complete the Core and Strategic programmes set out below.

Enablers

Waterways



Revised Asset Management Strategy & New Asset Condition Index
 Waste Cost Reduction
 Operational Efficiency
 Destination Development
 London Moorings Policy & Strategy
 Museums Development, Accreditation and Boat Collection Stewardship
 Boat Licencing Futures
 Direct Services Priority Works Programme
 IDT Priority Projects Programme
 Dredging Programme
 Operational Contracts Programme

Resources



Investment Strategy delivery
 Joint Ventures Programme
 Operational Property & Accommodation
 Commercial Water Development
 Fundraising and Enterprise
 Diversity Strategy and Measurement
 Organisational Development
 Organisational Efficiencies
 Volunteer Journey
 Making IT Better
 Internal Control, Information Governance and Gateway

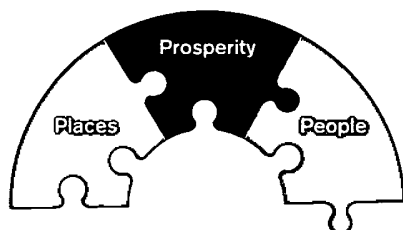
Influence



Brand and Campaigns Development
 Implementation of Outcomes Measurement Framework
 Supporters Journey

Outcomes

Places, prosperity and people



Waterway Accreditation & Recognition
 Education & Learning
 Combined Delivery of Funded Community Initiatives
 Local Partnership & Customer Services Improvement
 HS2 and Other Major Infrastructure Projects
 Strategic Housing Growth Zones in West London and Lee Valley

GOVERNANCE

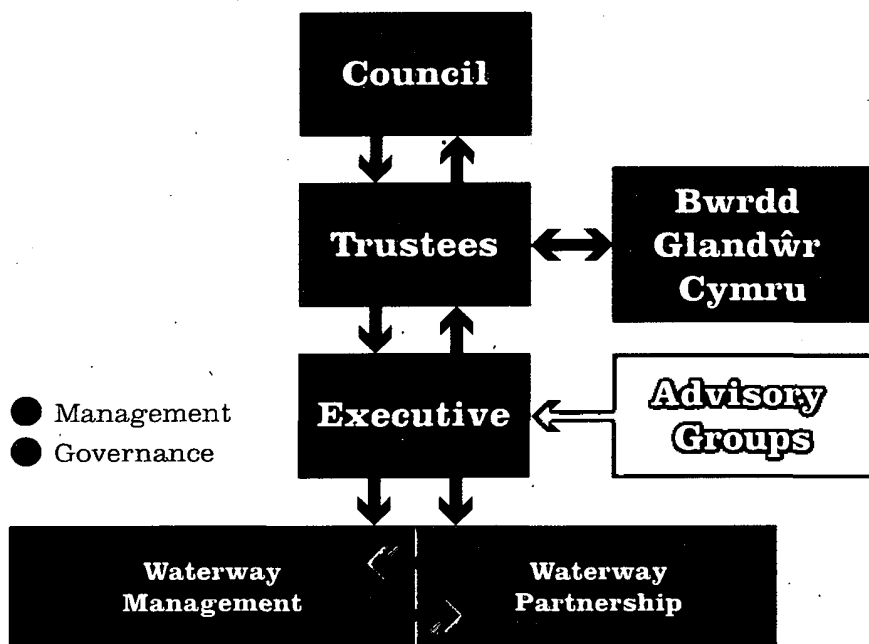
The Canal & River Trust is a charity registered with the Charity Commission in England and Wales, No. 1146792. It is a company limited by guarantee, No. 7807276, and does not have share capital. The Trust's governing documents are its Memorandum and Articles of Association both of which can be accessed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

The Trust has two principal wholly owned trading and investment subsidiaries, British Waterways Marinas Limited (BWML) and Canal & River Trading CIC. BWML operated 19 marinas across England & Wales during the year offering customers a comprehensive range of boat services. Canal & River Trading CIC is a community interest company that carries out trading and investment activities. The main activities are in property development and investing in joint ventures. Profits arising in the subsidiaries are donated to the Trust. A summary of all the Trust's subsidiaries and results appears in note 12 in these accounts.

In setting our objectives and planning our activities our trustees have given due consideration to the Charity Commission's general guidance on public benefit. Further details on our strategy for the future, setting out what we want to achieve as we progress to 2025 can be found on page 48.

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

Four groups of volunteers make up the governance of the Canal & River Trust.



The Council

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

The Council currently has 34 members drawn from the different communities that use or benefit from the waterways, including boaters, canoeists, walkers, cyclists, heritage, local government, environmental and community groups. Eight places are elected and a further 13 are nominated by specified organisations. The Chairs of the 10 Partnerships (see below) are ex officio members of Council. Currently three Council positions are co-opted on the recommendation of the Appointments Committee, to provide the Council with the full complement of skills and expertise required. There is a full list of Council members on page 105.

The Council meets twice a year. At the September 2016 meeting, which also comprised the Trust's Annual General Meeting, it was agreed an amendment to the Trust Rules which reduced the number of Waterway Partnerships from 11 to 10. In addition:

- Allan Leighton was reappointed as a Trustee, and Chair of the Board
- Dame Jenny Abramsky, Nigel Annett CBE, Janet Hogben, and Tim Reeve were appointed as new Trustees
- Tom Franklin and Dr Simon Thurley CBE retired from the Board, and received heartfelt thanks for their previous diligent service.

At the September 2016 meeting council members also discussed possible implications for the Trust of the UK voting to leave the European Union, the potential transfer in of some navigations from the Environment Agency, and steps that are being taken to help the Trust to demonstrate the social and economic outcomes of its work.

At the March 2017 meeting, members also approved some technical changes to the Trust Rules affecting elections and the terms of office of the members of the Appointments Committee. Topics for discussion included cycling, youth engagement and the Trust's Museums.

The Appointments Committee

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

- Oversee Council membership
- Help the Council appoint Trustees
- Appoint Waterway Partnership Chairs
- Appoint the Members of the Bwrdd Glandŵr Cymru (Welsh Board).

The following served on the Appointments Committee during the period:

Trustees:

Lynne Berry
Jane Cotton
Allan Leighton

Council:

Mark Penny
Phil Prettyman
Alison Ward

The Board of Trustees

The principal governing body of the Canal & River Trust is the board of trustees, whose names are listed on page 102. The board of trustees is responsible for the strategic direction of the Trust and meet 6 times a year together with the Executive Directors to review progress and to ensure that the Trust is on track to meet its objectives.

Reporting to the Trustees are the Chief Executive and his executive team who have direct responsibility for day to day management and the development of appropriate policies and strategies.

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

The Board has delegated specific decisions to Board Committees via its formal Scheme of Delegation. At the start of the year we had four Board Committees, which were later reduced to three when the Trustees abolished the Fundraising Committee. We constantly strive to ensure that the Governance of the Trust continues to meet good practice. During the year, we reviewed and revised the Terms of Reference for all the Board Committees and these are all available on the Trust's website.

Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee are to provide assurance and recommendations to the Trust on the effectiveness of its governance, internal control and risk management framework, including ensuring that risk management does not inhibit innovation.

The Committee meets formally three times a year, and also meets informally once a year to consider whether there are any areas for improvement in the way the Committee operates.

Part of the role of the Committee is to ensure that there is an effective internal audit. During 2015/16 the Trust outsourced part of its internal audit function to RSM Risk Assurance Services LLP (RSM) but had retained the function of Head of Internal Audit in-house. With effect from July 2016 the Trust decided to completely outsource the internal audit function, with the Head of Internal Audit function being discharged by a partner from RSM.

The Committee also receives and challenges reports on risks and risk management at every meeting. There is more about risk management later in this section. In addition, the Committee:

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

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

Nigel Annett (from June 2016)
 Jenny Abramsky (from September 2016)
 Lynne Berry
 Frances Done (Chair)
 John Dodwell
 Tom Franklin (to September 2016)

Fundraising Committee

The Fundraising Committee's purpose was to provide assurance and recommendations to the Board of Trustees on the effectiveness and appropriateness of its fundraising programme and policies. In September 2016, the Trustees took the decision to abolish the Fundraising Committee because they wanted to ensure that all Trustees have an appropriate level of collective oversight into the Trust's fundraising activities.

The following served on the Fundraising Committee during the year (to September 2016)

Jane Cotton (Chair)
 John Dodwell
 Gill Raikes (Co-optee)
 Ben Gordon

Investment Committee

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

The following served on the Investment Committee during the year:

Manish Chande (Chair)
 John Dodwell
 Allan Leighton
 Simon Thurley (to September 2016)
 Tim Reeve (from September 2016)
 John Bywater (Co-optee)
 Keith Tilson (Co-optee)

Nominations Committee

The role of the Nominations Committee is to provide advice and support to the Appointments Committee on the selection of candidates for appointment to the Board of Trustees.

The following served on the Fundraising Committee during the year:

Lynne Berry (Chair)
 Jane Cotton
 Allan Leighton

Remuneration Committee

The role of the Remuneration Committee is to oversee the remuneration policies for the Trust, with particular focus on the remuneration of the Executive Directors.

The Committee determines the overall reward and remuneration strategy for the Trust, including any annual or periodic pay award. It approves the design of, and determine targets for, any performance related pay scheme operated by the Trust for any Executive Directors.

The Committee have taken independent advice as necessary to inform those judgements. They also take account of affordability for the Trust, and the fact that the Trust operates in the third sector. The Committee continues to be satisfied that the levels of executive director pay are appropriate to the responsibilities of the posts concerned.

The following served on the Remuneration Committee during the year:

Ben Gordon (Chair)

Jane Cotton

Tom Franklin (to September 2016)

Janet Hogben (from September 2016)

Bwrdd Glandŵr Cymru

The BGC or Welsh Board has an advisory remit and takes a strategic perspective in developing the Trust's work in Wales and works to ensure the Trust has a good understanding of the needs, issues and opportunities relevant to the waterways of Wales. The Board has an important role in working with the Welsh Government and the main all-Wales public institutions. It also works closely with the Trust's North Wales & Borders and South Wales & Severn Waterway Partnerships (see below).

The Chair of BGC is a Trustee appointed by the Trustees. Lynne Berry acted as the BGC's chair until September 2016, when Nigel Annett took over this responsibility.

Member appointments are made by the Appointments Committee.

Waterway Partnerships

Ten regional Partnerships help to shape plans for the waterways and act as links between the Trust and the local Community. Each has a membership of between 8-12 people with relevant experience and interests – boaters, walkers, cyclists, anglers, business, community engagement, volunteering, fundraising, environment, heritage. These Partnerships mirror the ten Canal & River Trust geographic management areas. The Chair of each of the Partnerships has a seat on the Council.

The Partnerships play an advisory role and do not have executive powers. Nevertheless, their contacts and influence at a local level are vital in facilitating engagement with communities, business, academia, local authorities, funders and sponsors, in all their diversity. They also have a key role in building our brand and reputation and promoting fundraising at a sub/regional level.

The Trust is currently reviewing the role of the Partnerships to ensure that their members can fully contribute to the Trust's Objectives.

Risk Management

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

The Trust operates within a moderate overall risk range which recognises the inherent age, condition and health and safety issues which prevail as well as the stage of development of this relatively new charity. The lowest risk tolerance relates to safety and compliance objectives, including employee, volunteer and public health and safety, with a higher risk tolerance for its investment return objectives.

During the year all major risks were managed with no significant adverse impact. Enhanced risk assessment, documentation and reporting for the corporate risk register has been implemented through the year.

The system of risk management and internal control is designed to minimise rather than eliminate the risk of failure to achieve the Trust's objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

When assessing risks the trustees and executives consider the financial, reputational and service impact of each risk alongside the likelihood of the risk occurring. The most significant risks include:

- Safety of customers, contractors, employees and volunteers on the waterways and the general public who can freely access our network. To reduce this risk, the Trust maintains a high standard of safety processes including training, work procedures, signage and communication, and the regular inspection and maintenance of assets.
- The condition of our waterway assets, many of which were constructed as far back as the eighteenth century, may deteriorate over time, resulting in damage to those assets and their surrounding environment. We manage this risk through inspection, assessment and regular maintenance and remedial works, including the prioritisation of those assets where failure would have the most significant consequences. Assessments in accordance with the Trust's environment and heritage codes of practice are applied to all works undertaken for the purpose of ensuring that the Trust continues to meet its public environmental and heritage obligations.
- The Trust reviewed its asset management strategy in 2016. This resulted in the development of a five-year strategic plan to evolve and improve the current asset management approach. The main elements of the plan include the development of a more advanced condition health score / index, new investment prioritisation models, re-assessment of the defect notifications raised against assets, and the development of new asset specific investment strategies.
- Climate change has increased the severity, frequency, duration and extent of extreme weather events and the resulting periods of drought and flood can adversely impact on our waterway assets. We mitigate this by active water management to ensure appropriate levels of water are available to our waterway network so that the network is available for public use and any risk of flood is minimised. We also operate emergency response plans, for example in the case of flooding.
- Changes to legislation and regulation can create risks to our resources and operational requirements. A current example is the proposed introduction of water abstraction licences which could lead to restrictions on the quantity of water the Trust is allowed to abstract. We mitigate these types of risk by regular and constructive dialogue with legislators including DEFRA.
- The financial sustainability of the Trust is a risk which is managed by operating diverse income sources and by careful management of our investment assets, including the continuing diversification of the Trust's investment portfolio away from pure property investment to provide some measure of risk protection. In addition, we closed the final salary pension scheme to future benefit accrual in September 2016 to help contain the risk of our pension fund liabilities.

- It still remains the Government's ambition to transfer the Environment Agency's (the "EA") responsibility for navigation of the rivers to the Trust, subject to affordability and approval by the Trust's Board and the Minister. Taking on the 640 miles of EA-managed river navigations represents an opportunity for the Trust but creates an associated risk. We are managing that risk through a joint working group with the EA to explore different options for running the navigations.
- Changes to the organisation or to personnel in the Trust can create risks arising from loss of knowledge, consistency or failure to maximise the many and varied skills of our staff. The Trust manages these risks by having a clear process for staff development and appraisal. The Trust has continued with its major programme of staff engagement, and has committed to promoting a positive culture in the Trust with emphasis on developing better internal communication, the removal or bureaucratic or redundant processes, and the promotion of better team working.
- Like all other organisations the Trust is at risk of cyber attack, where others attempt to penetrate our confidential systems to infect our systems with viruses or to steal information. The Trust minimises these risks by tools such as Firewalls, spam blockers, and other anti-virus tools. We are also currently refreshing our internal Information Governance processes and policies to ensure they meet the highest standards.

Fundraising

The Trust aims to put our supporters at the heart of everything that we do. As such we are committed to ensuring that our fundraising practices go above and beyond all regulations that we rigorously monitor and adhere to. We are proud members of the Institute of Fundraising and actively follow the new Fundraising Regulator's Code of Fundraising Practice, exceeding these principles where possible.

The Trust does not pressure supporters to make gifts and respects decisions to stop giving. All our fundraisers follow our Fundraising & Adults in Vulnerable Circumstances Policy.

The regulatory landscape for fundraising is evolving and the Trust welcomes the introduction of the Fundraising Preference Service and changes to the Fundraising Regulator Code of Practice. Having carried out an internal review of our fundraising programme, we will continue to monitor and adapt with these changes over the coming year to ensure we stay ahead. This includes preparation for the introduction of General Data Protection Regulation in May 2018.

When we work with suppliers and agencies we ensure that they are fully registered with all the appropriate regulatory bodies, reviewing all their policies as part of our robust procurement due-diligence process. We have always been actively involved with the training that agency fundraisers undertake, and in most instances, carry it out ourselves.

If a complaint or feedback is received, it is raised immediately with the agency for a *thorough investigation and the required action implemented*. We continually monitor our agencies to ensure that fundraisers adhere to the strict guidelines that we set and have established a programme to test our systems through user and customer feedback.

We monitor and record any complaints resulting from our fundraising practices, and an annual report is sent to our Audit Committee. We will also be submitting these complaints to the new Fundraising Regulator. In the last year, we have had 17 complaints, primarily related to dislike of the fundraising methods being used.

Disabled Persons

As a Disability Confident Employer, the Trust encourages the employment of disabled persons. There are policies in place to ensure that continued employment is offered, wherever possible, to employees who become temporarily disabled and special arrangements are made for those permanently disabled. There are also a number of strategies in place to attract disabled candidates to the Trust.

Employees

The Trust informs and seeks the views of its employees by means of regular department meetings open to all staff, along with employee surveys and listening groups. During 2016/17, three staff network groups were also established focusing on diversity, gender balance and LGBT inclusion. Regular meetings are held with the Unite and Unison unions, and the Trust employs an internal communications manager overseeing production of monthly newsletters and updates on charitable activities.

Trustees' Responsibility Statement

The trustees (who are also directors of Canal & River Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The trustees confirm that:

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

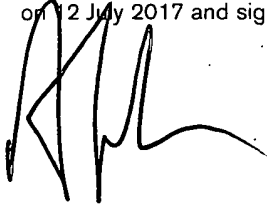
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

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

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

This report (including the Strategic Report) was approved by the Board of Trustees on 12 July 2017 and signed on their behalf by:



A Leighton
Chairman
12 July 2017

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

We have audited the financial statements of Canal & River Trust for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 58 to 59, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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 (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Annual Report (including the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual Report (including the Strategic Report).

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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's financial statements are not in agreement with the accounting recorded 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.

Grant Thornton UK LLP

Carol Rudge

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants, London

12 July 2017

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted funds	Restricted Funds			2016/17 £m	2015/16 £m
		£m	Protected Endowment Funds	Income	Total		
			Subsidiaries £m	Other £m	Funds £m		
Income and endowments from:							
Voluntary income							
Donations and legacies		0.1	-	-	2.8	2.9	2.5
Defra grant funding		50.0	-	-	-	50.0	49.6
Other trading activities							
Boating and moorings		36.6	8.1	-	-	44.7	42.4
Utilities and water development		27.0				27.0	26.3
Investment and property income		36.7	10.2	-	-	46.9	42.0
Charitable Activities							
Waterway infrastructure income		7.1	-	-	-	7.1	7.4
Waterway regeneration and restoration		21.5	-	-	1.5	23.0	12.3
Museums and attractions		1.2	-	-	-	1.2	1.2
Share of net income from joint ventures	12	-	-	-	-	-	5.1
Other income		0.1	-	-	-	0.1	0.9
Total income	3	180.3	18.3	-	4.3	202.9	189.7
Expenditure on raising funds							
Voluntary income		(3.7)	-	-	-	(3.7)	(3.6)
Boating and moorings		(11.5)	(6.8)	-	-	(18.3)	(17.0)
Utilities and water development		(2.8)	-	-	-	(2.8)	(2.8)
Investment management		(7.7)	(6.1)	(2.6)	-	(16.4)	(16.0)
Total expenditure on raising funds	4	(25.7)	(12.9)	(2.6)	-	(41.2)	(39.4)
Net income available for charitable activities		154.6	5.4	(2.6)	4.3	161.7	150.3
Expenditure on charitable activities							
Waterway restoration, maintenance and repairs		(148.3)	-	-	(4.2)	(152.5)	(144.3)
Museums and attractions		(4.4)	-	-	-	(4.4)	(4.2)
Total expenditure on charitable activities	4	(152.7)	-	-	(4.2)	(156.9)	(148.5)
Total expenditure	4	(178.4)	(12.9)	(2.6)	(4.2)	(198.1)	(187.9)
Net income / (expenditure) before gains and losses		1.9	5.4	(2.6)	0.1	4.8	1.8
Realised gains on disposals		0.2	2.1	3.7	-	6.0	9.4
Unrealised gains on revaluation of investment assets	10,11	1.2	10.7	30.5	-	42.4	28.4
Net income		3.3	18.2	31.6	0.1	53.2	39.6
Transfers between funds	18	11.9	(15.7)	3.8	-	-	-
Other Recognised Gains and Losses							
Actuarial (losses)/gains on defined benefit pension schemes	21	-	-	(66.8)	-	(66.8)	36.8
Taxation		-	0.7	-	-	0.7	0.9
Net movement in funds	18	15.2	3.2	(31.4)	0.1	(12.9)	77.3
Fund balances at 1 April 2016	18	28.1	40.5	664.0	1.4	734.0	656.7
Fund balances at 31 March 2017	18	43.3	43.7	632.6	1.5	721.1	734.0

The above amounts represent all gains and losses recognised during the year. All amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	2016/17	2015/16 Restated
	£m	£m
Income		
Donations and legacies	2.9	2.5
Defra grant funding	50.0	49.6
Boating, moorings and utilities	63.6	62.1
Investment and property income	36.7	32.2
Income from charitable activities	31.3	20.9
Other income	0.1	0.6
Total income	184.6	167.9
Expenditure		
On raising funds	(25.7)	(25.0)
On charitable activities	(156.9)	(148.5)
Total expenditure	(182.6)	(173.5)
Net income/(expenditure) before transfers	2.0	(5.6)
Unrealised and realised capital gains/(losses)	1.4	(0.4)
Transfer from the protected endowment fund	11.9	12.4
Net income after transfers	15.3	6.4

An Income and Expenditure Account is an alternative summary of the information contained in the Statement of Financial Activities and is included in the financial statements in order to comply with the Companies Act 2006. As required in the Charity SORP (FRS 102), this statement excludes any movements within the protected endowment funds. 'Net income and expenditure before transfers' represents the 'Net income/ (expenditure) before gains and losses on investments' in the unrestricted funds and restricted income funds on the SoFA.

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

All amounts relate to continuing activities.

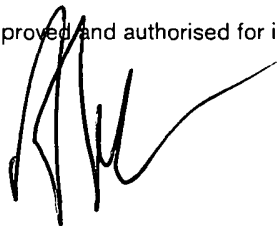
The accompanying notes form part of these financial statements.

BALANCE SHEETS

AS AT 31 MARCH 2017

	Note	Group	Canal & River Trust	
		31 March 2017	31 March 2016 Restated	31 March 2016 Restated
		£m	£m	£m
Fixed assets				
Tangible assets	8	79.9	79.5	52.4
Heritage assets	9	-	-	-
Investments:				
Property	10	631.1	580.0	437.2
Diversified investment funds	11	128.0	109.9	128.0
Subsidiaries	12	-	-	154.1
Net assets in joint ventures	12	28.3	19.8	-
		867.3	789.2	771.7
Current assets				
Stock	13	1.3	1.3	1.1
Debtors	14	47.8	50.6	46.6
Investments	11	53.0	16.1	47.3
Cash at bank and in hand		22.0	30.0	12.5
		124.1	98.0	107.5
Current liabilities				
Creditors: Amounts falling due within one year	15	(93.4)	(80.0)	(85.1)
Net current assets/(liabilities)		30.7	18.0	22.4
Total assets less current liabilities		898.0	807.2	794.1
Creditors: Amounts falling due after one year	15	(56.4)	(17.1)	(56.8)
Provisions for liabilities	17	(4.3)	(4.7)	(2.0)
Net assets excluding pension fund (liability)/asset		837.3	785.4	735.3
Pension fund (liability)/asset	21	(116.2)	(51.4)	(12.5)
Net assets including pension fund (liability)/asset		721.1	734.0	722.8
Funds				
Unrestricted funds:				
General fund		24.7	19.7	24.2
Designated fund-		18.6	8.4	18.6
Restricted funds:				
Protected endowment funds		676.3	704.5	678.5
Voluntary income funds		1.5	1.4	1.5
Total funds	18	721.1	734.0	722.8

Approved and authorised for issue by the Board of Trustees on 12 July 2017 and signed on their behalf by:



Allan Leighton

Chair

12 July 2017

Company number 7807276

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	2016/17	2016/17	2015/16	2015/16
	£m	£m	Restated	Restated
	£m	£m	£m	£m
Net cash used in operating activities		(46.5)		(53.9)
Cash flows from investing activities				
Net Interest (paid)/received	(0.7)		0.3	
Rental proceeds from property and utilities investments	54.8		49.5	
Purchase of tangible fixed assets	(6.6)		(6.2)	
Purchase of investment property	(50.8)		(40.9)	
Proceeds from sale of tangible fixed assets	1.4		0.8	
Proceeds from sale of investment property	32.8		44.3	
Net investment in diversified funds	(3.2)		(31.4)	
Receipts from diversified funds	5.8		2.2	
(Loans) to/repayment of loans from to joint ventures	(8.5)		11.7	
Dividends from joint ventures	-		0.8	
(Payments)/withdrawals from/into short term deposits	(36.5)		0.3	
Net cash (used)/provided by investing activities		(11.5)		31.4
Cash flows from financing activities				
Revolving credit facility drawdowns	50.0		-	
Net cash provided by financing activities		50.0		-
Change in cash and cash equivalents in the year		(8.0)		(22.5)
Cash and cash equivalents at 1 April		30.0		52.5
Cash and cash equivalents at 31 March		22.0		30.0

The accompanying notes form part of these financial statements.

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

	2016/17	2016/17	2015/16	2015/16
	£m	£m	Restated	Restated
	£m	£m	£m	£m
Net income		53.2		39.6
Adjustments for:				
Realised gains on disposals of fixed assets	(6.0)		(9.4)	
Net unrealised gains on revaluation of investment assets	(42.4)		(28.4)	
Net finance expense	0.7		5.1	
Rents from property and utilities investments	(52.1)		(47.8)	
Share of net income from joint ventures	-		(5.1)	
Depreciation	5.6		5.2	
Taxation	0.7		0.9	
Diversified funds investment return: dividends income	(3.9)		(1.9)	
Gain on sale of tangible fixed assets	(0.1)		(0.3)	
Difference between payments to defined benefit pension scheme and amount charged to expenditure	(2.0)		(5.5)	
		(99.5)		(87.2)
Increase in stock		-		-
Decrease/(Increase) in debtors		1.6		(17.1)
(Decrease)/Increase in creditors		(1.4)		11.8
Decrease in provisions		(0.4)		(1.0)
Net cash used in operating activities		(46.5)		(53.9)

NOTES RELATING TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Canal & River Trust ('the Trust') have been prepared under the historical cost convention, except for the modification to a fair value basis for investment properties and certain financial instruments, as specified in the accounting policies below.

The financial planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Trustees consider that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. During the year, the Trust changed its accounting policy relating to gift aid distributions from subsidiary undertakings and classification of current asset investments. These are described further below, and within note 26.

The Trust meets the definition of a public benefit entity under FRS 102. As described further within the Governance section of the Trustees report on page 51, it is a Charity registered with the Charity Commission in England and Wales, and a Company limited by Guarantee.

The Trust's activities, together with factors likely to affect its future development, performance and financial position, and commentary on its financial activities and its cash flows, are set out in the Trustees' report (including Strategic Report) on pages 4 to 59 and elsewhere in the financial statements.

A separate Statement of Financial Activity (SoFA) for the parent company is not presented with the Group financial statements as permitted by section 408 of the Companies Act 2006. The net movement in funds of the parent company are disclosed in note 18 to the accounts.

Significant judgements and key sources of estimation uncertainty

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

a) Revenue recognition

The Trust often receives payments for right of access to its water space and surrounding areas which are classed as either revenue receipts or lease premiums and accounted for in accordance with FRS 102, depending upon the circumstances of the particular agreement. For example, a contract that does not place any obligation to provide services to the third party in respect of the income received would be accounted as revenue on receipt, whereas a contract that is for a fixed period of time over which the Trust will provide services is a lease premium accounted over the period of the lease.

b) Accounting for defined benefit pension scheme

As described further within the pension's policy, a judgement is made regarding the scheme's investment in a subsidiary of the Trust, which is not recognised as a scheme asset within the consolidated accounts. Judgements and estimates are also made, using actuarial guidance, regarding key assumptions in the valuing of scheme assets and liabilities, and in recognising a scheme asset at entity level.

c) Joint ventures

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

d) Useful economic lives of operational fixed assets

As explained further within the tangible fixed assets policy – buildings, plant, machinery and vehicles held by the Trust are depreciated from acquisition based on their useful economic life, so to write-off the cost of the asset less any residual value (if any). Judgement is required to assess the length of this life, and this is evaluated based on past experience, asset classification and condition reviews. Depreciation rates for classes of assets are reviewed annually, to ensure they remain appropriate with reference to external and internal factors, including the level of proceeds (and resulting profit/losses) recognised on disposal of such items.

Basis of consolidation

The Group comprises the Canal & River Trust and its subsidiaries which are set out in note 12 to these accounts. The principal trading subsidiaries are Canal & River Trading CIC, a community interest company, and British Waterways Marinas Limited.

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiaries for the year ended 31 March 2017 and the comparative year.

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

Fund accounting

Reserve policies are set out on page 43 of the Trustees' report and in note 18 to these accounts. Reserves are either unrestricted or restricted funds.

General Funds are unrestricted funds that are available for use at the Trustees' discretion in accordance with the objectives of the Trust.

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

Restricted Income Funds are funds that are used in accordance with specific restrictions imposed by donors or by the nature of an appeal or endowment. The aim and use of each restricted fund is set out in the notes to the financial statements.

The Protected Endowment Fund is a restricted reserve established when the Protected Assets, as defined in the Grant Funding Agreement, effectively secured on the endowment assets less any other capital liabilities and creditors, were transferred to the Trust on 2 July 2012 by the UK Government.

The Protected Endowment Fund includes the net value of any unrealised revaluation surpluses that have arisen on the endowment since the transfer and the net value of funds held in reserve for waterway infrastructure asset dowries where such funds have been invested into assets contained within the Protected Endowment.

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

Voluntary income received of less than £20,000, unless part of a larger project, is reported in aggregate. Where voluntary income is applied a final review of the allocation of expenditure is performed after a project or contract has been completed which can give rise to a transfer between funds to ensure that the donor promise is fulfilled (see page 93 for further detail).

Incoming resources

Incoming resources are included in the SoFA when the Trust is legally entitled to the income and the amounts can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred.

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

- Incoming resources from generated funds
- Incoming resources from charitable activities

The following specific policies apply to categories of income:

Incoming resources from trading activities

a) Voluntary income

- Donation income is recognised when received, except where fundraising campaigns are based around a specific event date, in which case the accruals basis is used.
- Donations towards the Friends of the Canal & River Trust scheme are recognised on receipt.
- Entitlement to legacy income is considered to be on the earlier of the date of receipt of finalised estate accounts, the date of payment or where there is sufficient evidence to provide the necessary probability that the legacy will be received and the value is measurable with sufficient reliability. This is defined as the point when the executor has notified the Trust that there is an intention to make a distribution from finalised estate accounts.
- Gifts in kind for use by the Trust are included in the accounts at their estimated value at the date of receipt. This is on the basis of the amount the Trust would have been willing to pay to obtain equivalent facilities on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.
- Donated services and facilities (excluding volunteer time which is not monetised) are included as 'Voluntary income' at their estimated value to the Trust when received. This is on the same basis as 'gifts in kind' above. A corresponding amount is recognised in expenditure in the period of receipt.
- Income from Gift Aid is recognised on the earlier of receipt or submission of a claim to HM Revenue & Customs.

b) Defra funding is accounted as a government grant and is credited to the SoFA when the conditions for the receipt of the grant have been complied with and there is a reasonable assurance that the grant will be received.

c) Income from trading activities

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

d) Investment and property income

- i) Property rental income from investment property leased out under an operating lease is recognised in the SoFA on a straight-line basis over the term of the lease. Lease incentives granted are recognised as a reduction of rental income. The cost of the incentive is allocated over the lease term. The definition used for the lease term is consistent with FRS 102 section 20 'Leases,' being the non-cancellable period for which the lessee has contracted to rent the property. This only includes optional extensions where it is reasonably certain, at onset, the lessee will exercise such an option.

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

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

- ii) Income from diversified investments includes dividend and interest payments distributed from investment funds and is recognised in the period in which it is earned. See also the accounting policy for diversified investment funds below.
- iii) Interest income derived from financing arrangements (deferred payment for goods or services provided) is recognised in the SoFA using a market rate of interest or where this is unspecified the rate of interest for a similar debt instrument. Interest income on other types of basic debt instruments is recognised using the effective interest rate which discounts all future cash flows back to the carrying value of the instrument.

Incoming resources from charitable activities

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

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

- c) Museums and attractions income from entrance fees and sale of goods from museums and visitor centres are recognised on a point of sale basis.

Resources expended

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

The consolidated SoFA defines expenditure in two specific categories:

- Expenditure on raising funds
- Charitable activities

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

Support costs

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

Interests in joint ventures

The Group has a number of contractual arrangements with other parties that represent joint ventures. These joint ventures are established through an interest in a limited company, partnership or other entity. The Group recognises its interest in the entity's assets and liabilities using the equity method of accounting in accordance with FRS 102 section 15 '*Investments in Joint Ventures*.' The names of joint ventures, the nature of the business and details of the shares held by the Group are disclosed in note 12 to these accounts.

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

Investment in subsidiaries in the Trust's company only accounts

The investment in Canal & River Pension Investments LP is shown at fair value, on the basis that it is a non-basic financial instrument.

All other investments are stated at cost less impairment.

Impairment

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

Tangible fixed assets

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

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

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

Heritage assets

The Trust has two classes of heritage assets:

a) Waterways infrastructure

The Trust maintains inland waterways that include the assets listed in note 9 to these accounts. These waterway assets are maintained regularly as an integrated network to ensure that the waterways can be used for continuous navigation and access. The assets are referred to as the *Waterway Infrastructure* and are held under a perpetual trust from Defra, known as The Waterways Infrastructure Trust, which specifies that the waterways are to be held in trust and retained in perpetuity for the following purposes:

- to operate and manage the Infrastructure Property for public benefit, use and enjoyment including navigation; walking on towpaths; and for recreation or other leisure-time pursuits of the public in the interest of their health and social welfare,
- to protect and conserve, for public benefit, sites, objects and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with the Infrastructure Property, and
- for public benefit, the conservation, protection and improvement of the natural environment and landscape of the Infrastructure Property.

The Trust does not consider that reliable cost or valuation information can be obtained for the Waterway Infrastructure. The Waterway Infrastructure is generally around 200 years old and the costs of maintaining the Waterway Infrastructure in a safe and accessible state significantly exceed any income generated from them. The Trust does not consider that any meaningful value can be placed on the Waterways Infrastructure and therefore does not recognise those assets on its balance sheet. The Trust also considers, in line with section 18.14 of the Charities SORP (FRS 102), that obtaining a meaningful valuation of these assets would not be achievable at a cost commensurate with the benefit to the users of the accounts. Expenditure to maintain and repair these assets is charged to the SoFA as incurred.

b) Waterway museum artefacts collections and archives

The Trust maintains over 15,000 heritage artefacts in its collection and over 100,000 archive records of the construction and operation of the historic waterways. These items are held for display to the public or in secure storage facilities. The Trust does not consider that reliable cost or valuation information could be obtained for the vast majority of items in the collection and archives and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefit derived by the Trust and the users of the accounts. This is because of the diverse nature and the number of assets held and the lack of comparable market values. The Trust, therefore, does not recognise these assets on its balance sheet. Expenditure on these assets, that is required to preserve or prevent deterioration of the collection and archive items, is charged to the SoFA as incurred.

Further information on the management and preservation of the Trust's heritage assets is given in note 9 to the accounts.

Investment properties

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Valuations are carried out on an annual basis. Independent professionally qualified surveyors carried out a valuation of all properties in March 2014. For the valuation at 31 March 2017 and 31 March 2016, independent professionally qualified surveyors valued 90% of the properties by value. The remaining 10% were valued by qualified surveyors employed by the Trust.

Valuation movements arising from the annual revaluation exercise are included within "Unrealised gains/ (losses) on revaluation of investment assets" in the SoFA. If properties are then disposed of, such movements are then shown as "Realised gains/ (losses) on disposals" in the SoFA. This is in addition to any proceeds in excess of the property's fair value, once allowing for costs directly relating to the property's disposal.

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

Diversified investments

The Trust has adopted a total return approach to the investment of Protected Endowment funds in diversified investment funds. Quoted investments are stated at open market value and unquoted investments are stated at most recent underlying net asset values from fund managers, adjusted for subsequent capital calls or distributions. Both are deemed to represent the fair value of the investments. In the SoFA income from the investments is recognised as 'investment and property income' in the Protected Endowment Fund. Realised and unrealised investment gains and losses are recognised as 'investment asset gains and losses' in the Protected Endowment Fund. A proportion of the unapplied total return is allocated to income funds and is separately identified in the SoFA as a transfer from the Protected Endowment Fund to the General Fund.

Leased property, plant and equipment

a) Group as a lessee

The group has entered into leases for tangible fixed assets. All leases to the Group are leases where substantially all the risks and rewards incidental to ownership of the asset have not been transferred by the lessor and are therefore classified as operating leases. Rentals payable, adjusting for the effect of lease incentives, are charged in the SoFA on a straight line basis over the lease term.

b) Group as a lessor

Operational property assets leased out under operating leases are included in fixed assets and depreciated over their estimated useful lives. Property assets held for investment, that are leased out under operating leases, are included in Investment property. Rental income, adjusting for the effect of lease incentives, is recognised on a straight line basis over the lease term.

c) Grant of long lease over investment property

Where the Trust grants a long lease over investment property to maintain an interest in the future use of the land that is disposed of having issue onto or bordering the waterways, the substance of the transaction is that the Trust effectively disposes of its interest, but retains a reversionary interest, and reflects the resultant profit / loss at the point of the disposal in accordance with the investment property accounting policy above. In order for a long lease to be treated as a disposal it would be usual for the lease term to be for the major part of the economic life of the property (typically more than 50 years) and at the inception of the lease the present value of minimum lease payments would amount to substantially all of the fair value of the leased property.

d) Lease incentives

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

Stock

Stock comprises raw materials used for the construction of lock gates, along with completed constructions and those in progress. Also included are retail stocks held in museums and visitor attractions. Stocks are stated at the lower of cost or selling price less costs to complete and sell.

Debtors

Trade and other debtors are recognised at the settlement amount due, less any provision for bad or doubtful amounts. Such provisions are specific, and applied in a consistent manner based on a debts aging and other factors affecting potential recoverability.

Cash and Cash Equivalents

Cash, for the purpose of the cash flow statement, represents balances on hand, and those on deposits where notice period for withdrawal is three months or less from inception. Such balances are subject to insignificant risk of changes in value, and are readily convertible.

Current asset investments

Current asset investments represent investments with maturity dates of over three months and under one year. They are not held for the purposes of on-going investment activities beyond one year. Current asset investments are measured at their fair value. For amounts held with our investment manager, this represents a change of accounting policy and the prior year has been adjusted to be on a consistent basis.

Creditors

Trade and other creditors are recognised at transaction price due, after allowing for any trade discounts.

Deferred income represents invoices raised and cash receipts for which income recognition criteria is not yet met, and will be satisfied in future accounting periods.

Taxation

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

The trading subsidiary companies Canal and River Trading CIC and BWML have adopted a policy of paying all taxable profits to the charity under gift aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in these subsidiaries and therefore an operating profit exists at the balance sheet date, on which a tax liability arises. This represents a change in accounting policy and has been accounted for as a prior year restatement.

Other financial instruments

The Trust has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other.' There is one material 'other' financial instrument.

The Trust's investment in Canal & River Pension Investments LP is measured at fair value within the company only accounts. The basis for determining value uses a discounted cash flow model, based on the profit sharing conditions of the partnership agreement.

Pension scheme

The Trust operates defined benefit and defined contribution pension schemes.

a) Defined benefit scheme

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

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

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

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

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

b) Defined contribution scheme

Pension contributions are charged to the SoFA as incurred.

c) Other employee benefits

Post-employment benefits other than pensions are re-assessed annually at the reporting date by independent qualified actuaries using discount rates consistent with those required for pension liabilities under FRS 102.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The measurement of these amounts must be known, or reliably estimable, for a provision to be recognised. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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

2. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds	Restricted Funds			Total Restated
			Protected Endowment Funds	Income		
			Subsidiaries	Other	Funds	2015/16
		£m	£m	£m	£m	£m
Income and endowments from:						
Voluntary income						
Donations and legacies		-	-	-	2.5	2.5
Defra grant funding		49.6	-	-	-	49.6
Other Trading Activities						
Boating and moorings		35.8	6.6	-	-	42.4
Utilities		26.3	-	-	-	26.3
Investment and property income		32.2	9.8	-	-	42.0
Charitable Activities						
Waterway infrastructure income		7.4	-	-	-	7.4
Waterway regeneration and restoration		11.9	-	-	0.4	12.3
Museums and attractions		1.2	-	-	-	1.2
Share of net income from joint ventures	12	-	5.1	-	-	5.1
Other income		0.6	-	0.3	-	0.9
Total income	3	165.0	21.5	0.3	2.9	189.7
Expenditure on raising funds						
Voluntary income		(3.6)	-	-	-	(3.6)
Boating and moorings		(11.4)	(5.6)	-	-	(17.0)
Utilities		(2.8)	-	-	-	(2.8)
Investment management		(7.2)	(5.2)	(3.6)	-	(16.0)
Total expenditure on raising funds	4	(25.0)	(10.8)	(3.6)	-	(39.4)
Net income available for charitable activities		140.0	10.7	(3.3)	2.9	150.3
Expenditure on charitable activities						
Waterway restoration, maintenance and repairs		(141.5)	-	-	(2.8)	(144.3)
Museums and attractions		(4.1)	-	-	(0.1)	(4.2)
Grants to other organisations		-	-	-	-	-
Total expenditure on charitable activities	4	(145.6)	-	-	(2.9)	(148.5)
Total expenditure	4	(170.6)	(10.8)	(3.6)	(2.9)	(187.9)
Net income / (expenditure) before gains and losses on investments		(5.6)	10.7	(3.3)	-	1.8
Realised gains on disposal of investment assets		-	1.0	8.4	-	9.4
Unrealised gains/(losses) on revaluation of investment assets		(0.4)	15.1	13.7	-	28.4
Net income / (expenditure)		(6.0)	26.8	18.8	-	39.6
Transfers between funds	18	12.4	(15.1)	2.7	-	-
Other Recognised Gains and Losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	-	36.8	-	36.8
Taxation		-	0.9	-	-	0.9
Net movement in funds	18	6.4	12.6	58.3	-	77.3
Fund balances at 1 April 2015	18	21.7	27.9	605.7	1.4	656.7
Fund balances at 31 March 2016	18	28.1	40.5	664.0	1.4	734.0

3. TOTAL INCOME

	2016/17	2015/16
	£m	£m
Total income includes:		
Donations and legacies:		
General donations to the Trust	2.8	2.4
Gifts in kind	0.1	0.1
Donations and legacies	2.9	2.5
Defra grant funding	50.0	49.6
Boating and moorings excluding BWML	36.6	34.9
Gross income from marinas operated by BWML	8.1	7.5
Boating and moorings	44.7	42.4
Utilities and water development	27.0	26.3
Investment property	35.0	32.9
Dividend income from diversified investment funds	4.6	1.9
Endowment portfolio income	39.6	34.8
Interest receivable	0.1	0.3
Premiums earned by Canal & River Reinsurance DAC	0.9	1.1
Other investment income including wayleaves	6.3	5.8
Investment and property income	46.9	42.0
Income from charitable activities	31.3	20.9
Other income	0.1	0.9
Share of net income from joint ventures	-	5.1
Total Income	202.9	189.7

4. TOTAL EXPENDITURE

	Direct Costs	Support Costs	2016/17	2015/16
	£m	£m	£m	£m
a) Expenditure on raising funds				
Voluntary income	2.6	1.1	3.7	3.6
Boating and moorings	15.9	2.4	18.3	17.0
Utilities	1.9	0.9	2.8	2.8
Investment management costs	12.8	3.6	16.4	16.0
Total expenditure on raising funds	33.2	8.0	41.2	39.4
b) Expenditure on charitable activities				
Waterway restoration, maintenance and repairs	138.3	14.2	152.5	144.3
Museums and attractions	3.5	0.9	4.4	4.2
Charitable activities	141.8	15.1	156.9	148.5

Auditor's fees and expenses include the following:

	2016/17	2015/16
	£000	£000
Fees payable to the auditors of Canal & River Trust:		
in respect of the charity audit*	181	216
in respect of subsidiary audits**	44	41
Other non-audit services		
in respect of taxation compliance**	34	26
in respect of taxation advisory	31	22
Total fees payable to auditor	290	305

* Audit fees in respect of the charity audit in 2015/16 includes £25,000 for additional scope of work arising from the change in accounting standards to FRS 102.

** Fees payable in respect of subsidiary audits and taxation compliance include fees payable to Grant Thornton Ireland, an associate of the charity's auditors.

5. SUPPORT COSTS

	Governance	Offices	Finance & IT	Human Resources	Management & Other	2016/17	2015/16
	£m	£m	£m	£m	£m	£m	£m
Voluntary income	-	0.1	0.4	-	0.6	1.1	1.0
Boating and moorings	0.1	0.5	1.2	0.1	0.5	2.4	2.4
Utility income and water sales	0.1	0.1	0.4	-	0.3	0.9	1.0
Investment management costs	0.2	0.2	1.7	0.1	1.4	3.6	3.4
Waterway restoration, maintenance and repairs	0.6	1.9	6.5	1.2	4.0	14.2	14.3
Museums and attractions	-	0.2	0.4	0.1	0.2	0.9	0.7
Total support costs	1.0	3.0	10.6	1.5	7.0	23.1	22.8

Support costs are allocated to the costs of generating funds and charitable activities on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

6. EMPLOYEE COSTS

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

Trustee expenses include the reimbursement by the Trust of costs incurred by its trustees in carrying out their duties and similar payments made by the Trust directly to third parties on their behalf. During the year the total amount reimbursed and paid to third parties was £12,917 (2016: £19,897). These expenses were for travel, subsistence and accommodation incurred by 13 trustees (2016: 11).

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

	Group	
	2016/17	2015/16
	Number	Number
Generating voluntary income	11	13
Generating income from boating, moorings and utilities	200	193
Investment management	35	38
Waterway restoration, maintenance and repairs	1,202	1,177
Museums and attractions	51	49
Governance	5	6
Support functions	185	184
Total number of persons	1,689	1,660

Total employment costs were:

	Group	
	2016/17	2015/16
	£m	£m
Wages and salaries	51.7	51.4
Car cash allowances	2.4	2.1
Social security costs	4.9	4.3
Defined benefit pension costs (see note 21)	3.4	6.0
Defined contribution pension costs	2.7	0.9
Total employment costs	65.1	64.7

Wages and salaries are shown before any deduction for salary sacrifice arrangements.

6. EMPLOYEE COSTS (CONTINUED)

In 2014/15 the Trust closed the company car scheme and introduced car allowances for those employees in positions that qualified for a car. As each company car contract ends the employee starts to receive a taxable monthly car allowance. The company car scheme operating costs are not disclosed in the table above but these were £0.7m in 2016/17 (2016: £1.0m). When taken together with car allowances the total cost of the car scheme during the year were £3.1m (2016: £3.1m).

During the year, £0.2m (2016: £0.9m) was paid in respect of redundancy and other termination costs and these are included above. Termination costs are calculated in accordance with the Trust's employment stability policy and provision is made for any redundancy or termination costs on completion of the consultation.

The average number of persons employed during the year on a full-time equivalent basis was 1,689 (2016: 1,660). The number of employees whose gross remuneration including redundancy, pension allowance and taxable benefits¹, but not employer pension costs, exceeded £60,000 and fell within the following ranges were:

	2016/17	2015/16
£60,000 - £70,000	29	35
£70,001 - £80,000	25	22
£80,001 - £90,000	10	8
£90,001 - £100,000	4	8
£100,001 - £110,000	2	1
£110,001 - £120,000	2	4
£120,001 - £130,000	2	1
£130,001 - £140,000	2	3
£150,001 - £160,000	-	3
£170,001 - £180,000	1	1
£180,001 - £190,000	-	1
£190,001 - £200,000	1	-
£200,001 - £210,000	1	1
£210,001 - £220,000	-	1
	79	89

60 (2016: 72) higher paid employees accrued retirement benefits under the Waterways Pension Fund defined benefit scheme and are now deferred members of the scheme following the closure of the Fund to future accrual on 30 September 2016. Contributions from the Trust to the defined contribution pension scheme in respect of 75 (2016: 16) higher paid employees amounted to £286,000 (2016: £93,000).

Key management personnel

The key management personnel are the Trustees and the Executive team (listed on page 104). The total employee remuneration (including pension) paid to key management personnel was £1.4m, plus £0.1m social security costs (2016: £1.6m, plus £0.2m social security costs).

The remuneration during the year for Richard Parry, chief executive, comprised a salary of £180,620, pension allowance of £2,601, car allowance of £9,768 and benefits in kind of £1,416, totalling £194,405. The value of employer contributions during the year to the Canal & River Trust defined contribution pension scheme was £5,405.

There was one employee whose remuneration during the year was higher than the chief executive. Stuart Mills, property director, received a salary of £164,499, pension allowance of £7,107, car allowance of £9,768, performance related pay of £24,491 reflecting the strong performance of our property portfolio in the year ended 31 March 2016, and benefits in kind of £2,022, totalling £207,887. The value of the pension input amount during the year to the Waterways Pension Fund defined benefit scheme, after deduction of employee contributions, was £57,366.

¹ Salaries are adjusted for staff benefits received through salary sacrifice arrangements

7. TAXATION

The Canal & River Trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

It is expected that the Trust's subsidiaries will give all their profits to the Trust, normally resulting in no tax liability.

Credited/(charged) to Statement of Financial Activities

	Group	
	2016/17	2015/16
Tax	£m	£m
Current tax	-	(0.8)
Over provision in prior year	0.7	1.7
Total tax	0.7	0.9

Corporation tax is calculated at 20% (2016: 20%) of the assessable profits for the year.

The total tax credit for the year can be reconciled to net income before gains and loss as follows:

	Group	
	2016/17	2015/16
	£m	£m
Net income before gains and losses	4.8	1.8
Tax charge at the UK corporate tax rate of 20% (2016: 20%)	(0.9)	(0.4)
Tax effect of expenses that are not deductible in determining taxable profits	(0.5)	(0.1)
Charitable income/expenses exempt from tax	0.7	0.4
Additional profit taxable in subsidiary	-	(1.2)
Donation to parent made under gift aid scheme utilised in 2017	0.7	0.6
Adjustment to tax charges in respect of prior periods	0.7	1.6
Total tax credit	0.7	0.9

Corporation tax creditor

	At 1 April 2016	(Repaid) / paid	Current year tax movement	Carried forward at 31 March 2017
	£m	£m	£m	£m
Group				
Corporation tax	0.7	-	(0.7)	-
Canal & River Trust				
Corporation tax	-	-	-	-

Value added tax

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

8. TANGIBLE FIXED ASSETS

Group	Operational land and buildings		Boats, vehicles, plant and equipment	Total
	Freehold	Leasehold		
	£m	£m	£m	
Cost				
At 1 April 2016	48.3	5.4	44.6	98.3
Additions	0.4	0.3	5.9	6.6
Transfers from investment property	0.7	-	-	0.7
Disposals	(1.0)	(0.3)	(1.1)	(2.4)
At 31 March 2017	48.4	5.4	49.4	103.2
Depreciation				
At 1 April 2016	2.9	0.7	15.2	18.8
Provision for the year	0.9	0.3	4.4	5.6
Disposals	(0.2)	-	(0.9)	(1.1)
At 31 March 2017	3.6	1.0	18.7	23.3
Net book value				
At 31 March 2016	45.4	4.7	29.4	79.5
At 31 March 2017	44.8	4.4	30.7	79.9

Canal & River Trust	Operational land and buildings		Boats, vehicles, plant and equipment	Total
	Freehold	Leasehold		
	£m	£m	£m	
Cost				
At 1 April 2016	28.4	0.4	38.4	67.2
Additions	0.5	-	5.3	5.8
Transfers from investment property	1.0	-	-	1.0
Disposals	(0.3)	(0.2)	(0.5)	(1.0)
At 31 March 2017	29.6	0.2	43.5	73.0
Depreciation				
At 1 April 2016	2.5	0.1	13.6	16.2
Provision for the year	0.9	-	4.0	4.9
Disposals	-	-	(0.5)	(0.5)
At 31 March 2017	3.4	0.1	17.1	20.6
Net book value				
At 31 March 2016	25.9	0.3	24.8	51.0
At 31 March 2017	26.2	0.1	26.1	52.4

9. HERITAGE ASSETS

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

As explained in note 1 *Accounting policies* and in accordance with UK accounting standards, the Trust does not believe a meaningful valuation of these assets can be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. Accordingly, no value is recognised on the balance sheet and expenditure on these assets is charged to the SoFA as incurred.

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

The Canal & River Trust is the guardian of 2,000 miles of historic waterways across England and Wales. Many of our waterways were built at the height of the industrial revolution and are home to 2,697 listed structures and 49 scheduled ancient monuments.

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

Asset description	Length / number	
	31 March 2017	31 March 2016
Canals	1,571 miles	1,571 miles
Rivers	342 miles	342 miles
Feeders	118 miles	118 miles
Towpaths	1,956 miles	1,956 miles
Aqueducts	336	336
Bridges – Accommodation (1)	1,654	1,656
Bridges – Public Road (1)	875	874
Bridges – Turnover (1)	453	450
Culverts (2)	1,936	1,939
Major cuttings (3)	816	821
Major embankments	749	749
Docks	13	13
Dry docks	25	25
Permitted waste sites	23	23
Locks (4)	1,580	1,583
Pumping stations	76	76
Reservoirs	73	73
Sluices (5)	514	509
Stop/Safety/Flood Gates (6)	66	68
Tunnels (7)	56	55
Canal weirs (8)	663	660
River weirs (8)	126	129
Weir-ed locks	85	85
Boat lifts (Navigation)	1	1

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

Historic battlefields	9	9
Listed buildings (9)	2,697	2,701
Scheduled ancient monuments	49	49
Sites of Special Scientific Interest (SSSI's)	63	63

9. HERITAGE ASSETS (CONTINUED)

- (1) Bridges – the changes are generally due to reclassification of ownership or bridge type during 2016/17.
 (2) Culverts – the changes are due to reclassification of asset type during 2016/17.
 (3) Cuttings – the changes in numbers are generally due to changes in definition and re-measurement of assets that are managed as principal assets.
 (4) Locks – three reclassified as disused in 2016/17.
 (5) Sluices – the change arises due to new buried sluices identified and reclassification of disused assets.
 (6) Stop/Safety/Flood gates – the reduction results from the identification of two assets that are no longer required during 2016/17.
 (7) Tunnels – includes Newbold tunnel on the Oxford Canal – whilst abandoned still requires inspection.
 (8) Weirs – the changes are due to reclassification during 2016/17.
 (9) Listed Buildings – the reduction results from sales of buildings during the year. These sales were all of properties within the expendable endowment, and not in relation to assets held within the Waterways Infrastructure Trust.

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

Museum artefact collections and archives

The Trust maintains over 15,000 heritage artefacts in its collection and over 100,000 archive records of the construction and operation of the historic waterways. Artefacts and archive records include: tools, machinery, insignia and memorabilia, clothing, decorative arts, paintings, photographs, maps and plans, drawings, business papers and letters dating from the 1780s to the present day. The Trust also maintains a historic fleet of around 70 boats. These items are held for display to the public, or in secure storage facilities, and the assets and artefacts have historical, scientific and technological qualities that are maintained for public benefit, knowledge and culture.

10. INVESTMENT PROPERTY

	Group			Canal & River Trust		
	Freehold	Leasehold	Total	Freehold	Leasehold	Total
	£m	£m	£m	£m	£m	£m
Carrying value (fair value)						
At 1 April 2016	555.5	24.5	580.0	373.4	23.6	397.0
Additions	29.8	21.0	50.8	29.0	21.0	50.0
Transfers to tangible fixed assets	(0.7)	-	(0.7)	(1.0)	-	(1.0)
Disposals	(24.4)	-	(24.4)	(24.5)	-	(24.5)
Revaluation	24.4	1.0	25.4	14.8	0.9	15.7
At 31 March 2017	584.6	46.5	631.1	391.7	45.5	437.2

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

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

11. DIVERSIFIED INVESTMENT FUNDS

(a) Movement on diversified income funds

Group & Canal & River Trust		
	2016/17	2015/16
	£m	£m
At 1 April	109.9	93.4
Additions	4.0	22.0
Withdrawals	(5.8)	(2.2)
Dividend income	3.9	1.9
Investment management costs	(0.8)	(0.6)
Other	(0.2)	(0.1)
Revaluation gain/(loss)	17.0	(4.5)
At 31 March	128.0	109.9

(b) Disclosure of total return approach to diversified income funds

Group & Canal & River Trust					
	Endowment	Unapplied total return	Total investment from Endowment	Unrestricted Funds	Total Funds
	£m	£m	£m	£m	£m
At 1 April 2016					
Trust for investment	100.0	-	100.0	10.3	110.3
Unapplied total return	-	(0.4)	(0.4)	-	(0.4)
	100.0	(0.4)	99.6	10.3	109.9
Movements in reporting period					
Additions to investment funds	-	-	-	4.0	4.0
Investment return: dividends	-	3.9	3.9	-	3.9
Investment return: realised and unrealised gains	5.3	10.5	15.8	1.2	17.0
Less: Investment management costs	-	(0.8)	(0.8)	-	(0.8)
Other	-	(0.2)	(0.2)	-	(0.2)
Withdrawals	-	-	-	(5.8)	(5.8)
	5.3	13.4	18.7	(0.6)	18.1
Total return applied to income	-	(3.9)	(3.9)	3.9	-
Net movement in reporting year	5.3	9.5	14.8	3.3	18.1
At 31 March 2017					
Trust for investment	100.0	-	100.0	13.6	113.6
Unapplied total return	5.3	9.1	14.4	-	14.4
	105.3	9.1	114.4	13.6	128.0

Quoted investments are stated at open market value and unquoted investments are stated at most recent underlying net asset values from fund managers, adjusted for subsequent capital calls or distributions.

During the year, the Investment Committee oversaw the third year of implementation of the Investment Strategy for the Trust involving a diversification of the Trust's investment portfolio held in the Protected Endowment away from pure property investment to provide some measure of risk protection. Pursuant to this strategy, the selected external investment manager, Partners Capital, has invested £100m on behalf of the Trust in non-property investments towards the overall objective of around 20% diversification away from property in a 3 to 5 year time horizon.

Partners Capital have also invested £12m from the Pension Accumulation Designated Fund (see note 18) into separate investment funds.

11. DIVERSIFIED INVESTMENT FUNDS (CONTINUED)

(c) Disclosure of asset classes within diversified income funds

	Group & Canal & River Trust	
	31 March 2017	31 March 2016
	£m	£m
Multi-asset funds	58.0	58.0
Bonds	34.6	26.4
Global equities	15.5	13.1
Private Equity Funds	19.4	11.2
Cash	0.5	1.2
At 31 March 2017	128.0	109.9

(d) Current Asset Investments

	Group		Canal & River Trust	
	31 March 17	31 March 16	31 March 17	31 March 16
	£m	£m	£m	£m
Funds held on short-term deposit	53.0	16.1	47.3	10.1
	53.0	16.1	47.3	10.1

Current asset investments represent funds held by the Trust which are not for the purposes long-term investment return, but instead complement cash holdings used for ordinary operating and investing activities. Within the group, £47.3m (2016: £10.1m) of this is held with Partners Capital as part of a separate 'General Fund' account for surplus cash.

12. INVESTMENTS

SUBSIDIARIES

Canal & River Trust	2016/17	2015/16
Investments in subsidiaries:	£m	£m
At 1 April	152.4	145.4
Fair value adjustment for investment in Canal & River Pension Investments LP	1.7	7.0
At 31 March	154.1	152.4

Subsidiary undertakings

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

- Blackwall Estates Ltd manages property in London Docklands (year end 30 June). The directors of the Trust have not chosen to bring the year end into line with that of the Trust as the trading results and net assets are immaterial.
- British Waterways Marinas Ltd operates inland waterway marinas.
- Canal & River Trading CIC is an operating subsidiary of the Group and holds a small portfolio of investment properties, investment in joint ventures (see below) as well as other miscellaneous trading activities.
- Canal & River Pension Investments LP ("SLP"), is a limited partnership registered in Scotland that manages investment property on behalf of the partners. In 2012/13 the Trust invested £33m in the SLP. The Trust exercises sufficient control over the partnership to meet the definition of a subsidiary undertaking in accordance with the Companies Act 2006 s1162 and FRS 102, section 9 'Consolidated and Separate Financial Statements.' In accordance with FRS 102, the investment is shown at fair value on the basis that the investment in this entity is a non-basic financial instrument.
- Canal & River Pension Partner Ltd holds an investment in the Canal & River Pension Investments LP from which it derives income. In 2012/13 the Trust invested £19m in this company.
- Canal & River Reinsurance Designated Activity Company provides reinsurance to the Trust in respect of property, motor and public liability.

12. INVESTMENTS (CONTINUED)

- Waterways Pension Trustees Ltd acts as trustee to the Waterways Pension Fund. The book value of the Trust's interest is represented by a debt of equal amount due to the subsidiary and both have been eliminated from the Trust's accounts.
- The Waterways Trust and its subsidiaries, NWM Enterprises Ltd, Ribble Link Construction and Operation Ltd and the Rochdale Canal Company were acquired on 26 July 2012. The undertakings and assets of The Waterways Trust were transferred to Canal & River Trust on 1 April 2013. These subsidiaries did not trade during the year ended 31 March 2017.

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

2016/17

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2017 was as follows:

	Income	Expenditure	Net income before other recognised gains and losses*	Net assets at 31 March 2017
	£m	£m	£m	£m
Canal & River Trading CIC	0.3	(0.3)	-	38.9
British Waterways Marinas Ltd	8.1	(7.2)	0.9	12.2
Canal & River Pension Investments LP	8.8	(5.0)	3.8	200.6
Canal & River Pension Partner Ltd	-	-	-	23.9
Canal & River Reinsurance DAC**	0.9	(0.9)	-	3.3
Other minor subsidiaries	0.1	(0.1)	-	(1.4)
	18.2	(13.5)	4.7	277.3

2015/16

The contribution of subsidiary companies to the Trust's funds in the year to 31 March 2016 was as follows:

	Income	Expenditure	Net income before other recognised gains and losses*	Net assets at 31 March 2016
	£m	£m	£m	£m
Canal & River Trading CIC	0.3	(0.3)	-	44.6
British Waterways Marinas Ltd	7.5	(6.9)	0.6	13.0
Canal & River Pension Investments LP	8.5	(5.0)	3.5	189.9
Canal & River Pension Partner Ltd	-	-	-	25.9
Canal & River Reinsurance DAC**	1.2	-	1.2	3.8
Other minor subsidiaries	0.1	(0.1)	-	(1.4)
	17.6	(12.3)	5.3	275.8

* Amount shown is before gift aided donations to parent.

** Canal and River Reinsurance DAC was previously known as Canal and River Reinsurance Ltd up to 27 April 2016.

JOINT VENTURES

Group	2016/17	2015/16
	£m	£m
Investments in joint ventures:		
At 1 April	19.8	27.2
Loans made	8.5	-
Loans repaid	-	(11.7)
Share of net income	-	5.1
Dividends paid	-	(0.8)
At 31 March	28.3	19.8

12. INVESTMENTS (CONTINUED)

The increase in joint venture investments arises from loans made to Waterside Places LP (£6.0m) and Icknield Port Loop LLP (£2.5m) during the year.

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

	31 March 2017	31 March 2016
	£m	£m
Fixed assets	0.1	0.1
Current assets	38.3	25.8
Share of gross assets	38.4	25.9
Current liabilities	(3.7)	(6.1)
Long term liabilities	(6.4)	-
Share of gross liabilities	(10.1)	(6.1)
Share of net assets	28.3	19.8

Included in the above table are capital loans to the joint ventures totalling £30.0m of which £24.1m is in respect of Waterside Places LP (previously named ISIS Waterside Regeneration LP).

The Group's share of incoming resources from joint ventures was £8.0m (2016: £27.9m) and share of resources expended was £8.0m (2016: £22.8m). All income arises from investment in property developments.

Investments in joint ventures

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

The profit and loss for the year ended 31 March 2017 is calculated based on accounts prepared by the joint ventures and where the accounting period is not coterminous with the 31 March, adjusted using management accounts. The profit and loss for the year of each joint venture based on their accounts made up to the dates indicated was as follows:

	Accounting period ended	Profit for the year	Equity interest held**	Main activity
		£m	%	
Joint ventures				
Waterside Places LP*	31 December 2016	1.4	49.5%	Property development
City Road Basin Ltd	31 December 2016	-	49%	Property development
H2O Urban LLP	31 December 2016	0.1	50%	Property development
Paddington Basin Business Barges Ltd	31 December 2016	-	49%	Office management
Icknield Port Loop LLP	31 December 2016	-	25%	Property development

* Waterside Places LP was previously known as ISIS Waterside Regeneration LP up to 26 July 2016.

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

13. STOCK

	Group		Canal & River Trust	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
	£m	£m	£m	£m
Raw materials	0.6	0.9	0.6	0.9
Finished goods and goods for resale	0.7	0.4	0.5	0.2
	1.3	1.3	1.1	1.1

14. DEBTORS

Amounts falling due within one year	Group		Canal & River Trust	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
	£m	£m	£m	£m
Trade debtors	29.5	30.9	27.1	28.7
Profit share and dividends receivable from subsidiaries	-	-	4.1	4.5
Other amounts owed from Group undertakings	-	-	1.3	1.0
Prepayments and accrued income	17.7	17.6	13.5	11.2
Value added tax	-	1.6	0.1	2.0
Other debtors	0.6	0.5	0.5	0.3
	47.8	50.6	46.6	47.7

15. CREDITORS

Amounts falling due within one year	Group		Canal & River Trust	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
	£m	£m	£m	£m
Revolving credit facility	10.0	-	10.0	-
Trade creditors	12.5	14.4	12.3	13.9
Taxation and social security	0.2	0.2	0.2	0.2
Value added tax	0.5	-	-	-
Corporation Tax	-	0.7	-	-
Amounts owed to other Group companies	-	-	0.1	0.2
Accruals	16.3	14.2	13.5	11.4
Deferred income (Note 16)	50.9	48.1	45.5	43.4
Other creditors	3.0	2.4	3.5	2.7
	93.4	80.0	85.1	71.8

15. CREDITORS (CONTINUED)

Amounts falling due after more than one year	Group		Canal & River Trust	
	31 Mar 17	31 Mar 16	31 Mar 17	31 Mar 16
	£m	£m	£m	£m
Revolving credit facility	40.0	-	40.0	
Loan from Port of London Properties Ltd	12.9	12.9	12.9	12.9
Deferred income (Note 16)	3.5	3.6	3.5	3.6
Other creditors	-	0.6	0.4	1.0
	56.4	17.1	56.8	17.5

There are no creditors falling due after more than five years (2016: £nil).

During the year, the Trust utilised funds available under a Revolving Credit Facility ("RCF"). This facility is provided by RBS, and allows for up to £50m to be drawn for periods between one month and the date of the facility's expiry in June 2019. The RCF has a floating rate of interest 1.75% above LIBOR. As at 31st March 2017, £10m had been drawn with a repayment date of June 2017. The remaining £40m was drawn for repayment in April 2019. These amounts are not secured on specific assets; however, the Trust does have to maintain a tangible net worth of at least £425m as part of the financial covenants undertaken to the lender. The tangible net worth is predominantly represented by the Trust's investment assets.

The £12.9m loan from Port of London Properties Ltd ("POLP") is at a floating rate of interest being 1% above the Bank of England base rate.

The POLP loan is repayable in January 2019 and is secured on assets to a value that is satisfactory to the lender.

As both the RCF and the POLP loan have interest rates set using a positive fixed rate and a single observable index, they are deemed to represent basic financial instruments under the conditions specified by FRS 102, section 11.9 'Basic financial instruments,' and are measured using the amortised cost model.

The Trust has interests in a number of property development joint ventures that are stand-alone businesses and are independently funded with external bank debt without recourse to the Trust. In each of the joint ventures an assessment is made whether the interest payments on borrowings should be hedged having regard to the quantum of the debt, the period over which the borrowings are planned to be outstanding and the sensitivity of the project to changes in interest rates. There was no interest rate hedging in place in the joint ventures at 31 March 2017. At 31 March 2017, Group share of total bank borrowings in joint ventures was £6.4m (2016: £0.8m).

16. DEFERRED INCOME

Deferred income for the group and parent charity is analysed as follows in total:

Group	At 1 April 2016	Released	Deferred	At 31 March 2017
	£m	£m	£m	£m
Rental income in advance	16.2	(13.6)	14.7	17.3
Boat licenses in advance	10.4	(10.4)	11.3	11.3
Moorings in advance	7.4	(6.7)	6.7	7.4
Defra grant received in advance	10.0	(10.0)	10.2	10.2
Other deferred income	7.7	(7.7)	8.2	8.2
Total current and long term	51.7	(48.4)	51.1	54.4

16. DEFERRED INCOME (CONTINUED)

Canal & River Trust	At 1 April 2016	Released	Deferred	At 31 March 2017
	£m	£m	£m	£m
Rental income in advance	14.6	(12.0)	13.0	15.6
Boat licenses in advance	10.4	(10.4)	11.3	11.3
Moorings in advance	4.5	(3.8)	4.0	4.7
Defra grant received in advance	10.0	(10.0)	10.2	10.2
Other deferred income	7.5	(7.5)	7.2	7.2
Total current and long term	47.0	(43.7)	45.7	49.0

Other deferred income includes amounts received in advance of future utilities sales, income received for future enterprise projects and service charges received in advance.

17. PROVISIONS FOR LIABILITIES

Group	At 1 April 2016	Paid	Charged	Released	At 31 March 2017
	£m	£m	£m	£m	£m
Personal injury claims	1.2	(0.4)	0.7	(0.6)	0.9
Third party contractual claims	0.5	-	0.4	(0.2)	0.7
Canal & River Reinsurance	2.2	(0.6)	0.9	(0.2)	2.3
Other provisions	0.8	(0.4)	-	-	0.4
	4.7	(1.4)	2.0	(1.0)	4.3

Canal & River Trust	At 1 April 2016	Paid	Charged	Released	At 31 March 2017
	£m	£m	£m	£m	£m
Personal injury claims	1.2	(0.4)	0.7	(0.6)	0.9
Third party contractual claims	0.5	-	0.4	(0.2)	0.7
Other provisions	0.7	(0.3)	-	-	0.4
	2.4	(0.7)	1.1	(0.8)	2.0

Provisions are recognised when the conditions of FRS 102, section 21.4 'Provisions and Contingencies' have been met. The timing of when provisions will be settled is generally uncertain due the nature of the relevant claims and obligations.

Personal injury claims

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

Third party and contractual claims

The provision relates to contracts the Trust has entered into with third parties, and represents the additional costs to the Trust that could be incurred upon completion of the contract.

Canal & River Reinsurance

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

Other provisions

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

18. MOVEMENT IN FUNDS

Group 2016/17	Unrestricted Funds		Restricted Funds			
			Protected Endowment Funds			
	General Fund	Designated Funds	Subsidiaries	Other	Restricted Income Funds	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2016 (as restated, see note 26)	19.7	8.4	40.5	664.0	1.4	734.0
Net income	2.1	1.2	18.2	31.6	0.1	53.2
Gift aid receivable and dividends from subsidiaries*	15.7	-	(15.7)	-	-	-
Transfer to Pension Accumulation Fund*	(4.0)	4.0	-	-	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	5.0	-	-
Additional contribution to PAF***	(5.0)	5.0	-	-	-	-
Pension Fund current service cost in excess of contributions*	1.2	-	-	(1.2)	-	-
Taxation credit	-	-	0.7	-	-	0.7
Actuarial losses on defined benefit pension schemes	-	-	-	(66.8)	-	(66.8)
As at 31 March 2017	24.7	18.6	43.7	632.6	1.5	721.1

Canal & River Trust 2016/17	Unrestricted Funds		Restricted Funds			
			Protected Endowment Funds			
	General Fund	Designated Funds	Subsidiaries	Other	Restricted Income Funds	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2016 (as restated, see note 26)	19.4	8.4	-	694.1	1.4	723.3
Net income	1.9	1.2	-	37.8	0.1	41.0
Gift aid receivable and dividends from subsidiaries*	15.7	-	-	-	-	15.7
Transfer to Pension Accumulation Fund*	(4.0)	4.0	-	-	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	5.0	-	-
Additional contribution to PAF***	(5.0)	5.0	-	-	-	-
Pension Fund current service cost in excess of contributions*	1.2	-	-	(1.2)	-	-
Actuarial losses on defined benefit pension schemes	-	-	-	(57.2)	-	(57.2)
As at 31 March 2017	24.2	18.6	-	678.5	1.5	722.8

* see description of 'Transfers between funds' below

** Pension Funding Partnership (PFP) see note 21

*** This transfer was approved by the March board to settle the 2016 actuarial deficit. Payment to the Waterways Pension Fund was made on 31 May 2017.

18. MOVEMENT IN FUNDS (CONTINUED)

Group 2015/16	Unrestricted Funds		Restricted Funds			
			Protected Endowment Funds			
	General Fund	Designated Funds	Subsidiaries	Other	Restricted Income Funds	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2015 (as restated, see note 26)	14.9	6.8	27.9	605.7	1.4	656.7
Net income	(5.6)	(0.4)	26.8	18.8	-	39.6
Gift aid receivable and dividends from subsidiaries*	15.1	-	(15.1)	-	-	-
Transfer to Pension Accumulation Fund*	(2.0)	2.0	-	-	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	5.0	-	-
Pension Fund current service cost in excess of contributions*	2.3	-	-	(2.3)	-	-
Taxation credit	-	-	0.9	-	-	0.9
Actuarial gains on defined benefit pension schemes	-	-	-	36.8	-	36.8
As at 31 March 2016	19.7	8.4	40.5	664.0	1.4	734.0

Canal & River Trust 2015/16	Unrestricted Funds		Restricted Funds			
			Protected Endowment Funds			
	General Fund	Designated Funds	Subsidiaries	Other	Restricted Income Funds	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2015 (as restated, see note 26)	14.7	6.8	-	620.7	1.4	643.6
Net income	(5.7)	(0.4)	-	32.4	-	26.3
Gift aid receivable and dividends from subsidiaries*	15.1	-	-	-	-	15.1
Transfer to Pension Accumulation Fund*	(2.0)	2.0	-	-	-	-
PFP contribution to Pension Fund**	(5.0)	-	-	5.0	-	-
Pension Fund current service cost in excess of contributions*	2.3	-	-	(2.3)	-	-
Actuarial gains on defined benefit pension schemes	-	-	-	38.3	-	38.3
As at 31 March 2016	19.4	8.4	-	694.1	1.4	723.3

* see description of 'Transfers between funds' below

** Pension Funding Partnership (PFP) see note 21

The Trustees have agreed how the following funds are managed, taking into account best practice and guidance from the Charity Commission. References to the Grant Funding Agreement are to the Grant Funding Agreement between the Trust and Defra dated 28 June 2012.

18. MOVEMENT IN FUNDS (CONTINUED)

Endowment Fund

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

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

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

The assets of the Waterways Infrastructure Trust are a permanent endowment held in perpetuity and are heritage assets shown with no value in the accounts, as explained in note 9. The investment and operational assets transferred from government in 2012 are defined as an expendable endowment, primarily because the grant agreement permits freedom of management and trading provided the underlying value is protected

General Fund

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

Pension Accumulation Designated Fund

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

Restricted Income Fund

The Restricted Income Fund comprises funds that have been donated to the Trust with specific restrictions on how the funds may be applied. The purpose of each restricted fund is set out in the notes to the financial statements. Restricted donations of less than £20,000, unless part of a larger project, are reported in aggregate.

Transfers between funds

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

18. MOVEMENT IN FUNDS (CONTINUED)

Restricted Income Funds

Fund Name	Balance 1 April 2016	Transfers	Incoming Resources	Resources Expended	Balance 31 March 2017
	£000	£000	£000	£000	£000
Canal & River Trust					
Friends Fund	308	(32)	1,691	(1,967)	-
Specific Project Funds					
<i>Canal & River Trust funds:</i>					
Coast to Coast Canoe Trail	268	-	254	(138)	384
Community Roots Projects	121	-	231	(90)	262
Asset Management Modelling	-	-	104	-	104
Memorial Benches	40	-	49	(7)	82
Historic Boat Collection	15	-	59	(15)	59
Bridges and Gardens – New Art for London	-	-	30	-	30
Worcestershire Arts Ring	-	32	13	(15)	30
Bat Appeal	-	-	29	-	29
London Moorings Improvements	25	-	-	-	25
Impact Measurement Framework	25	-	-	-	25
Brindley's Brainwaves STEM Education	-	-	40	(20)	20
Grantham Canal Legacy	18	-	2	-	20
Corridor for Nature Explorers	36	-	-	(16)	20
Gloucester Museum Development	55	-	60	(99)	16
Dance on Water	50	-	11	(45)	16
Living Waterways Awards 2016	-	-	33	(25)	8
Hedgerow Action Plan	49	-	-	(44)	5
Arts Council Funding Pennine	9	-	1,251	(1,260)	-
Museum Resilience Project	-	-	137	(137)	-
Heritage Heroes	-	-	101	(101)	-
Big Lottery Burnley	-	-	59	(59)	-
Tring Pumping Station Restoration	100	-	-	(100)	-
Other Specific Project Funds	250	-	131	(73)	308
<i>Funds transferred from The Waterways Trust:</i>					
Cotswold Appeal	53	-	7	-	60
Total Group	1,422	-	4,292	(4,211)	1,503

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

Funds transferred from The Waterways Trust are either awaiting drawdown from the specified projects or are in the process of being allocated to the specified purpose. Canal & River Trust funds are transferred to the relevant project on completion of the specified works or project outcomes.

Restricted funds with donations less than £20,000 are shown in one aggregate total as "Other Specific Project Funds". In 2016/17 there were 71 (2016: 60) separate funds within this total.

Friends Fund

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

19. ANALYSIS OF NET ASSETS BY FUND

Net assets are analysed between funds as follows:

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 31 March 2017	Total 31 March 2016
	£m	£m	£m	£m	£m
Tangible fixed assets	26.3	-	53.6	79.9	79.5
Investments	13.6	-	773.8	787.4	709.7
Net current assets	8.9	1.5	20.3	30.7	18.0
Creditors – amounts falling due after more than one year	(3.4)	-	(53.0)	(56.4)	(17.1)
Provisions	(2.0)	-	(2.3)	(4.3)	(4.7)
Pension liability	(0.1)	-	(116.1)	(116.2)	(51.4)
Total net assets	43.3	1.5	676.3	721.1	734.0

Canal & River Trust	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 31 March 2017	Total 31 March 2016
	£m	£m	£m	£m	£m
Tangible fixed assets	26.3	-	26.1	52.4	51.0
Investments	14.1	-	705.2	719.3	659.3
Net current assets / (liabilities)	8.4	1.5	12.5	22.4	(6.5)
Creditors – amounts falling due after more than one year	(3.9)	-	(52.9)	(56.8)	(17.5)
Provisions	(2.0)	-	-	(2.0)	(2.4)
Pension (liability) / asset	(0.1)	-	(12.4)	(12.5)	39.4
Total net assets	42.8	1.5	678.5	722.8	723.3

20. OPERATING LEASE COMMITMENTS

Operating lease agreements where the Group is lessee

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

	Group		Canal & River Trust	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Leasehold properties	£m	£m	£m	£m
Within one year	1.3	1.2	1.1	1.1
Within two to five years	4.5	4.4	4.1	4.0
In more than five years	127.4	128.6	117.3	118.8
	133.2	134.2	122.5	123.9

During the year £1.6m (2016: £1.3m) was charged to the SoFA in respect of leasehold property rentals.

20. OPERATING LEASE COMMITMENTS (CONTINUED)

	Group		Canal & River Trust	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£m	£m	£m	£m
Leasehold plant and equipment				
Within one year	0.6	1.2	0.6	1.2
Within two to five years	0.1	0.6	0.1	0.6
In more than five years	-	-	-	-
	0.7	1.8	0.7	1.8

During the year £3.1m (2016: £2.6m) was charged to the SoFA in respect of leasehold plant and equipment.

Operating lease agreements where the Group is lessor.

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

	Group		Canal & River Trust	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£m	£m	£m	£m
Investment Properties				
Within one year	33.2	30.7	25.2	22.7
Within two to five years	124.7	117.5	93.5	86.2
In more than five years	3,407.8	3,434.1	1,956.1	1,974.7
	3,565.7	3,582.3	2,074.8	2,083.6

Excluded from the above analysis are those rental agreements held under a tenancy at will basis.

21. PENSION AND OTHER POST-RETIREMENT BENEFITS

	Group		Canal & River Trust	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£m	£m	£m	£m
(a) Defined benefit pension fund (deficit) / surplus	(116.1)	(51.3)	(12.4)	39.5
(c) Other post-retirement benefits	(0.1)	(0.1)	(0.1)	(0.1)
Employee benefits	(116.2)	(51.4)	(12.5)	39.4

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

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

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

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

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (CONTINUED)

On 9 July 2012, the Trust made a special contribution of £106m to the WPF pursuant to the creation of a pension funding partnership with the Trust. The Scheme invested £106m in Canal & River Pension Investments LP, a limited partnership registered in Scotland. The Scheme will remain invested in this partnership until 8 July 2031 at which point the Scheme's investment will be redeemed. The redemption value of the investment will be the lower of £125m or the valuation deficit in the Scheme at that time, with a minimum value of £0.01m, as assessed by the Scheme Actuary on a Technical Provisions basis. The Scheme is entitled to an annual distribution income from this investment of £5m per annum. In the year to 31 March 2017 the Scheme received £5.0m of income from the partnership investment.

An accounting judgement has been taken that the Scheme's £103.7m interest in the partnership, which is a subsidiary of the Trust, does not represent a plan asset for the purposes of the Group consolidated accounts because it is a financial instrument issued by the Group and therefore, has not been taken into account in arriving at the Group pension scheme deficit presented in the Group consolidated financial statements. The exclusion of the Scheme's interest in the partnership from the Scheme's assets results in a deficit of £116.1m in the Group accounts. The Scheme's interest in the partnership is included in the valuation of the Scheme in Canal & River Trust's company balance sheet.

The valuation of the Scheme used for FRS 102, section 28 'Retirement benefits' disclosures has been based on the most recent actuarial valuation of the WPF at 31 March 2016 and updated to 31 March 2017 by independent qualified actuaries from KPMG LLP. The Trust has incorporated 100% of the liabilities of the Scheme, as the liability for any deficit arising in respect of other participating employers is either immaterial to the accounts or is dealt with by contractual arrangements outside the Scheme.

The key assumptions used are as follows:

	31 March 2017	31 March 2016
Discount rate	2.6%	3.6%
Rate of increase in salaries	2.75%	2.05%
Rate of increase for majority of pensions in payment and deferred pensions*	2.25%	2.05%
Rate of CPI inflation	2.25%	2.05%
Tax free cash	Members are assumed to take 25% of their pension as tax free cash	Members are assumed to take 25% of their pension as tax free cash
Post retirement mortality assumption	108% of S2PMA (males) 104% of S2PFA (females) CMI 2015 model, long-term rate of improvements 1.25%	105% of S1PMA (males) 110% of S1PFA (females) CMI 2015 model, long-term rate of improvements 1.25%

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

	31 March 2017	31 March 2016
Male currently aged 43	24.7	25.4
Female currently aged 43	27.3	27.5
Male currently aged 63	23.0	23.6
Female currently aged 63	25.4	25.6

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

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

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.1%	Decrease/increase by 2.0% (£11.3m)
Rate of inflation	Increase/decrease by 0.1%	Increase/decrease by 2.0% (£11.3m)
Rate of salary growth	Increase/decrease by 0.1%	Increase/decrease by 0.3% (£1.7m)
Rate of mortality	Change long-term improvement rate to 1.5% pa	Increase by 1.5% (£8.5m)
Commutation rate	Decrease amount of cash commuted to 18%	Increase by 1.5% (£8.5m)

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (CONTINUED)

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

	Group	
	Year to	Year to
	31 March 2017	31 March 2016
	£m	£m
Current service cost	(3.4)	(6.0)
Current service costs funded by member contributions	(0.9)	(1.9)
Interest cost	(16.2)	(16.7)
Interest on assets	14.4	13.8
Amount charged within net income	(6.1)	(10.8)
Actuarial (losses)/gains	(66.8)	36.8
Amount charged within net movement in funds	(72.9)	26.0

Amounts recognised in the balance sheet at 31 March 2017:

	Group		Canal & River Trust	
	2017	2016	2017	2016
	£m	£m	£m	£m
Equities	196.3	169.2	196.3	169.3
Index linked gilts	-	45.4	-	45.7
Corporate bonds	146.3	94.5	146.3	94.9
Property funds	46.8	47.0	46.8	47.2
Diversified growth funds	38.8	34.5	38.8	34.8
Investment in property interest in Canal & River Pension Investments LP	-	-	103.7	93.3
Other growth assets	12.0	11.4	12.0	10.3
Cash	8.2	3.7	8.2	1.0
Total fair value of assets	448.4	405.7	552.1	496.5
Present value of scheme liabilities	(564.5)	(457.0)	(564.5)	(457.0)
(Deficit) / surplus in the scheme	(116.1)	(51.3)	(12.4)	39.5

The actual return on the Scheme's assets during the year was a £62.7m gain (2016: £4.4m gain) for the Group and a £75.5m gain (2016: £8.8m gain) for the Trust.

FRS 102 requires all Scheme assets to be valued at fair value for accounting purposes. As at 31 March 2017, the fair value of the Scheme's investment in the partnership was £103.7m (2016: £93.3m). The valuation assumptions required for accounting purposes, under FRS 102 differ from the assumptions used for the Scheme's Technical Provisions funding assumptions, and as a result, under FRS 102, the Scheme valuation showed a surplus position in the Canal & River Trust company balance sheet at 31 March 2016.

Changes in scheme assets

	Group		Canal & River Trust	
	2016/17	2015/16	2016/17	2015/16
	£m	£m	£m	£m
At 1 April	405.7	408.9	496.5	495.3
Interest on scheme assets	14.4	13.8	17.7	16.7
Principal employer contributions	7.2	8.7	7.2	8.7
Member contributions	0.9	1.9	0.9	1.9
Benefits paid and expenses	(21.0)	(18.2)	(21.0)	(18.2)
Actuarial gain/(loss)	41.2	(9.4)	50.8	(7.9)
At 31 March	448.4	405.7	552.1	496.5

21. PENSION AND OTHER POST-RETIREMENT BENEFITS (CONTINUED)

Changes in scheme liabilities

	Group & Canal & River Trust	
	2016/17	2015/16
	£m	£m
At 1 April	(457.0)	(496.8)
Current service cost	(3.4)	(6.0)
Current service costs funded by member contributions	(0.9)	(1.9)
Interest cost	(16.2)	(16.7)
Benefits paid and expenses	21.0	18.2
Actuarial (loss)/gain	(108.0)	46.2
At 31 March	(564.5)	(457.0)

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

	Group		Canal & River Trust	
	2016/17	2015/16	2016/17	2015/16
	£m	£m	£m	£m
At 1 April	(51.3)	(87.9)	39.5	(1.5)
Expenses recognised in SoFA	(6.1)	(10.8)	(2.8)	(7.9)
Contributions	8.1	10.6	8.1	10.6
Actuarial (loss) / gain recognised in SOFA	(66.8)	36.8	(57.2)	38.3
At 31 March	(116.1)	(51.3)	(12.4)	39.5

(b) Defined contribution pension plan

Until 30 September 2016, the Trust operated a defined contribution pension plan, Canal & River Trust Flexible Retirement Plan, with Standard Life for employees that commenced employment after 31 March 2011. This plan closed on 30 September 2016 at the same time as the defined benefit pension fund (see note 21(a) above). On 1 October 2016 employees were contractually enrolled into a new defined contribution pension plan, Canal & River Trust Group Flexible Retirement Plan, with Standard Life. The defined contribution plan is a pension plan under which the Trust pays fixed contributions to Standard Life. The Trust has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The amount of employer contributions (net of salary sacrifice contributions) is disclosed in note 6 in these accounts. There were no material amounts owing or prepaid at 31 March 2017.

(c) Other post-retirement benefits

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

Currently 104 (2016: 151) pensioners and widows retain entitlement to this benefit. A provision to cover the present value of the future cost of these benefits is included in the balance sheet. The provision was re-assessed at 31 March 2017 by independent qualified actuaries using discount rates consistent with those required for pension liabilities under FRS 102.

Movement in provision during the period	Group & Canal & River Trust	
	2016/17	2015/16
	£000	£000
Provision at 1 April	(148)	(245)
Expenses recognised in SoFA	(5)	(8)
Contributions	15	16
Actuarial gain recognised in SoFA	-	89
Provision at 31 March	(138)	(148)

22. CAPITAL COMMITMENTS

Capital expenditure for which the Trust had contracted at 31 March 2017 was £0.4m (2016: £0.8m) of which £nil (2016: £nil) is in respect of future expenditure for the purchase, construction, development and enhancement of investment property. These commitments fall due within one year.

23. CONTINGENT LIABILITIES

Contingent liabilities arising from third party claims, valued at £0.2m (2016: £0.5m), are not included in the balance sheet as it is not considered likely that the amounts will fall due for payment.

24. POST BALANCE SHEET EVENTS

There were no post balance sheet events requiring disclosure.

25. RELATED PARTY TRANSACTIONS

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

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

Service	Investment fund and relationship	Net Investment made during 2016/17	Investment value at 31 March 2017	Fees earned in 2016/17	Beneficiary
Investment management	Partners Capital Master Portfolio C invested into Clearbell Core Property Real Estate Fund	£0.1m	£1.6m	£12,200 (thereof accrued NIL)	Clearbell Core Property Real Estate Fund
Participation in the investment advisory committee and joint venture partner	Partners Phoenix II fund invested in Project Monza in which one of the three joint venture partners is Clearbell Capital LLP	(£0.3m)	£0.7m	£4,025 (thereof accrued NIL)	Project Monza

Related party transactions of the above nature are permitted under Article 4.4.3 of the Trust's Articles. As previously stated in the 2014/15 accounts, the Board are aware of these transactions and agree to their continuation.

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

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

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

In accordance with FRS 102, transactions entered into between the Trust and its wholly owned subsidiaries are not disclosed. Further details on our subsidiaries can be found in note 12 to these accounts.

Transactions with joint ventures	Amount receivable during the year to 31 March 2017	Amount receivable / (payable) at 31 March 2017
	£m	£m
Property sales and investment activity with joint ventures	3.6	1.4
Other significant transactions with joint ventures	0.1	-
	3.7	1.4

The table above excludes capital and loan investments in joint ventures which are detailed in note 12 in these accounts.

26. RESTATEMENT OF PRIOR YEAR COMPARATIVE BALANCES

Group

Canal & River Trading CIC and British Waterways Marinas Ltd have adopted a policy of paying all taxable profits to the charity under gift aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the statement of comprehensive income in these subsidiaries.

This represents a change in accounting policy, as referenced in our accounting policies and has been accounted for as a prior year adjustment, with a corporation tax creditor created. The transfers between funds representing these distributions have also been restated.

As a result of the change in accounting policy for gift aid, a UK corporation tax credit of £0.7m has arisen in the group in the year (2016: tax credit of £0.9m restated from £0.1m charge) and has been recognised in the consolidated SoFA.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net movement in funds (per the SoFA) is provided:

	General Fund	Protected Endowment: Subsidiaries Fund	Total Funds – 31 March 2016	General Fund	Protected Endowment: Subsidiaries Fund	Total Funds – 1 April 2015
	£m	£m	£m	£m	£m	£m
Balance prior to restatement	23.5	37.4	734.7	23.3	21.2	658.4
Gift aid deferred	(3.8)	3.8	-	(8.4)	8.4	-
Notional corporation tax liability	-	(0.7)	(0.7)	-	(1.7)	(1.7)
Funds as restated	19.7	40.5	734.0	14.9	27.9	656.7

	General Fund	Protected Endowment: Subsidiaries Fund	Total Funds
	£m	£m	£m
Movement in funds prior to restatement for year ended 31 March 2016	0.2	16.2	76.3
Recognition of gift aid deferred from 2014/15	8.4	(8.4)	-
Gift aid deferred to 2016/17	(3.8)	3.8	-
Reduction in notional corporation tax liability	-	1.0	1.0
Restated movement in funds at 31 March 2016	4.8	12.6	77.3

Changes to the accounting for non-property investments have resulted in an asset reclassification. This change relates to amounts held with Partners Capital that are not for the purposes of long-term investment return, but instead complement existing cash holdings used for ordinary operating and investing activities.

	31 March 2016 Balance Sheet as Restated	31 March 2016 Previous Balance
	£m	£m
Fixed assets: Diversified investment funds	109.9	120.0
Current assets: investments	16.1	6.0
Total	126.0	126.0

26. RESTATEMENT OF PRIOR YEAR COMPARATIVE BALANCES (CONTINUED)

Canal and River Trust

The impact of the accounting policy change for gift aid has also resulted in restatement to the charity-only funds. This has reduced the comparative charity-only debtors.

	General Fund	Total Funds – 1 April 2015	General fund	Total Funds – 31 March 2016
	£m	£m		
Balance prior to restatement	23.1	652.0	23.2	727.1
Gift aid deferred	(8.4)	(8.4)	(3.8)	(3.8)
Funds as restated	14.7	643.6	19.4	723.3

	General fund	Total Funds
	£m	£m
Movement in funds prior to restatement at 31 March 2016	0.1	75.1
Gift aid deferred to 2016/17	(3.8)	(3.8)
Recognition of gift aid deferred from 2014/15	8.4	8.4
Restated balance at 31 March 2016	4.7	79.7

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

Current Trustees

Allan Leighton, Chairman

Allan was appointed the chair of the Trust in September 2015. Allan is the chair of the Co-operative Group, Wagamama, Entertainment One plc, Matalan Ltd, and deputy chair of Pandora AS. He is a patron of Breast Cancer Care and a keen canal runner. He was formerly the CEO of Asda plc, chairman of the Royal Mail, held a number of non-executive chairmanships including lastminute.com and was a non-executive director of BSKyB. He was also chair of Race for Opportunity and an Ambassador for Prince Charles in *Business in the Community*. Allan attended the Advanced Management Programme at Harvard and has Honorary Degrees from Cranfield and an Honorary Fellowship from the University of Lancashire. Alongside his position as Chair of the Trustees, he is a member of the Investment Committee.

Dame Jenny Abramsky

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

Nigel Annett CBE

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

Lynne Berry OBE

Lynne is deputy chair of the Trust. She is chair of Breast Cancer Now and the Commission on the Voluntary Sector and Ageing; Professor at Cass Business School; and sits on the FT's NED Advisory Board. Previous appointments include CEO of WRVS, the General Social Care Council, the Equal Opportunities Commission and the Family Welfare Association, CEO of the Charity Commission. Government appointments have included the Office of Civil Society Advisory Board and several Better Regulation Task Forces. Lynne is a board member of the International Women's Forum and co-founder of Women in Public Policy. Lynne is a member of the Audit and Risk Committee. She also chairs the Joint Council & Trustees Appointments Committee and the Nominations Committee.

Manish Chande

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

Jane Cotton

Jane was human resources director and a deputy chief executive of Oxfam for 15 years until December 2014. Prior to this, she worked in the Departments of Transport and Environment in both policy and human resources roles. In the 1990s, she was resources director of the Charity Commission and human resources director of the Department of Environment, Transport and the Regions. She brings particular expertise in organisational development and change management, volunteering, fundraising and charity governance. Jane is a trustee of WWF UK and of Bucks, Berks and Oxfordshire Wildlife Trust and a member of the Alumni Advisory Board of Cambridge University. She was a Trustee of the Waterways Pension Fund until 21 March 2017. Jane is a member of the Remuneration and the Appointments Committees, and was the Chair of the Fundraising Committee until it was abolished in September 2016.

John Dodwell

John qualified as a chartered accountant before moving into corporate finance and corporate law. He is a former finance director or chair of several property companies (including joint ventures), has been a trustee of other charities (including dealing with investments). Since 1961 he has been a member of the Inland Waterways Association (of which he was general secretary 1970-73). John is the chair of the Montgomery Partnership and the former chair of the Commercial Boat Operators' Association. He owns an historic narrowboat tug in which he has travelled over many parts of the waterways network. John is a member of the Audit and Risk Committee, and the Investments Committee. He is also a trustee of the Waterways Pension Fund.

Frances Done CBE

Frances was chair of the Youth Justice Board for England and Wales for six years until January 2014. A chartered accountant for 38 years, Frances worked for KPMG before becoming director of finance and then chief executive of Rochdale Metropolitan Borough Council. She has also been chief executive of Manchester 2002 Ltd – the company responsible for organising the successful Manchester Commonwealth Games. Subsequently, she held the post of managing director for Local Government, Housing and Criminal Justice at the Audit Commission with responsibility for the Commission's audit and inspection work in relation to local government in England. After leaving the Audit Commission, Frances was interim director general of the Royal British Legion. Frances was also chair of The Waterways Trust from 2003–2012 when it merged with Canal & River Trust. Frances is chair of the Audit and Risk Committee.

Janet Hogben

Janet was appointed as a Trustee on 22 September 2016. She is the chief people officer at EDF Energy, having previously worked at BP, where she held a variety of roles and then at Seagram and at Diageo, leading on a number of global strategy and business specific HR positions. Janet is a member of the Remuneration Committee.

Ben Gordon

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

Tim Reeve

Tim was appointed as a Trustee on 22 September 2016. He is currently Deputy Director and Chief Operating Officer of the Victoria and Albert Museum. This follows 17 years at English Heritage, latterly as Director of Historic Properties with responsibility for the management of the National Collection of 420 historic properties. Tim is a former trustee of the Hadrian's Wall Trust and the Association of Leading Visitor Attractions, and is currently a Trustee of the National Memorial Arboretum in Staffordshire. He is a member of the Investment Committee.

Trustees who retired in the year

Tom Franklin

Tom retired as a Trustee on 22 September 2016 having served two terms of office. He is chief executive of Think Global, a membership charity that works to educate and engage people about global issues such as climate change and sustainability. He is currently a member of the Independent Panel on the future direction of forestry and woodland policy in England. Tom was previously chief executive of the Ramblers Association, Britain's walking charity. He was previously a local authority councillor for twelve years, including a period as council leader, and was an expert adviser on 'Better Public Spaces' to the Beacon Council Awards Scheme, and was chief executive of Living Streets, a charity promoting better streets and public spaces for pedestrians. He was a member of the Remuneration Committee, the Audit and Risk Committee and the Nominations Committee.

Dr Simon Thurley CBE

Simon retired as a Trustee on 22 September 2016 having served two terms of office. He is an historian specialising in English architectural history and has written many books and presented television programmes on the subject. Formerly chief executive of English Heritage, previous posts also include Curator of the Historic Royal Palaces and Director of the Museum of London. He was a member of the Investment Committee.

Richard Parry

Chief Executive

Richard joined the Trust as Chief Executive in July 2013, and in the past four years he has led the new charity through a series of changes as it has developed its new identity and explored the many new opportunities available in the third sector. Prior to joining the Trust, Richard spent 19 years at London Underground followed by a brief spell at FirstGroup.

Simon Bamford

Asset Delivery Director

Simon's responsibilities cover the planning and delivery of maintenance and repair works carried out on our waterways by our in-house direct teams in conjunction with external contractors and consultants. Simon is a chartered engineer and joined British Waterways in 2006 after working with Land and Water where he was operations director of their remediation contracting business. Simon previously worked in senior environmental, project delivery, construction and consultancy roles for Southern Water, ADAS and overseas.

Sophie Castell (until April '17)

Marketing, Communications & Fundraising Director

Sophie led all of our marketing, communications and fundraising activities. She joined the Trust in 2015. After gaining a PhD in biochemistry she pursued a career in marketing and innovation which spanned the commercial, charity and public sectors in both executive and non-executive capacities, working for a diverse range of organisations including Coca-Cola, RNIB, the NHS and Save the Children.

Heather Clarke

Strategy & Planning Director

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

Mike Gooddie

HR Director

Mike joined the Trust in October 2016, having been vice president of Labour Relations for Asda. He began his career with Shell as a graduate trainee working in both the UK and Australia, before progressing on to senior HR positions with British Airways, GNER and the BBC. Mike has held non-executive positions for Manchester Airport Group (MAG), Community Integrated Care (CIC) and York Archaeological Trust (YAT). He is a graduate of Leicester University and a chartered fellow of the Chartered Institute of Personnel and Development (CIP), and a fellow of the Royal Society for the Encouragement of Arts Manufactures and Commerce (FRSA). Mike is currently a member of ACAS governing council.

Sandra Kelly

Finance and Corporate Services Director

Sandra is responsible for finance, governance audit & risk, IT, Legal, procurement and the Trust's marina subsidiary. Sandra spent eight years as finance director at NHBC (National House-Building Council), the UK's leading independent standard-setting body and provider of warranty and insurance for new homes in the UK. Sandra joined the Trust in April 2015, having previously held senior finance positions in the commercial sector, most notably for BMW UK.

Stuart Mills

Property Director

Stuart is responsible for the Trust's investment portfolio, including property, property development, joint ventures and diversified assets and also looks after the utilities, commercial water and direct managed moorings businesses. A chartered surveyor, Stuart joined British Waterways in 1990 after working in private sector property consultancy. He worked extensively across the country in various property roles, before becoming Property Director in 2008.

Ian Rogers

Customer Service and Operations Director

Ian's remit includes the majority of our customer functions including boating (business and leisure), enforcement, welfare, museums and attractions, and volunteering and education. He also leads our waterway teams. Ian joined the Trust in 2015 after working with Aon, a large insurance broker, where he had been Managing Director of the Aon Affinity division working with SME customers. He previously worked in senior Customer Service roles at Dataforce (a CRM/marketing service business), Thomas Cook, and Eurostar.

Julie Sharman

Asset Management Director

Julie is responsible for asset management within the Trust which includes leading a team of experts and professionals who prioritise the asset expenditure and works. Julie joined British Waterways in 1996 following an early career in construction with Taylor Woodrow. A chartered engineer she has gained a broad experience in waterway management, engineering and funding with the Trust.

Council (as at 31 March 2017)

In addition to the members listed below, the 10 Partnership Chairs also sit on Council *ex officio*.

Nominated Representatives:

Ruth Hall CBE	Bwrdd Glandŵr Cymru (Welsh Board)
Richard Atkinson	British Canoeing
Jim Lamb	Chartered Institution of Water & Environmental Management (CIWEM)
Charles Trotman	Country Land & Business Association
Matt Mallinder	Cyclists Touring Club (CTC)
Neil Edwards	Inland Waterways Association (IWA)
John Yates	Institute of Historic Building Conservation
Councillor Jim Harker	Local Government Association (LGA) – to December 2016
Councillor Simon Greaves	Local Government Association (LGA) – from January 2017
Peter Brown	Railway & Canal Historical Society
David Gibson	Ramblers Association
David Kent	The Angling Trust
Paul Wilkinson	The Wildlife Trusts
Alison Ward	Welsh Local Government (SOLACE)

Co-Opted Members:

Peter Hugman	Freight – BargeConsult
Chloe Donovan	Youth – Education Co-ordinator, Step-up-to-Serve
Nicola Benjamin	Friends Constituency

Elected Members:

Nigel Hamilton	Boating Business
Andrew Tidy	Boating Business
Phil Prettyman	Private Boating
Stella Ridgway	Private Boating
Andrew Phasey	Private Boating
Vaughan Welch	Private Boating
Ian McCarthy	Volunteer representative
John Ellis	Employee representative

Partnerships and Bwrdd Glandŵr Cymru (as at 31 March 2017)

Bwrdd Glandŵr Cymru	Nigel Annett CBE (Chair)
	Ruth Hall CBE
	Carys Howell
	Peter Ogden
	Helen Paterson
	Duncan Smith
	Paul Thomas
	Philip Thomas
	Celia Jenkins
East Midlands	Danny Brennan (Chair)
	Matthew Easter
	Valerie Holt
	Chris Page
	David Pullen
	Shirley Rogers
	Robin Stonebridge
	Andy Wilkinson
	Glyn Williams
	Katherine Wilson
Kennet & Avon	Tamsin Phipps (Chair)
	Rob Dean
	Emma Fearnley
	Terry Fell
	John Inman
	Ken Oliver
	Richard Watson
	Samantha Worrall
London	Sir Brian Fender CMG (Chair)
	Judith Adams
	Terry Ariss
	Angela Clarke
	Jim Crooks
	Roger James
	Dermot O'Brien
	Dominic Pinto
	Michael Polledri
	Emma Waslin
	Geraldene Wharton
	Ray Whitehouse
Manchester & Pennine	Walter Menzies (Chair)
	Tayo Adebawale
	Keith Barnes
	Graham Birch
	Ray Butler
	Julian Holder
	Kate Hughes
	Keith Sexton
	Nigel Stevens
	Jon Stopp
	Iain Taylor
North East	Mark Penny (Chair)
	Hilary Brooke
	Chris Hawkesworth
	Jon Kendall
	David Lowe
	Trevor Roberts
	Peter Scott
	Caroline Thorogood

North Wales & Borders	Brenda Harvey (Chair)
	Campbell Boyle
	Mike Carter
	Sue Cawson
	Gillian Edwards
	Mary Gibby
	John Hatton
	Sara Mogel
	Julie Roberts-Joyce
	Nicola Said
North West	Ruth Wojtan
	John Yates
	Bob Pointing (Chair)
	Richard Atkinson
	Peter Jordan
	Paulette Lappin
	Mike Macklin
	Peter Rowlinson
	Dave Smallshaw
	Audrey Smith
South East	Colin Thunhurst
	John Best (Chair)
	Jenny Ballinger
	Samantha Bradford
	Tim Carter
	Ann Davies
	Kathryn Dodington
	Cath Fincher
	Matthew Hunt
	Lynda Payton
South Wales & Severn	Dick Pilkinton
	David Hagg (Chair)
	Julian Atkins
	Lois Francis
	Edward Helps
	Phil Hughes
	Robert Moreland
	Keith Spencer
West Midlands Partnership	Peter Mathews CMG (Chair)
	Phil Bateman
	Stephen Burt
	Ivor Caplan
	Len Cresswell
	Graham Fisher
	Yvonne Gilligan
	Ewan Hamnett
	Ben Seal
	Laura Shoaf
Advisory Groups (as at 31 March 2017)	Vaughan Welch
Arts on the Waterways	Jonathan Watkins (Chair)
	Ian Banks
	Tamsin Dillon
	Claire Doherty
	Mark Dunhill
	Deirdre Figueiredo
	Manick Govinda
	Marianne McNamara
	Judith Palmer
	Megan Piper
Environment	Ed Mitchell (Chair)
	Rafid Al Khaddar
	Mike Dobson
	Caroline Essery

	Lindsay Frost
	Rob Jarman
	Peter Lambert
	Bruce Lascelles
	Duncan Mackay
	Arlin Rickard
Freight	David Quarmby (Chair)
	Mike Garratt
	Mark Grimshaw-Smith
	James Hookham
Heritage	David Lowe
	Ian Wainwright
	Sir Neil Cossons (Chair)
	Peter Brown
	Harriet Devlin
	Keith Falconer
	Philip Grover
	Edward Holland
	Stephen Hughes
	Jane Kennedy
National Angling	John Yates
	Ian Trayer (Chair)
	Rod Bracey
	Tony Campbell
	John Castle
	Peter Fieldhouse
	Kye Jerrom
	John Johnson
	David Kent
	Dick Pilkinton
Navigation (Operations)	Andy Strickland
	John Sutton
	Mike Carter (Chair)
	John Baylis
	Malcolm Blundell
	Sue Cawson
	Kevin East
	David Fletcher
	Nigel Stevens
Navigation (Mooring & Licensing)	Mike Annan (Chair)
	Beryl McDowall
	Paul Le Blique
	Gren Messham
	Tim Parker
	Mark Tizard
	Alison Tuck
	Diane Warner
	David Williams
	Lee Wilshire
Volunteering	Samantha Worrall
	Hilary Blume
	Maryanne Burton
	Gennie Dearman
	Mike Elliott
	Jon Stopp
	Dominic Higgins
	Alex Nicholson-Evans
	Mike Palmer
	Rebecca Stewart
Youth Engagement	Chloe Donovan (Chair)
	Jamie Agombar
	Jon Boagey
	Danny Brennan
	Liam Burns
	Fiona Ellison

Gifts & Donations

Individuals £2,000+

D Alderslade
R Acton-Campbell
A Ward
N Stephenson
A Leadbeater
M Noble
J Temple
D Heath
C Nicholls
M Senior
A Rutter
P Warne
G Bagri
R Matthews
S Allen
J Benson
D Pugh
J Robinson
T Ward
L Lindsay-Clift
J McDougall
A Fenton

Charitable trusts

The Leverhulme Trust
PH Holt Foundation
The Rowlands Trust
Garfield Weston Foundation
Hemby Charitable Trust
CHK Charities Ltd
Elmley Foundation
Rogers Stirk Harbour & Partners
Charitable Foundation
Esmée Fairbairn Foundation
Bransford Trust
Hillingdon Community Trust
Esmée Fairbairn Collections Fund
Arts Council England
Radcliffe Trust

Grant-making bodies, landfill operators, environmental trusts, local authorities, lottery etc (£1,000+)

AMS Neve Ltd
Arts Council England
Association of Independent Museums
Bath & North East Somerset D.C
Big Lottery Fund
Birmingham City Council
Brecon Beacons National Park
Brecon Beacons Trust Ltd
Burnley Borough Council
Calderdale Council
Derbyshire County Council
Dudley MBC
English Heritage
Friends of Gloucester Waterways Museum
Friends of the Montgomery Canal
Groundwork Wigan & Chorley
Heritage Lottery Fund
Hertfordshire County Council
Interreg North West Europe
Kier MG Ltd
Kirklees Theatre Trust
Lancashire County Council
Leicester City Council
London Borough Of Brent
London Borough Of Ealing
Manchester City Council
Meadow Arts
Natural England
Natural Resources Wales
Rushcliffe Borough Council
Sheffield City Council
Staffordshire Wildlife Trust
The Inland Waterways Association
The Salmon Trust
The Waterways Trust Scotland
Three Rivers District Council
Transport for Greater Manchester
Transport for London

Walsall Council
Waste Recycling Environmental Ltd
Welsh Government
West Midlands Combined Authority
West Yorks Passenger Transport Exec
Wiltshire County Council
Wolverhampton City Council
Worcester City Council
Worcestershire County Council
Wychavon District Council

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Mace Group
Marks & Spencer PLC
NEC
Northern & Shell PLC
OCS Group UK Ltd
Players of People's Postcode Lottery
River Canal Rescue Ltd
Rolls Royce PLC
Sport England
Tesco PLC
Vinci Construction UK
Yorkshire Water Services Ltd

Patron

HRH The Prince of Wales

Chair

Allan Leighton

Deputy Chair

Lynne Berry OBE

The Trust's Advisors

Bankers:

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

External auditors:

Grant Thornton UK LLP
Grant Thornton House
22 Melton Street
London
NW1 2EP

Internal Auditors:

RSM Risk Assurance Services LLP
25 Farringdon Street
London
EC4A 4AB

Investment Managers:

Partners Capital
5 Young Street
London
W8 5EH

To read more from our Humans of the Waterways visit www.canalrivertrust.org.uk/humans-of-the-waterways

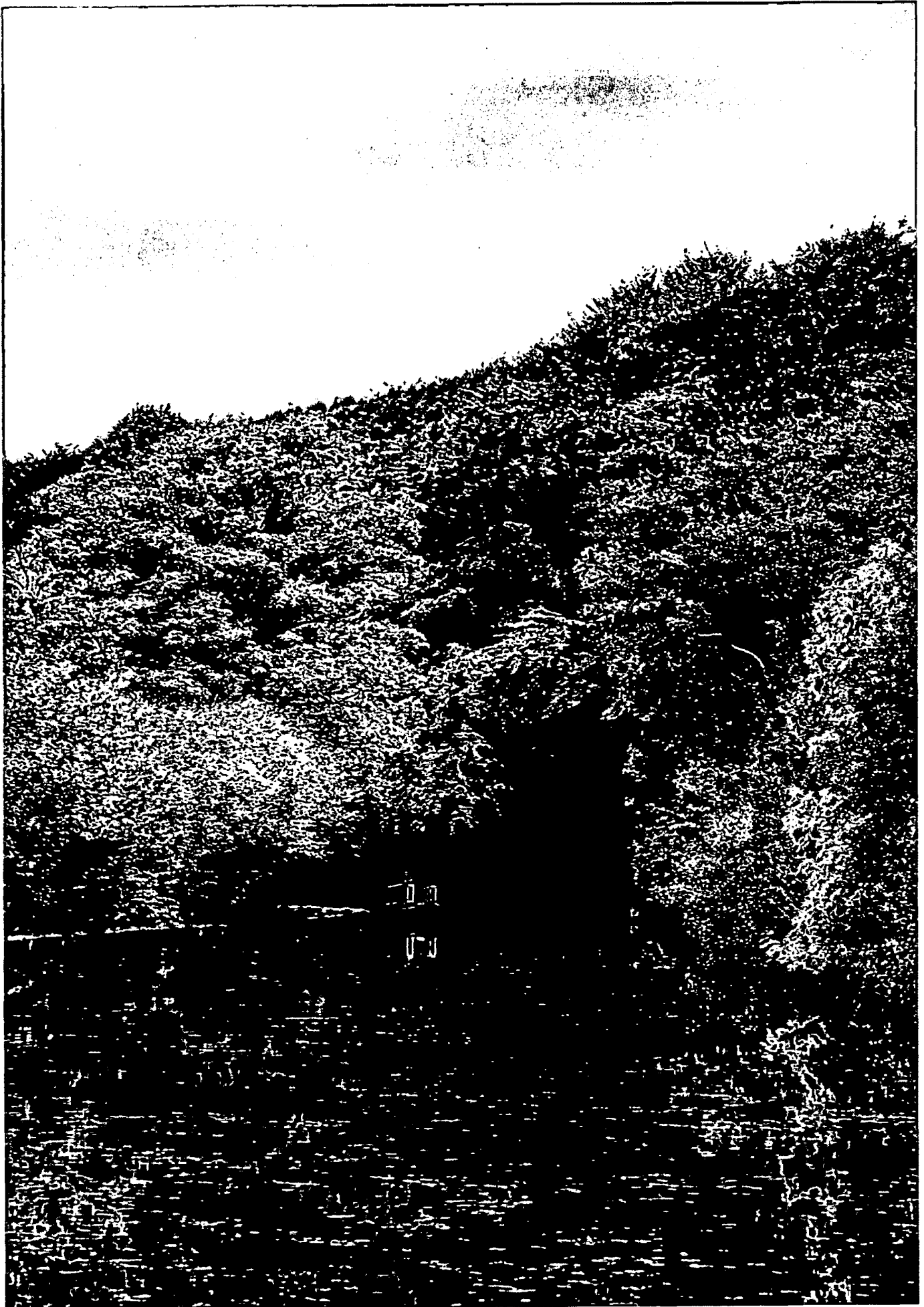


Image: Autumn boating, Leeds & Liverpool Canal

Canal & River Trust

First Floor North

Station House

500 Elder Gate

Milton Keynes

MK9 1BB

0303 040 4040

canalrivertrust.org.uk/contact-us

[@CanalRiverTrust](https://twitter.com/CanalRiverTrust)

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The Canal & River Trust is a charitable company limited by guarantee registered in England & Wales with company number 7307276 and charity number 1146792.

All information correct at the time of printing.

Cover Image:

Langley, Stough Arm (Grand Union Canal)

bye. hwyl. ciao.

the byway
castle lane
hay-on-wye
HR3 5FD

hello@**bwa**.design
+44 (0)1497 822 835

begin with ideas

bwa.design